

RHB BIG CAP CHINA ENTERPRISE FUND

This Fund aims to achieve long term capital appreciation through investments in securities of companies with high growth potential.

INVESTOR PROFILE

This Fund is suitable for Investors who:

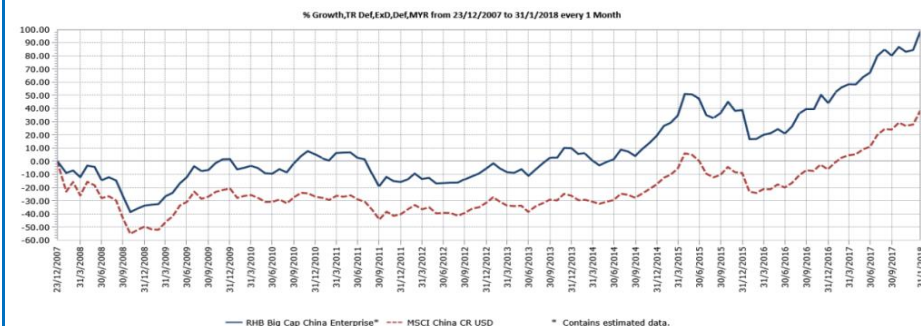
- wish to participate in the potential of the fast growing China economy; and
- are willing to accept higher risk in their investments in order to achieve long term capital growth.

INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in equities & equity-linked securities issued by companies whose businesses are in China and are listed on the China markets and/or other markets.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	7.58	6.28	10.39	7.58
Benchmark	8.34	7.17	15.50	8.34

	1 Year	3 Years	5 Years	Since Launch
Fund	30.36	56.29	101.31	98.53
Benchmark	40.06	58.34	90.81	38.53

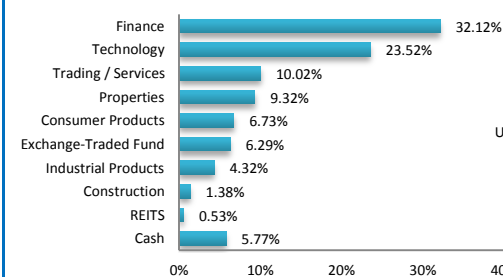
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	27.98	4.06	16.01	8.51	16.36
Benchmark	36.32	2.99	10.47	11.71	7.54

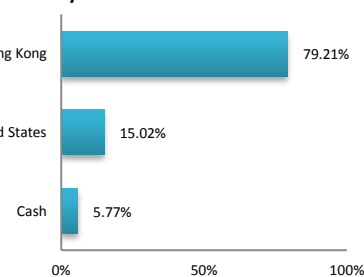
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	9.58
TENCENT HOLDINGS LTD	9.57
CHINA CONSTRUCTION BANK H	6.66
PING AN INSURANCE GROUP CO LTD H	4.88
IND & COMM BANK OF CHINA H	3.70

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7319	0.7715	0.7715
Low	0.6672	0.6040	0.2720

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
20 Dec 2017	7.0000	10.28
28 Dec 2016	5.0000	8.90
16 Dec 2015	5.2600	7.81
16 Dec 2014	3.0000	5.72
31 Dec 2013	-	-

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Global equity market surged in January, kicking off to a good start in 2018. US equities hit all-time high led by the Dow and tech-laden Nasdaq Composite. Investors were cheered that President Donald Trump appeared to take a more positive tone on international trade. A weakening US dollar which boosts overseas profits of US corporations, and a strong global economy were also powering stocks higher. US government reported GDP growth of 2.6% in the fourth quarter of 2017, and while that fell short of the 3% estimate, the reading was still strong. Bond prices fell with the 10-year Treasury yield broke above 2.7%. Crude oil also hit above \$70 a barrel, the first time since 2014, supported by OPEC-led supply curbs.

China equities rallied to historic highs and become the top performers among global equities in January. The economic tailwind, alongside with strong currency, directed fund flow into the China stocks. The benchmark Hang Seng index managed to rise above the 33,000 mark and to surpass its 2007 peak. China H-Shares continued to outperform the broader market partially due to the southbound inflow, narrowing the price gap between A and H shares. Sector-wise, old economies names like banking, insurance and property continued to outperform. On the macro side, China's economy expanded at 6.8% in the last quarter of 2017, beating consensus forecast of 6.7% and lifted the full-year growth rate to 6.9%. This was well above policymaker's full year target of 6.5%, and also marked the first economic upswing observed since the country's growth rate peaked in 2010. In addition, pre-tax profit growth of industrial enterprises came to 21.0% for the full-year 2017, the highest reading since 2012, and was 12.5 percentage-points higher than that for 2016.

MARKET OUTLOOK AND STRATEGY

We hold our long-term positive view over China equities. Unarguably, the sharp rally in only one month's time had already sent the broad market into a technically overbought situation. Also, the sharp rising US treasury yield indicates that global risky assets, including China equities, have to be re-priced for higher inflation expectation and so higher cost of capital. Hence, market correction seems inevitable. However, it does not change our positive fundamental view over the long term. Our view built on plenty liquidity and strong earnings growth prospects remains unchanged. We maintain our positive view over old economy names such as financial sector in view of the improvement in loan asset quality, better new business value margins and still undemanding valuation. Property sector are also in better shape on the back of strong sales growth outlook for this year given abundant saleable resources. The basic material and machinery sectors, in the longer term, will continue to benefit from ongoing supply-side reforms, while near term pressure would be derived from the weaker fixed asset investment data. For the new economy sectors like internet, the currently high valuation will refrain them from being further re-rated, but the structurally high earnings growth potential will still enable them to be the market-performer. We therefore only suggest bargain hunting on industry leader names that could enjoy obvious market share gain.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 January 2018, the Volatility Factor (VF) for this fund is 17.3 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 10.6 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 31 December 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2018.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Master Prospectus dated 3 September 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV. Any issue of units to which the Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are restrictive geographical market, equities investment risks such as market risk and particular security risk and foreign investments risks such as country risk and currency risk. These risks and other general risks are elaborated in the Master Prospectus.

This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide to future performance. Returns may vary from year to year.