

### 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:

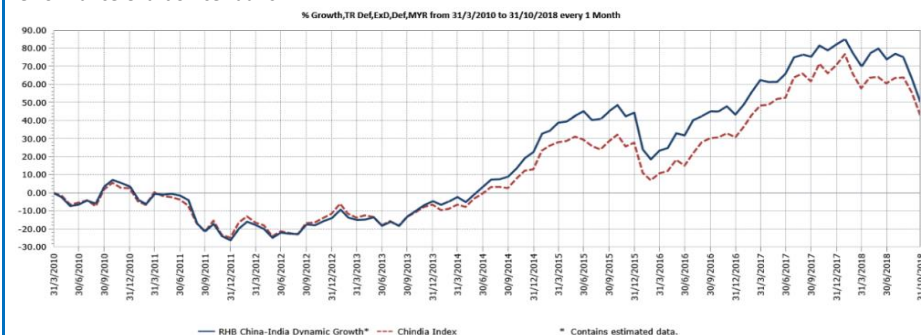
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

#### 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	-8.14	-15.13	-15.20	-17.59
Benchmark	-8.25	-12.70	-12.76	-16.35

	1 Year	3 Years	5 Years	Since Launch
Fund	-17.32	0.93	66.34	50.04
Benchmark	-16.74	8.04	60.08	42.72

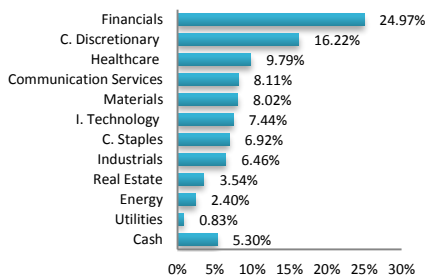
##### Calendar Year Performance (%)\*

	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

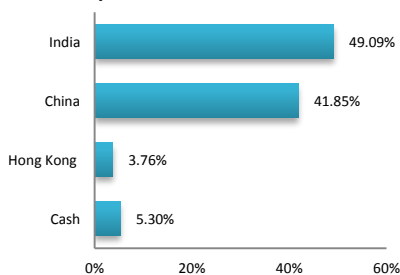
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

TENCENT HOLDINGS LTD	4.26
BAJAJ FINANCE LTD	3.73
ALIBABA GROUP HOLDING LTD	3.17
CHINA CONSTRUCTION BANK	2.80
HDFC BANK LTD	2.61

\*As percentage of NAV

\*Source: UOBAM, 31 October 2018. Exposure in United China India Dynamic Growth Fund - 97.73%

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8167	0.9472	0.9472
Low	0.7343	0.7343	0.3648

Source: Lipper IM

## 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.

### MANAGER'S COMMENTS

#### CHINA MARKET COMMENTARY

SSE 50 China A Share fell 7.77% and MSCI China fell 11.87% (JPY terms) in the month of Oct 2018, underperforming developed markets and overall emerging markets. The market correction was driven by a mix of: (1) lower-than expected 3Q GDP at 6.5%ooya; (2) September macro readings showed limited signs of recovery, despite anticipation of stimulus measures to kick in; and (3) rising volatility from global equity markets (S&P index down 7% in Oct) weighed on investor sentiment.

On the domestic front, regulators rolled out a slate of policy measures aimed to ease macro headwinds, including: (1) RRR cut of 100bps, (2) increasing export tax rebates, (3) tax deductions on household income, (4) additional support measures for private enterprises, such as bond financing, credit enhancement facility, relending.

#### INDIA MARKET COMMENTARY

MSCI India fell 6.14% (MYR terms), Sensex fell 5.83% (MYR terms) and Nifty fell 5.88% (MYR terms) in Oct 2018.

Equity market continued to remain weak as concerns about liquidity in the financial system prevailed. The fears also brought down stock prices in other sectors that are interest rate sensitive like automobiles, real estate, consumer durables, etc as apprehension of a slowdown in growth due to lack of funding emerged. In addition, global factors like surge in crude oil price, trade tensions between US and China sharp fall in emerging market currencies also added to the negative sentiment. Sensex started the month at 36227.14 and closed at 34442.05, ~4.9% lower over the month. Nifty started at 10930.45 and closed at 10386.60, lower by ~5.0% over the month. As per latest data, FIIs were net sellers in Equity with outflow of USD 3.68 Bn and in Fixed Income with outflow of USD 1.26 Bn. Domestic Institutions were net buyers in equities with net buying of USD 2.96 Bn in the month.

#### MARKET OUTLOOK

Over the last couple of months, the frontline indices have corrected by ~10% and the fall in the mid-cap and small cap stocks has been even sharper led primarily by a global risk-off being created due to sharp rise in US yields and concerns emanating from the US-China trade tensions. The fall has been sharp across emerging markets with both stock prices and currencies coming under pressure. On the domestic front, the situation got exacerbated due to the fear of a system-wide liquidity crisis stemming out from the IL&FS default and concerns about lack of availability of capital to sustain economic growth. While the global factors still prevail, especially on the trade front, the situation within has not shown any signs of escalating with system-wide liquidity remaining sufficient and various NBFCs / HFCs being able to service their liabilities so far. The correction has brought the overall market back to reasonable valuations and there are pockets of opportunity starting to emerge. While it's too early to conclude that the crisis has been averted completely, incremental news flow is supportive with crude oil correcting and INR stabilizing. Yields in the debt market have also normalized from the heightened levels seen towards end of September and early October. The Target Fund Manager remains positive on India's growth potential and see this correction as an opportunity for long term investors.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 2018, the Volatility Factor (VF) for this fund is 14.2 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 30 June 2018 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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.

RHB Asset Management Sdn Bhd (174588-X)

Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur

General Line: 603-9205 8000

[www.rhbgroup.com](http://www.rhbgroup.com)

 RHB Group
  @RHBGroup
  RHB Group
  RHBGroup

RHB Asset Management Sdn Bhd (174588-X)

