

### 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:

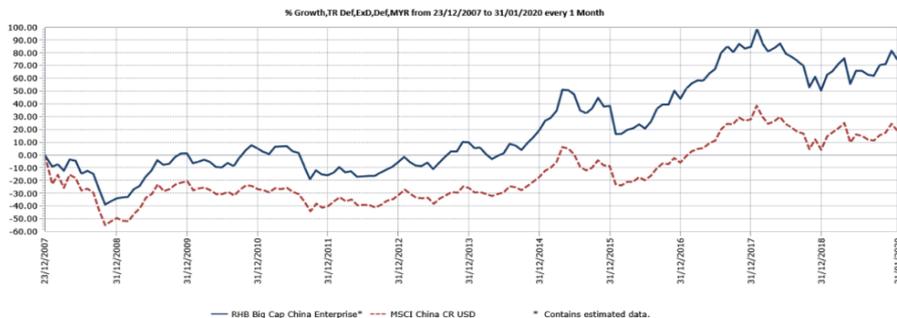
- wish to participate in the potential of the fast growing China economy; and
- are willing to accept higher risk in their investments in order to achieve long term capital growth.

#### 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	-3.84	2.34	5.17	-3.84
Benchmark	-4.65	2.87	3.45	-4.65

	1 Year	3 Years	5 Years	Since Launch
Fund	7.17	14.61	37.41	74.55
Benchmark	3.70	19.90	35.55	18.59

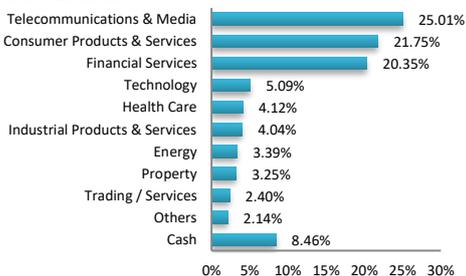
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016	2015
Fund	20.47	-18.35	27.98	4.06	16.01
Benchmark	19.71	-18.75	36.32	2.99	10.47

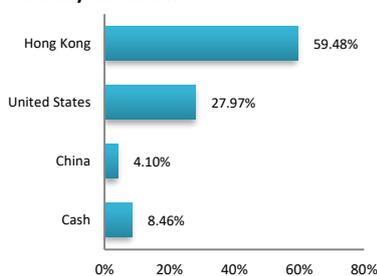
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

ALIBABA GROUP HOLDING LTD	11.11
TENCENT HOLDINGS LTD	10.50
CHINA MOBILE LTD	5.38
CHINA CONSTRUCTION BANK	5.25
PING AN INSURANCE GROUP CO OF CHINA	4.94

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6898	0.6898	0.7715
Low	0.6311	0.5631	0.2720

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
Dec 2019	-	-
Dec 2018	-	-
20 Dec 2017	7.0000	10.28
28 Dec 2016	5.0000	8.90
16 Dec 2015	5.2600	7.81

Source: RHB Asset Management Sdn. Bhd.

**RHB BIG CAP CHINA ENTERPRISE FUND**

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**MANAGER'S COMMENTS**

**MARKET REVIEW**

In the month of January, both the Hang Seng Index and Shanghai Stock Exchange Composite Index declined after the strong rally, recording -1.0% and -2.4% respectively. Both indices declined on the outbreak of the coronavirus (2019-nCov) despite the positive development over the trade war front where the US and China signed the "Phase I" agreement on 15th January 2020. The Coronavirus outbreak was first discovered on 8 December 2019 and notified by World Health Organization on 31 December. While the virus should negatively impact China's growth, Chinese authorities are willing to provide additional stimulus if necessary. So far, the Peoples Bank of China (PBOC) is pledging to inject liquidity into the system via reserve repo while lower policy rates by 10bps. As the Chinese economy is now much larger when compared to 2003 during the Severe Acute Respiratory Syndrome (SARS) epidemic (Nominal Gross Domestic Product (GDP) of about USD14 trillion vs USD1.5 trillion in 2003) and more connected to the rest of the world, the impact on global growth would be significantly higher this time. Investors should continue to pay attention to the number of new cases of the virus. An increasing number of studies are pointing to a reproduction number (R0) of around 2.5 – which could indicate a peak in the number of cases potentially within two weeks if the situation is contained. In Hong Kong, the consumer sectors were negatively impacted as a result of the outbreak, alongside real estate and healthcare sectors. Tourism-related exposures were not spared as well. While the social unrest has cooled down slightly, the epidemic outbreak continues to drag the economy.

On the macro front, China's January NBS manufacturing PMI came in at 50.0, showing only a moderate decline down 0.2pt from December's print. China's 4Q GDP reported came in in line with expectations with headline GDP growing 6.0% yoy, resulting in a GDP growth of 6.1% yoy for the year 2019, slowing from 6.6% yoy in 2018. Meanwhile, monthly data suggest solid momentum on the industrial production front growing 0.6% mom in December, but industrial profit fell 6.3% yoy. Retail sales growth stayed flat at 8.0% yoy in December. In Hong Kong, retail sales contracted 21% yoy in December despite the social unrest showing signs of cooldown after November. However, it is likely that the recovery momentum will continue to deteriorate quickly going forward as Hong Kong remains impacted by the coronavirus outbreak, as well as reduction in tourism flows.

**MARKET OUTLOOK AND STRATEGY**

In view of the current uncertainties surrounding the Coronavirus, the portfolios have adopted a defensive stance with increased cash levels. The portfolio have already reduced travel related, cyclical sectors, China offline retail and China property. We will continue to be positive on sectors including healthcare, E-commerce, domestic express delivery, online gaming sectors, as well as resilience in the technology space. With the higher cash levels, we will continue to be nimble to try to take advantage of stocks and sectors that will inevitably be over sold as the situation possibly worsens over the course of the next few weeks.

**DISCLAIMER:**

Based on the fund's portfolio returns as at 10 January 2020, 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 31 December 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2020.

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.