

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:

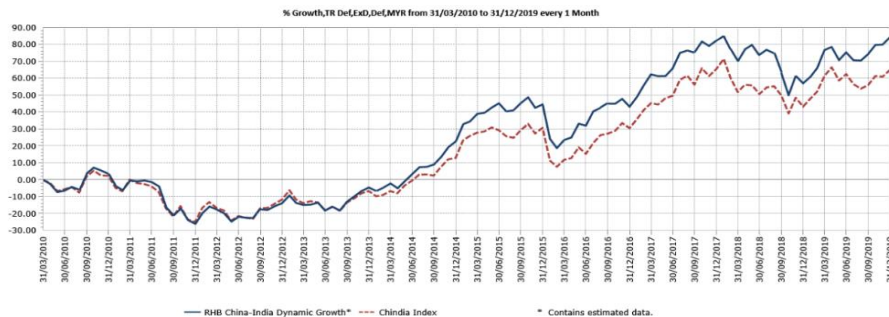
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

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	2.39	5.73	5.06	17.20
Benchmark	2.48	5.75	1.48	15.13

	1 Year	3 Years	5 Years	Since Launch
Fund	17.20	28.57	50.07	84.08
Benchmark	15.13	26.21	45.93	64.81

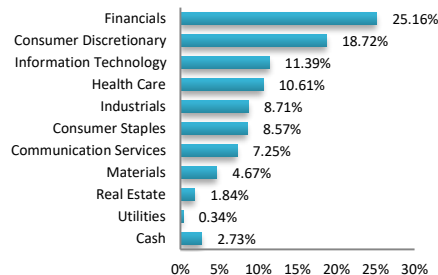
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	17.20	-13.73	27.15	-0.90	17.79
Benchmark	15.13	-12.72	30.57	2.34	13.06

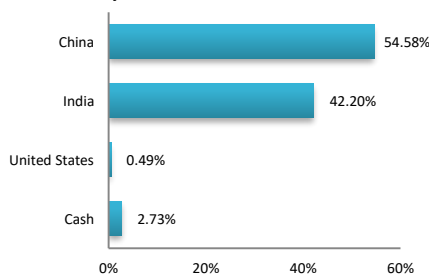
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	6.49
TENCENT HOLDINGS LTD	5.66
PING AN INSURANCE GROUP OF CHINA	4.14
BAJAJ FINANCE LTD	3.27
KWEICHOW MOUTAI CO LTD	3.12

*As percentage of NAV

*Source: UOBAM, 31 December 2019. Exposure in United China India Dynamic Growth Fund - 97.78%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9269	0.9269	0.9472
Low	0.8934	0.7715	0.3648

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

The U.S. and China agreed to the first phase of a broader trade agreement that will see the U.S. reduce tariffs, and at least temporarily calm fears of an escalating trade war between the world's two largest economies. The deal announced hinges on China increasing purchases of American farm goods such as soybeans and pork, and making new commitments on intellectual property, forced technology transfer and currency. The U.S. will also suspend new import taxes that were set to take effect on the 15th of December covering USD 160 billion of products such as smartphones and toys, U.S. Trade Representative Robert Lighthizer told reporters. The Asian nation committed to increase imports of U.S. goods and services by no less than USD 200 billion more than the 2017 level over the next two years, he said. In return, Trump agreed to reduce some existing U.S. tariffs, halving 15% duties on USD 120 billion of imports but maintaining a 25% levy on some USD 250 billion of Chinese goods.

SSE 50 China A Share rose 5.08% and MSCI China rose 6.52% (SGD terms) in the month of Dec 2019.

MSCI China posted a strong gain of 7.8% in December, outpacing MSCI EM by 0.6% and developed markets. The cyclical rotation continued to gain traction, evidenced by the outperformance of the real estate, materials, IT and energy sectors. The key driver is the alleviation of trade tensions as the US and China announced on Dec 13 that an agreement on Phase One trade negotiation had been reached. As anticipated, the US will delay indefinitely the new tariffs that were set to take effect on Dec 15 on approximately \$160bn of Chinese imports (List 4.B). In addition, the tariff on \$120bn of Chinese imports (List 4.A) will be reduced to 7.5% from 15%, which represents the first tariff rollback since the inception of the trade war in July 2018.

November activity indicators beat expectations following disappointing October data. On the positive side, there was a broad improvement across industrial production, industrial profit, fixed investment, and retail sales. On the negative, inflation outlook remained challenging as CPI rose further and PPI deflation lingered. December NBS manufacturing PMI stabilized at 50.2, a potential signal of economic bottoming-out.

On the policy front, interest rate reform took another solid step as PBOC guided commercial banks to convert old benchmark lending rates into LPR for the existing and new loan books, along with the well expected 50bp RRR cut. Meantime, the long-awaited revision of Securities Law was approved on Dec 28, which included provisions to expand registration-based IPOs, stricter information disclosure requirements and tougher penalties for market violations. On the fund flow side, December northbound net inflow reached a record-high of RMB73bn, driven by the MSCI A-share inclusion adjustment in November.

MSCI India fell 0.35% (MYR terms), Sensex fell 0.23% (MYR terms) and Nifty fell 0.42% (MYR terms) in Dec 2019.

MARKET OUTLOOK

While the frontline indices continue to make new all-time highs, there is a gradual revival in momentum within the mid and small cap space as well. Several steps being taken by the government, the most recent one being the announcement of INR 102 trillion National Infrastructure Pipeline, and some respite in the US-China trade conflict has given rise to expectations that there could be a more broad-based rally in the market. Segments of the economy that had been subdued so far, primarily infrastructure and export-oriented sectors, may start to see some pick-up in activity. This shall gradually also reflect in improvement in consumer sentiment. However, the upcoming budget for FY20-21 will be keenly awaited. The Target Fund Manager continues to remain positive on India's long-term growth potential.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 December 2019, the Volatility Factor (VF) for this fund is 12.6 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.2 (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 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2019.

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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