

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:

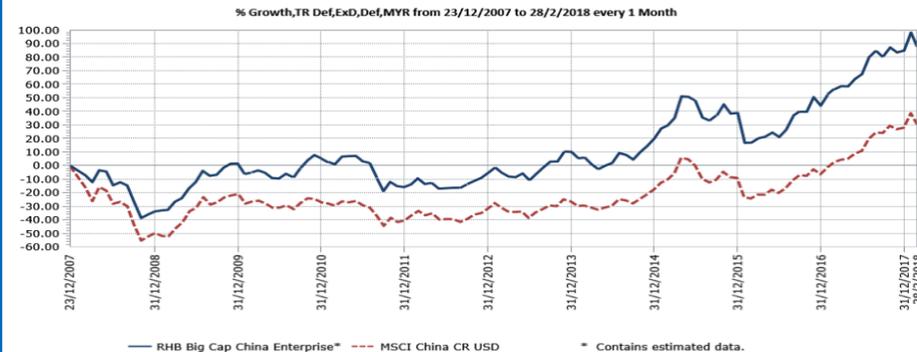
- wish to participate in the potential of the fast growing China economy; and
- are willing to accept higher risk in their investments in order to achieve long term capital growth.

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	-5.52	2.42	1.52	1.65
Benchmark	-5.95	2.75	4.76	1.90

	1 Year	3 Years	5 Years	Since Launch
Fund	20.11	45.13	97.99	87.58
Benchmark	26.93	45.21	87.80	30.30

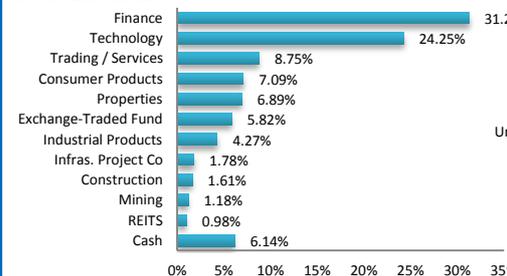
Calendar Year Performance (%)*

	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

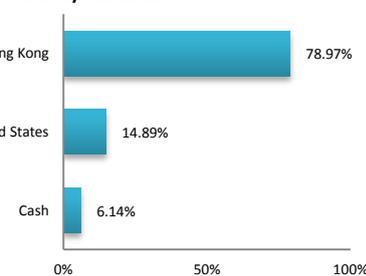
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	9.41
TENCENT HOLDINGS LTD	9.21
CHINA CONSTRUCTION BANK H	6.37
PING AN INSURANCE GROUP CO LTD H	4.10
IND & COMM BANK OF CHINA H	3.91

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7178	0.7715	0.7715
Low	0.6510	0.6224	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 saw heavy correction in February, sparked by the rising US bond yield amidst intensified inflation expectation. 10-year US treasury yield once rose to 2.95%. The VIX Index, a closely watched fear gauge, shot up more than 100% in a single day during the market panic in February, its biggest jump ever. The unwinding of exchange-traded VIX derivatives, and more hawkish tone on upcoming monetary policies from the European Central Bank further weighed on the market. MSCI World Index fell over 3% (in USD terms) during the months.

China equities fell in tandem with global markets. Investors also stayed sidelined in anticipation of more risk controlling policies to be announced in the “Two-session” National Peoples’ Congress in March. This was revealed by dwindled southbound liquidity via Stock Connect Scheme after Chinese New Year. High beta stocks such as basic materials and commodities faced the heaviest selling pressure. However, the previously oversold tech hardware names bucked the downward trend upon better than expected handset shipment data. On the macro side, weaker-than-expected February’s manufacture PMI, which dropped to 50.3, took investors by little surprise. However, this reading should have been distorted by seasonal factor, as there were only 15 working weekdays in February (as compared to 22 days in January) due to the Chinese New Year holiday.

MARKET OUTLOOK AND STRATEGY

We hold our long-term positive view over China equities. Our view built on plenty liquidity and strong earnings growth prospects remains largely unchanged. We are of the view that the correction in China equities had not much to do with China’s own risks. Global systematic risk on rising US treasury yield and stronger USD were the culprits. We still believe the correction is a short-term hiccup in the middle of the growth cycle as interest rates are yet to reach the level to hurt corporate profits, and the resilience of China’s macro remains intact. 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. We also like consumer staples which are set to benefit from inflation and rising pricing power. Basic material sector, however, would continue to face near-term pressure given the trade war created by Trump’s administration. That said, we are still positive on its long-term outlook aided by the ongoing supply-side reforms. For the new economy sectors like internet, the risk-off mode currently would exert further pressure on their share prices while the structurally high earnings growth potential will still enable them to be the market-performer.

DISCLAIMER:

Based on the fund’s portfolio returns as at 15 February 2018, the Volatility Factor (VF) for this fund is 17.4 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.