

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:

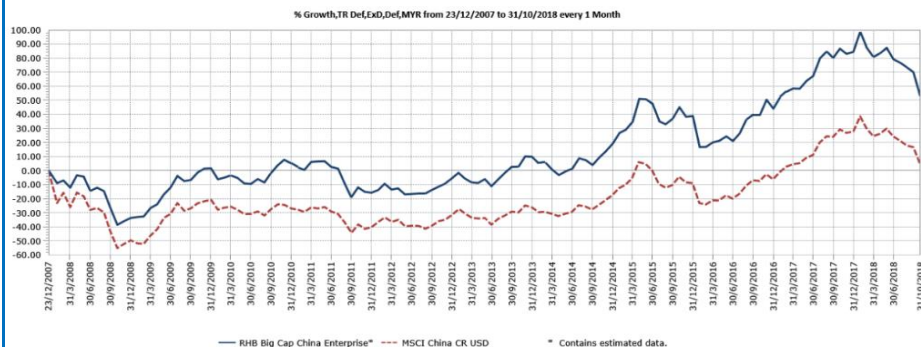
- wish to participate in the potential of the fast growing China economy; and
- are willing to accept higher risk in their investments in order to achieve long term capital growth.

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	-9.98	-13.35	-16.52	-17.00
Benchmark	-10.51	-13.91	-17.28	-18.39

	1 Year	3 Years	5 Years	Since Launch
Fund	-18.00	5.75	48.80	53.17
Benchmark	-19.27	9.16	48.60	4.36

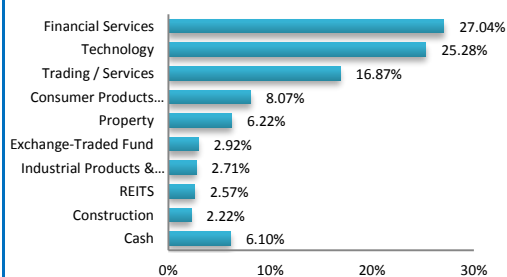
Calendar Year Performance (%)*

	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

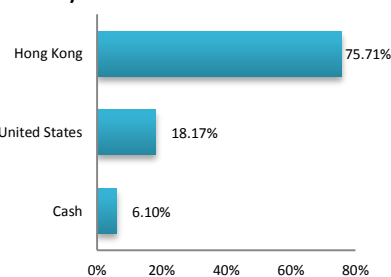
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	8.51
ALIBABA GROUP	8.40
PING AN INSURANCE GROUP	6.76
BAIDU	6.60
CHINA CONSTRUCTION BANK H	6.24

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6152	0.7715	0.7715
Low	0.5395	0.5395	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

Market suffered from huge sell off pressure in October (MSCI China -11.1%) mainly due to a number of reasons: 1) Trump's threat to apply import tariffs on all of the remaining USD260bn worth of Chinese imports; 2) weaker third quarter earnings on major U.S. tech names; 3) Continued currency depreciation of RMB; and 4) weak set of China economic data. Nevertheless, we saw a relief rally during the end of October when market speculated a potential resolution in the US/China trade war situation. China reported its third quarter GDP growth figures, slowing down to 6.5% yoy compared to 6.7% in the second quarter.

Major government officials publicly expressed their views upon the undervalued A-share market, and reiterated their positive stance on China's long term economic growth outlook. Policy-wise, government stood up with numerous market stabilization measures including; 1) encouraging local government to establish newly managed funds to support listed companies with healthy long-term growth prospects; 2) encouraging private funds to participate in private placements, equity transfer agreements and merger and acquisition transactions; and 3) loosening the cap for insurance companies to further invest in specific managed equity products.

Sector wise, we continue to see heavy selling pressure on China property, internet technology, mobile hardware, Macau gaming sectors due to upcoming policy overhang and slowing economic growth concerns. On the other hand, defensive sectors such as Hong Kong and China telecom, Hong Kong utilities, railway and infrastructure players fared better than the market.

MARKET OUTLOOK AND STRATEGY

Although we expect a volatile market in near term, we do not think sentiments will further deteriorate substantially at this level. On a positive note, we are getting more comforted to see an increasingly serious tone from the Chinese government to stabilise the overall economy. We are also seeing some signs of relief in the trade tension between U.S. and China. Valuation-wise, as the market is trading close to historical trough, we expect some support will come in for certain sectors with solid fundamentals. We stress again that sector and stock selection will be the key to performance down the road.

For sectors, we stay constructive on consumption, healthcare and internet technology in a long term investment horizon. Although they were being sold off, we believe their secular growth story is still very much intact. We will take this chance to accumulate slowly. But in near term, we skewed our portfolio towards companies and sectors with strong balance sheet, good cash flow and better policy outlook. This has proved to allow us to better weather through market volatility. Finally, we will keep our overall position flexible so that we can catch any potential market opportunities.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 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.