

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	2.05	-0.18	2.24	1.47
Benchmark	2.92	-0.36	2.39	1.53

	1 Year	3 Years	5 Years	Since Launch
Fund	14.18	24.27	98.86	87.25
Benchmark	19.09	23.89	95.96	29.83

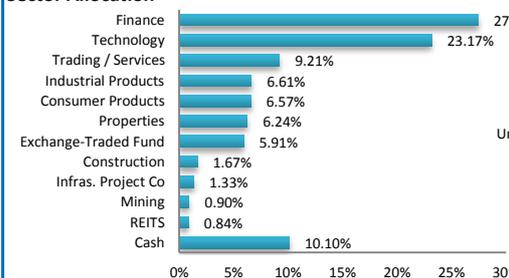
Calendar Year Performance (%)*

	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

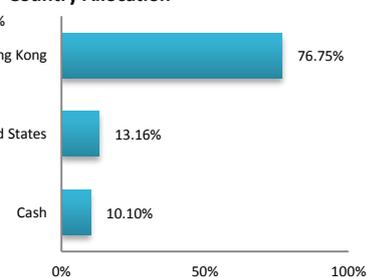
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	8.74
TENCENT HOLDINGS LTD	7.62
CHINA CONSTRUCTION BANK-H	5.57
PING AN INSURANCE GROUP CO LTD-H	4.51
IND & COMM BANK OF CHINA-H	4.35

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6874	0.7715	0.7715
Low	0.6549	0.6407	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 manufacturing PMI remained solid at 53.1 in May. Year to date, global economies have been registering a stronger US PMI but compensated by a softer Europe PMI and a mixed scenario for Asia. The fluctuation in the 10 year treasuries yield is closely monitored by the investment community. UST 10 years surged by 15.8bps to reach a high of 3.11% in mid-May, then tapering off back to 2.86% by end of the month on the back of a risk off scenario triggered by political crisis in Spain and Italy.

Within Asia, despite the volatility and trade tensions, MSCI China +1.4% was the best performer in May. Even though the recent third round of US-China trade talks in Beijing remains inconclusive thus far, the widely-held view currently is for China to be pro-active in resolving the tension through importing more US farm products ranging from more soybeans to oil and gas. Assuming a bumpy path of negotiation between the 2 countries, this trade tension will continue to affect the sentiment of the markets.

In light of the more cautious view on external environment, Chinese government has since adjusted the pace of regulatory tightening on a discretionary basis. Further RRR cuts will be likely in the next 6 months to maintain the liquidity condition.

MARKET OUTLOOK AND STRATEGY

Coming into June, market has already priced in a 25bps hike from FOMC, hence we are expecting a softer USD for the month of June, which is generally positive for Asia. Furthermore, the trade war tensions and US-North Korea summit might further weaken the USD. Over at the ECB front, there is a good chance that ECB may give more insights on their intentions on end quantitative easing in the next meeting.

China/HK remain as our overweight country as we see steady momentum in China's April activity indicators together with solid FX reserve strength. In light of the more cautious view on external environment, the China government has since adjusted the pace of regulatory tightening on a discretionary basis. Further RRR cuts will be likely in the next 6 months to maintain ample liquidity. On the fiscal policy front, public-private partnership (PPP) seems to be stabilising hence we may see the approval of pending infrastructure projects towards the year end. Generally, in face of the China's deleveraging cycle, we tend to favour companies with strong balance sheet and good cash flow generation ability.

Sector wise, we favour large banks as they can leverage on their strong deposit base to boast loan growth and are less affected by the adjustment in off balance sheet activity. We also like the basic material and energy sectors on the back of supply reforms and higher energy prices. Post 1Q results, we are slowly adding back our weights on the new economy sectors as we see good traction in the monetisation from some of the internet companies. We remains selective in the property sector and prefer companies with good sales growth and lower gearing ratios.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 May 2018, the Volatility Factor (VF) for this fund is 16.7 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.