

### 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	-1.43	-3.66	-10.96	-4.21
Benchmark	-2.51	-3.92	-12.50	-5.21

	1 Year	3 Years	5 Years	Since Launch
Fund	-1.72	30.80	88.01	76.77
Benchmark	1.06	33.97	84.49	21.21

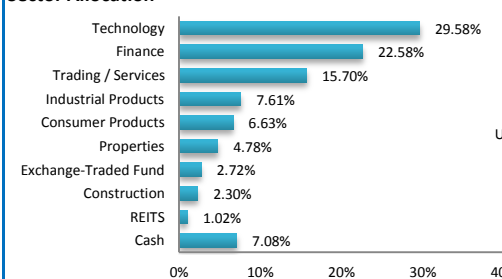
##### Calendar Year Performance (%)\*

	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

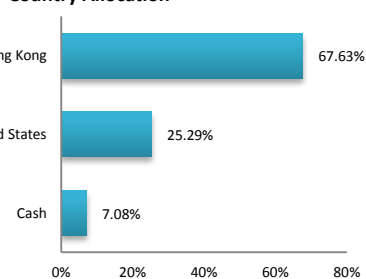
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

ALIBABA GROUP HOLDING	9.06
BAIDU	8.41
TENCENT HOLDINGS LTD	8.35
CHINA CONSTRUCTION BANK	6.94
IND & COMM BK OF CHINA	4.84

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6562	0.7715	0.7715
Low	0.6309	0.6309	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

Macro overhangs from the escalation in trade war as Trump admin announced another US\$200bn tariff plan, and a further 3% CNY depreciation in July triggered another wave of selling in the Hong Kong China market (MSCI China -2.4%). IMF estimates that a 10% rise in import tariffs in both the US and the rest of the world would lead to a 1% fall in world trade and 0.5% fall in world GDP. A relief rally towards month end, triggered by State Council's stimulus package centered around potentially increased spending on infrastructure projects and the PBOC easing guidance on wealth management products, managed to salvage some stock market performance. Not surprisingly, utilities i.e. gas distributors as well as sectors that will benefit from infrastructure spending, such as materials and industrials, carry the outperformance. Meanwhile, consumer discretionary, healthcare and internet tech disappointed.

China posted 2Q18 GDP growth at 6.7%oya as expected. China's Caixin July PMI eased by 0.2pts at 50.8. Industrial activities in June recovered modestly, as both retail sales (+1.2%/m) and manufacturing FAI were higher than May readings. Meanwhile, financing constraints resulted in a decline of infrastructure and real estate FAI. The latest supportive funding measures are projected to shore up the infra FAI in the 2H. Base commodities and the oil and gas sectors led the +20% yoy growth in industrial profit. MMA Southbound net inflow in July of HKD3.9bn (vs June net outflow of HKD 6.5bn); bringing net flow to HKD 96.9bn YTD.

On 1st August, The Trump administration reported plans to announce more aggressive retaliation against China, and has directed US trade representative to consider increasing the proposed level of the additional tariff duty from 10% to 25% on the US\$200bn Chinese products announced on 10th July. The news pushed Shanghai Composite down 2% on the 2nd August.

Sector wise, the China internet sector had a pretty tough month, with majority of the stocks seeing share price corrections. Tencent, last year's market darling, saw its share price corrected 25% from the peak this year due to (1) premium valuation compared to peers and (2) lack of positive catalysts in seasonally weak 2Q18. One week into 2Q18 results season, industry developments so far have not met lofty expectations.

#### MARKET OUTLOOK AND STRATEGY

Due to the major overhangs of China-U.S. trade war and CNY depreciation, market sentiments may remain sluggish in both offshore and onshore markets in China over short terms. On the flip side, we are encouraged to see that the Chinese government is launching more supportive measures, especially towards fiscal policy and capital market. We are also seeing some early signs that money is flowing back into China and emerging markets. On the company level, we will get a better picture on the earnings outlook in second half as we enter into the interim result season.

On the portfolio front, we continue to remain positive on certain sectors, including consumption, healthcare and internet technology over a long term horizon. Although they are being sold off due to a across the board market sell-off, we believe their secular growth story is still very much intact. We think this is a good opportunity to accumulate quality names.

Currently, we still skewed our portfolio towards companies with strong balance sheets and good cash flow generation. This allows us to better weather through market volatility. We will keep our overall position flexible so that we are able to catch any market opportunities.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 July 2018, the Volatility Factor (VF) for this fund is 16.9 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.1 (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 30 June 2018 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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.