

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:

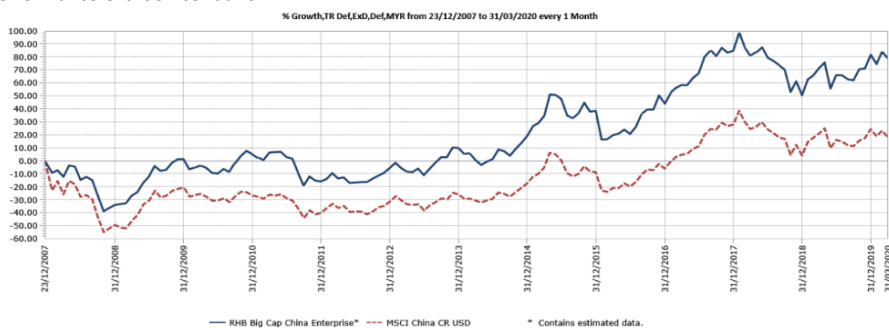
- wish to participate in the potential of the fast growing China economy; and
- are willing to accept higher risk in their investments in order to achieve long term capital growth.

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	-2.81	-1.48	10.28	-1.48
Benchmark	-4.27	-5.20	6.17	-5.20

	1 Year	3 Years	5 Years	Since Launch
Fund	4.29	12.78	32.65	78.84
Benchmark	-2.38	12.83	24.86	17.90

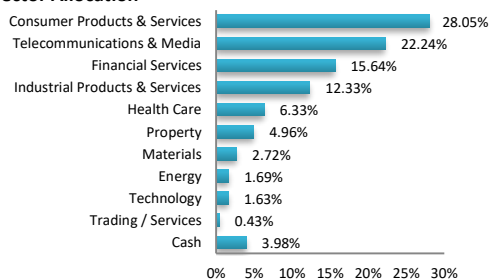
Calendar Year Performance (%)*

	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

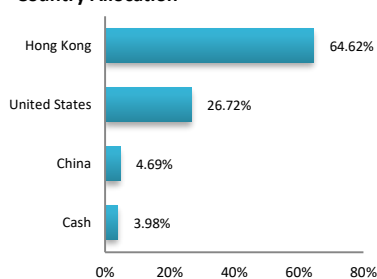
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	11.01
ALIBABA GROUP HOLDING LTD	10.75
CHINA CONSTRUCTION BANK CORP	6.61
CHINA MOBILE LTD	5.71
JD.COM INC	5.18

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6864	0.6941	0.7715
Low	0.5982	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

MSCI China lost 7.1% in March, but still outperformed MSCI EM (-15.6%) and World (-13.5%) during the month. The outperformance has been driven by China being ahead of the curve in terms of epidemic control and resumption in economic activity; however, China equities have not been immune to global risk-off sentiment as the Covid-19 contagion intensified. This global shock has been remarkable in terms of velocity, magnitude and breath. Nevertheless, the evolving global policy response in late March, has somewhat eased market fear and drove a mild recovery towards month end. Looking ahead, imported Covid-19 cases still remains a risk to overall improving domestic activity and the global infection rate still remains a wild-card issue that clouds the external demand outlook. In response, the Politburo meeting on March 27 confirmed to further step up policy support, which highlighted the increase in fiscal deficit rate, issue special government bond and raise the quota of local government special bonds. As for monetary policy, the PBOC carried out targeted RRR cut and trimmed 7-day reverse repo rate by 20bp to 2.2% (new low since 2003). Continued policy implementation will likely support market sentiment going forward.

The Hang Seng Index plunged 9.7% m/m or 16.3% q/q in March, the biggest quarterly decline since 3Q15, on rising fears over the accelerated global spread of Covid-19 and economic disruption caused by stricter containment measures across countries. The Hong Kong government also announced additional measures to curb the local spread of Covid-19, which include entry restrictions for foreign travellers and banning of public gatherings of more than four people for two weeks starting March 29.

The NBS manufacturing PMI rebounded 16.3-pt to 52.0 in March, largely in line with our forecast, following the drop of 14.3-pt in February. Though favored by the record-low level of February, the rebound in March confirmed the fade of domestic Covid-19 threat, recovery in manufacturing activity and effectiveness of policy support in work resumption. On the other hand, the Caixin manufacturing PMI also returned by 9.8-pt to 50.1. Overall, export orders underperformed in both surveys and is a key component to watch given the weakening external outlook.

Hong Kong trade activity picked up modestly in February after a notable drop in January, mainly reflecting the LNY holiday effect. Total exports rose 4.3% oya (-22.7% in January) whereas imports dropped by 0.1% oya (-16.4% in January). Taking the first two months together, Jan-Feb exports fell 12% oya in value terms, due to disruption of regional trading and production activities amid Covid-19. By destination, exports to major economies still registered declines in February after consecutive months of double-digit negative growth rates. Exports to the US and UK fell 16.5% oya and 34.9% oya, respectively, while exports to mainland China gained some momentum, up 13.2% oya. Looking forward, we expect a sluggish trade outlook in the coming months due to weakening of external demand amid the rapid spread of the pandemic.

MARKET OUTLOOK AND STRATEGY

Covid-19 has now turned into a global pandemic, as opposed to predominantly "Asian" crisis in the month before. Despite the workforce coming back online in China and economic activity picking up, the same cannot be said for the rest of the world who are just in the early stages of the outbreak. Nevertheless, we are however turning more constructive on China/HK equities due to deep valuation discounts and more robust containment efforts. We remain positive on sectors including consumer discretionary, internet, E-commerce, domestic express delivery, as well as healthcare.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 March 2020, the Volatility Factor (VF) for this fund is 16.2 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.