

### 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	-1.83	-7.33	-7.49	-5.97
Benchmark	-2.85	-9.30	-9.62	-7.91

	1 Year	3 Years	5 Years	Since Launch
Fund	-6.09	30.61	75.74	73.53
Benchmark	-5.32	34.22	72.87	17.76

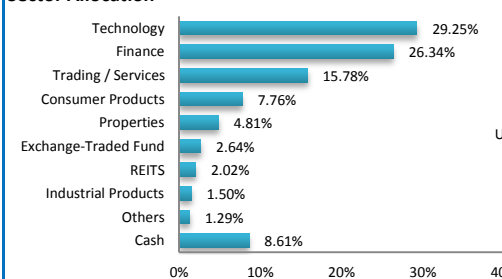
##### Calendar Year Performance (%)\*

	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

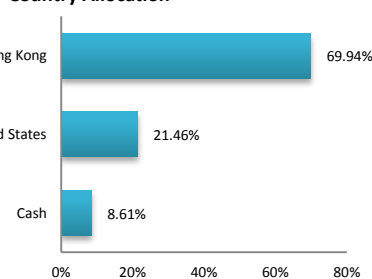
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

TENCENT HOLDINGS LTD	9.48
BAIDU	8.69
ALIBABA GROUP HOLDING	8.58
CHINA CONSTRUCTION BANK	5.42
PING AN INSURANCE GROUP	5.22

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6391	0.7715	0.7715
Low	0.6007	0.6007	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**

The Chinese market continued to suffer from trade war, with the Trump administration raising tariff rates from 10% to 25% on the proposed US\$200bn tariffs against Chinese exports at the beginning of the month. Southbound trading from Shenzhen and the Shanghai – Hong Kong stock connect both registered net sell-flows in August. A further selling wave was triggered at the end of the month (MSCI China -3.1%) after series of unsuccessful trade talks. On the positive side, stabilization efforts from the Central Bank helped to ease the pressure of currency depreciation.

Policy-wise, PBoC issued some 7-day reverse repos in the second half of August to ease market liquidity pressures. CBIRC also guided banks to lend more, with some big banks lifting their full year loan growth target. Chinese lawmakers also passed the amendment to personal income tax law on 31 August, raising the minimum threshold for tax exemption from RMB3,500 to RMB5,000 per months; with more comprehensive expensive deduction schemes to follow. Given macro headwinds faced by China, further tax reduction and spending schemes are likely to accommodate.

Corporate earnings were a mixed bag, with energy, materials, real estate and insurance sectors recording positive earnings revisions. On the other end of the spectrum are health care, tech, hardware and diversified-financial sectors. Energy and utilities sectors continued to outperform market YTD; however industrials, automobiles, tech, diversified financial sectors suffered amid lower market risk appetites.

Sector-wise, the Chinese Internet sector continued to experience a tough month with profit-taking activity post earnings release. On August 30th, one of the watchdogs (GAAP) for the online gaming industry stated in notice that it will limit the number of new online games to be released and to take measures to restrict minors' time spent on playing games. As a result, Tencent Holdings' share price plummeted 4.87% in the corresponding day.

**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 an 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.

We have 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 August 2018, the Volatility Factor (VF) for this fund is 16.1 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.