

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	3.25	1.96	25.13	32.62
Benchmark	0.75	2.77	22.69	23.41

	1 Year	3 Years	5 Years	Since Launch
Fund	40.52	31.44	74.40	140.74
Benchmark	30.89	21.04	67.46	53.49

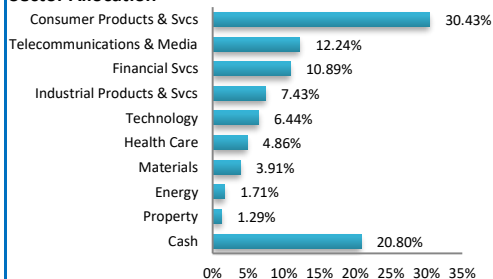
Calendar Year Performance (%)*

	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

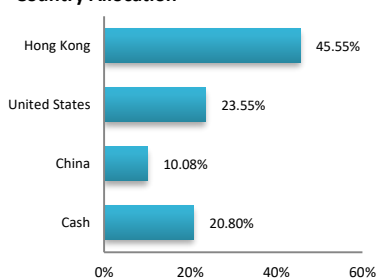
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	6.94
ALIBABA GROUP HOLDING LTD	5.74
MEITUAN	4.22
JD.COM INC	3.29
CHINA CONSTRUCTION BANK CORP	3.04

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8989	0.8989	0.8989
Low	0.8430	0.5982	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 rose 2.7% in November, underperforming EM and World by 6.5% and 9.9%, respectively. The most prominent market driver has been the Biden victory with a likely Congress split, in addition to the vaccine development that herald an accelerating economic recovery. These, collectively, triggered notable Value/cyclical rotation as investors start factoring in a more accommodative US-China trade relationship, upcoming stimulus from the US, and a vaccine-driven global economic recovery. Meantime, aside from stretched valuations, the Growth/Momentum camps were dragged by internet giants as policymaker released a draft of anti-trust rules that may cloud companies' growth prospect. On top of that, the underperformance of China equities was in part driven by renewed US-China conflicts, as the Trump administration banned US investors from accessing 31 Chinese companies that identified with military ties. Moreover, Chinese ADRs may face heightened delisting risks as the US House plans to vote for the audit inspection rules on Dec 2. ADRs who fail to comply with the audit rules in the next three years could be forced to delist. As for sector performance, YTD cyclical laggards such as materials, energy and financials saw strong rallies, while YTD winners such as communication service, discretionary and healthcare underperformed

November manufacturing PMI improved further to 52.1 from 51.4 in October, above market consensus and indicating an ongoing recovery. Component wise, we continue to see evidence of a demand-side catch up as both new orders and new export orders increased.

In contrast to the 13th Five-Year Plan where a "doubling income" goal was emphasized, the summary of the 14th Five-Year Plan today didn't mention any specific numerical goal, and re-emphasized the direction towards "higher quality growth". Regarding key economic goals for the 14th Five-Year Plan, the proposals particularly highlighted the importance of innovation and a push for market reform, facilitation of internal circulation through expanding domestic demand strategy and supply-side structural reform, significant improvement in household income and narrower income inequality in urban and rural areas, and "high-quality opening up" (trade and financial liberalization). The summary also mentioned long-term goals through 2035, for instance, GDP per capita reaching the level of middle-income developed economies and expansion in middle-income population.

MARKET OUTLOOK AND STRATEGY

As we enter into the last quarter of the year, we continue to expect China EPS growth to accelerate. Sector-wise, we expect to see positive growth in 2H for most of the sectors. While the major COVID-19 beneficiaries are expected to stay resilient despite some fading effects, some laggards in 1H are likely to undergo a strong recovery on the back of the release of pent-up demand and policy support, which may include real estate, industrials and materials. Further, positive vaccines announcement will help drive the laggards and value play, for example the banks and energy space. And a Biden win would pose a less disruptive foreign policy environment, which is positive for China.

We continue our focus on domestic-oriented sectors as external headwinds and geopolitical tensions remains in discussion. We also expect consumer staples and healthcare to be more resilient to potential second wave risks. Additionally, we are positioned in sectors that could benefit from a more permanent change in consumer behavior due to the outbreak include healthcare/grocery retailers/ online gaming/e-commerce. We are also mindful of policy tailwinds in consumer real estate and infrastructure FAI.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 November 2020, the Volatility Factor (VF) for this fund is 17.9 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 15.4 (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 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 contents of the PHS and Master Prospectus dated 3 September 2017 and its supplementary(ies) (if any) ("collectively known as the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia ("SC") who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Master Prospectus should not be taken to indicate that the SC has recommended the fund. 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 Fund 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.

This Fund Factsheet has not been reviewed by the SC.

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