

### RHB CHINA-INDIA DYNAMIC GROWTH FUND

This Fund aims to achieve medium to long term\* capital appreciation through investing mainly in the securities of corporations in, or corporations listed or to be listed on stock exchanges in, or corporations (wherever located) which, in the opinion of the managers, derive significant revenue or profits from or have significant assets or business interests in, the People's Republic of China ("China") or the Republic of India ("India").

\*Note: "medium to long term" in this context refers to a period of between 3 - 7 years.

#### INVESTOR PROFILE

This Fund is suitable for Investors who:

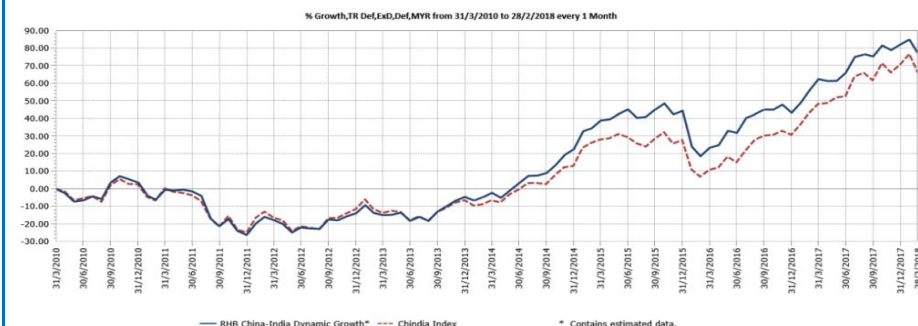
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

#### INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United China-India Dynamic Growth Fund.
- 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	-4.13	-0.88	0.52	-2.65
Benchmark	-6.01	-0.06	0.06	-2.70

	1 Year	3 Years	5 Years	Since Launch
Fund	13.86	31.86	105.23	77.24
Benchmark	16.08	31.78	87.78	66.01

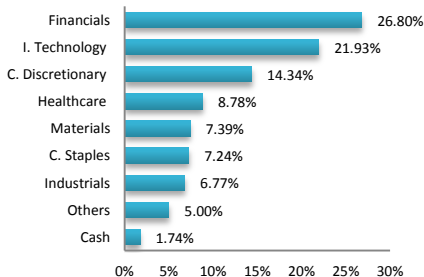
##### Calendar Year Performance (%)\*

	2017	2016	2015	2014	2013
Fund	27.15	-0.90	17.79	28.49	10.79
Benchmark	30.57	2.34	13.06	20.88	5.73

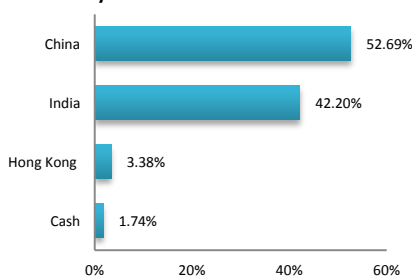
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

TENCENT HOLDINGS LTD	5.81
ALIBABA GROUP HOLDING LTD	5.42
CHINA CONSTRUCTION BANK CORP	2.98
BAJAJ FINANCE LTD	2.70
INDUSTRIAL & COMMERCIAL BANK O	2.45

\*As percentage of NAV

\*Source: UOBAM, 28 February 2018. Exposure in United China India Dynamic Growth Fund - 96.85%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9244	0.9472	0.9472
Low	0.8699	0.7767	0.3648

Source: Lipper IM

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### MANAGER'S COMMENTS

#### CHINA MARKET COMMENTARY

SSE 50 China A Share fell 10.48% and MSCI China fell 8.67% (JPY terms) in the month of Feb 2018.

China equities fell in February, underperforming global equity markets and other emerging markets as a whole. The flash sell-off in early Feb was led by systematic correction in US. The follow-up rebound was helped by a good set of earnings results and intact fundamentals. However, the market consolidated again towards the end of the month ahead of the March National People's Congress meeting on concerns about further potential tightening policies. Hawkish US Fed statements also dented sentiment. The China-HK Connect Southbound outflow reached a record high at HK\$4.7bn on Feb 27. The CNY depreciated against the US dollar by 0.5% in February, but is still up +2.9% against the Greenback year to date.

China's February NBS PMI came in weaker than expected, falling 1.0 ppt to 50.3, but the Caixin factory gauge rose to 51.6, adding 0.3ppt to the previous month. Jan 2018 trade report highlighted a notable surge in import at 36.9%yoy (Dec: 4.5%yoy), along with solid export growth at 11.1%yoy (Dec:10.9%yoy). At the end of February, the Communist party proposed to remove the 2 term limit for the President, which will likely be ratified at the National Peoples Congress in March.

Global economic growth remained firm with manufacturing numbers signalling a continuing expansion. The official Purchasing Managers' Index (PMI) for the US hit a record 60.8 in February, the fastest rate since May 2004, and the 18th straight month of expansion. Other major economies like Japan, the Eurozone and India saw manufacturing numbers declining slightly.

China tumbled despite good earnings results after a strong start to the year in January. Investors sold off financial and property stocks at the end of the month as they became nervous about further policy tightening measures being announced during the March National Peoples' Congress meeting. On the sector front, consumer staples, healthcare, consumer discretionary, utilities, materials and industrials outperformed. Real estate, telecom, financial and energy lagged.

#### INDIA MARKET COMMENTARY

MSCI India fell 9.02% (JPY terms), Sensex fell 6.59% (MYR terms) and Nifty fell 6.49% (MYR terms) in Feb 2018.

Equity markets corrected over the month in line with global markets on concerns that the US Fed may raise interest rates at a faster pace than earlier expected. Sensex started the month at 35965.02 and closed at 34184.04, ~4.95% lower over the month. Nifty started at 11027.70 and closed at 10492.85 down ~4.85%. As per latest data, FIIs were net sellers in Equity with outflow of USD 1.92 Bn compared to inflow of USD 2.20 Bn seen last month. FIIs sold USD 0.42 Bn in Indian debt compared to inflow of USD 1.28 Bn last month. Domestic Mutual Funds were net buyers in equities with substantial net buying of USD 2.02 Bn in the month.

#### MARKET OUTLOOK

After a stellar rally over 2017, which continued in January as well, the market finally corrected during February in line with global markets. The correction was driven by concerns that a sharp pick-up in inflation in US will lead to the Fed Reserve raising interest rates at a pace faster than earlier anticipated. This might lead to flows away from risky assets, especially emerging market equities, and towards safe assets like US treasury. In addition, the news regarding financial irregularities in Punjab National Bank, and a few others (although on a much smaller scale), put pressure on the banking space as well, especially public sector banks. The Target Fund Manager sees this correction as a necessary one in the long term bull market which provides an opportunity to invest further. While the possibility of a further correction cannot be ruled out, growth potential of the Indian economy continues to remain robust as evident from the latest GDP data. A pick-up in the earnings growth momentum shall act the key driver for the market going ahead.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 February 2018, the Volatility Factor (VF) for this fund is 12.9 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 10.6 (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 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 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 6 October 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 management risk and foreign investment risks such as currency risk and country risk and the specific risks of the target fund are equity risk, single country, sector and regional risk, small and medium capitalisation companies risk, repatriation risk, regulatory risk, taxation risk and political 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.

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