

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:

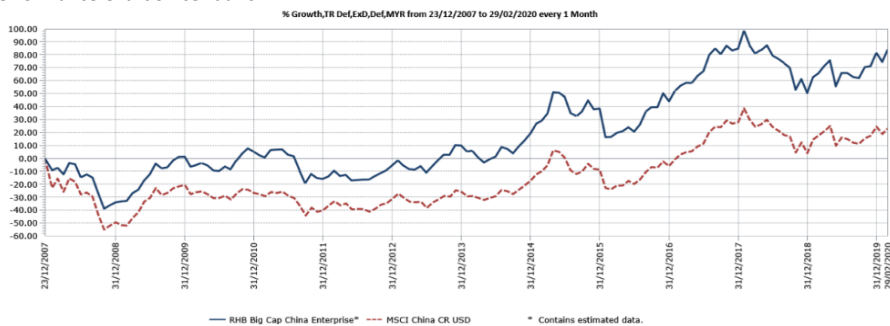
- wish to participate in the potential of the fast growing China economy; and
- are willing to accept higher risk in their investments in order to achieve long term capital growth.

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	5.42	7.41	12.93	1.37
Benchmark	3.86	5.03	10.14	-0.97

	1 Year	3 Years	5 Years	Since Launch
Fund	11.01	17.83	42.37	84.01
Benchmark	4.86	19.98	37.26	23.16

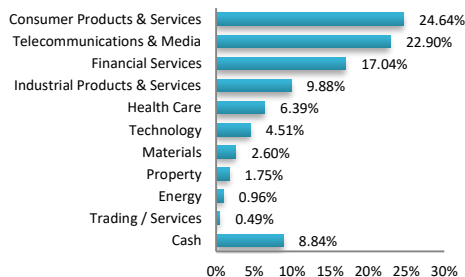
Calendar Year Performance (%)*

	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

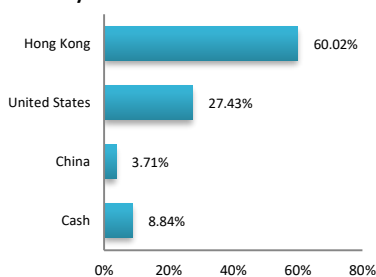
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	10.42
TENCENT HOLDINGS LTD	10.07
CHINA CONSTRUCTION BANK	5.92
CHINA MOBILE LTD	5.47
PING AN INSURANCE GROUP	5.13

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6941	0.6941	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.

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MANAGER'S COMMENTS

MARKET REVIEW

In the month of February, MSCI China and HK rose 1.3% and fell 0.7%, respectively. China equities started the month with a sharp sell-off and quickly recovered the losses as policy support began rolling out. While it appears COVID-19 is being contained in China, the virus spread outside of China has accelerated, triggering fresh fears on global growth. Overall, we see three key swinging factors in February: (i) Policy efforts in virus control, work resumption and supportive measures. The pace of work resumption is slow though picking up recently. Policy support stepped up. The PBOC lowered LPR/MLF by 10bps in Feb and rolled out credit supports for corporates (esp. SMEs), as well as interest payment delay and loosened NPL recognition. On the fiscal side, measures mainly centered on fee charge deduction/delay, bond issuance and accelerated infra investments. Nonetheless, our interpretation of additional policy support is more of rescue measure and targeted stimulus (infra, public health, 5G and industry upgrade), rather than old-fashioned, broad-based demand stimulus to drive a significant growth overshoot. (ii) The retail/sentiment driven nature for onshore equities. Liquidity from retail investors and optimistic expectations on policy easing have fueled the onshore rally. (iii) The worsening global virus spread, as the increase of overseas confirmed cases has far outpaced China ex. Hubei.

On the macro front, The NBS manufacturing PMI dropped 14.3pt to a record low of 35.7 in February, with a broad-based decline across the major components, reflecting the impact of COVID-19 and factory closure on near-term manufacturing activity. Non-manufacturing PMI fell even more significantly, down 24.5pt to a record low of 29.6 in February, suggesting the scare factor and transport disruption hitting service and construction activity. Meanwhile, Caixin manufacturing PMI also declined by 10.8pt to 40.3. As for high frequency data of January, inflation outlook remained challenging. January headline CPI picked up notably to 5.4%oya (Dec: 4.5%), on the back of LNY holiday effect and the early impact of coronavirus. It is likely that CPI inflation will remain elevated, with the ongoing virus-related disruption (e.g. transportation) to the economy. PPI recovered moderately in January, rising 0.1%oya, after registering six consecutive months of deflation. Looking forward, PPI may hover around the deflation territory in the near term, given the delay of factory reopening.

Hong Kong fiscal balance is estimated to turn in a deficit of HKD37.8bn (~1.3% of GDP) for FY19/20 and is expected to widen to HKD139.1bn (~4.8% of GDP) for FY20/21 budget, given the HKD120bn counter-cyclical fiscal package announced. The relief measures include cash disbursement, salaries/profit tax reduction and extra allowances to low income groups. Trade activity slowed notably in Jan, reflecting the LNY holiday effect and the impact from the COVID-19 outbreak. Total exports and imports fell 22.7%oya and 16.4%oya respectively; exports to China and the US plunged 21.4%oya and 33%oya. Headline CPI inflation growth slowed to 1.4% in Jan from 2.9% in Dec, due to government's subsidy on public housing rentals and electricity charge starting from Jan. Core inflation growth came in at 3.7%.

MARKET OUTLOOK AND STRATEGY

In view of the ongoing uncertainties surrounding COVID-19, our stance has not changed much from the month before. The portfolio is once again adopting a defensive stance with an inclination to buy quality names at the dip. The greater likelihood of policy supports from the government has also allowed us to be more constructive on a recovery in mainland companies. We are positive on sectors including technology, online gaming, E-commerce, domestic express delivery, as well as healthcare.

DISCLAIMER:

Based on the fund's portfolio returns as at 11 February 2020, the Volatility Factor (VF) for this fund is 16.0 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.