RHB Asset Management

FUND FACTSHEET – MAY 2020

All data expressed as at 30 April 2020 unless otherwise stated

3-year Fund Volatility 14.6 very high Lipper Analytics 10 APR 2020

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

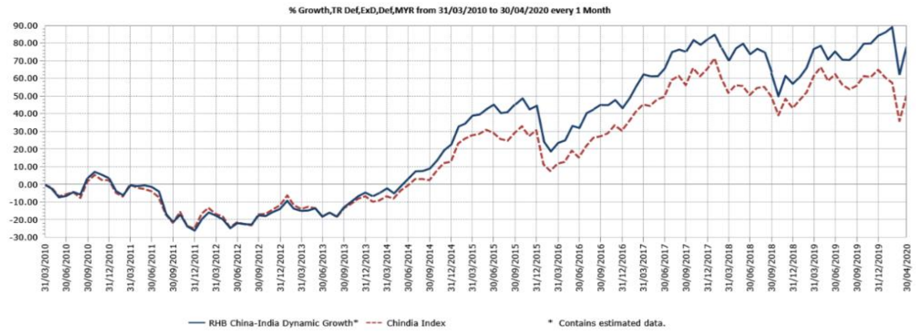
This Fund is suitable for investors who:
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

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	**9.74**	**-4.39**	**-0.97**	**-3.39**
Benchmark	10.65	-6.26	-6.78	-8.79

	1 Year	3 Years	5 Years	Since Launch
Fund	**-0.31**	**10.31**	**27.47**	**77.84**
Benchmark	-9.63	4.11	16.88	50.33

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 DETAILS

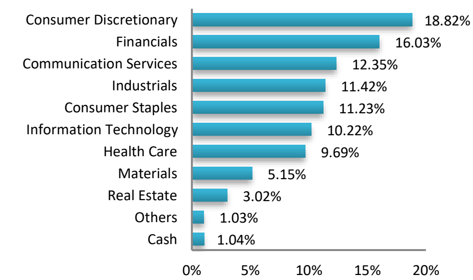
Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	11 March 2010
Unit NAV	RM0.8892
Fund Size (million)	RM17.20
Units In Circulation (million)	19.35
Financial Year End	31 July
MER (as at 31 July 2019)	0.47%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	25% MSCI China (RM), 25% SSE50 A Share (RM) and 50% MSCI India (RM)
Sales Charge	Up to 5.50% of investment amount*
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
Switching Fee	RM25.00 per switch*
Distribution Policy	None

**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*

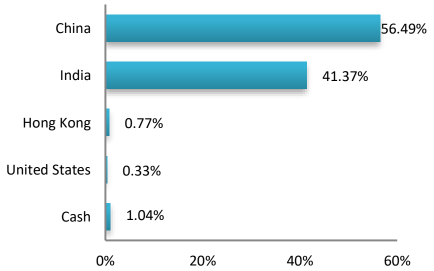
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	7.55
ALIBABA GROUP HOLDING LTD	6.92
HDFC BANK LTD	2.68
BAJAJ FINANCE LTD	2.32
KWEICHOW MOUTAI CO LTD	2.32

**As percentage of NAV*

**Source: UOBAM, 30 April 2020. Exposure in United China India Dynamic Growth Fund - 97.37%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8892	0.9992	0.9992
Low	0.7994	0.7654	0.3648

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

The International Monetary Fund, in its 2020 World Economic Outlook, forecasted that the global economy is expected to shrink by 3.0% during 2020 in a coronavirus-driven collapse of activity, compared to a 3% growth forecast just three months back. Europe and the United States can expect to be particularly hard-hit with negative growth rates of 5.8% and 9.1% respectively. Of the big emerging economies, China's growth rate is expected to fall from 6.1% last year to 1.2% in 2020 – its lowest in decades. India is on course to expand by 1.9%, down from 4.2%. The IMF also predicted a partial recovery in 2021, when it is estimating that growth will recover to 5.6%. The IMF's forecasts assume that outbreaks of the novel coronavirus will peak in most countries during the second quarter and fade in the second half of the year, with business closures and other containment measures gradually unwound.

OPEC+ agreed to take production cut of 9.7 million barrels per day (mbpd) for 2 months from May-June 2020, 7.7 mbpd for 6 months from July-Dec 2020 and 5.8 mbpd for 16 months from January 2021-April 2022. Saudi Arabia and Russia would both curb production by 2.5 mbpd each to about 8.5 mbpd (from baseline production of 11.0 mbpd), Iraq will cut production by 1 mbpd, and other oil producers will cut production by ~23% (vs Oct 2018 production levels). However, crude oil prices continued to fall sharply due to concerns of a sharp fall in global oil consumption. The International Energy Agency (IEA) forecast a 29 mbpd dive in April oil demand to lowest levels in 25 years and warned no output cut by producers could fully offset the near-term falls facing the market. The IEA forecast a 9.3 mbpd drop in demand for 2020 despite what it called a "solid start" by producers following a record deal to curb supply in response to the coronavirus pandemic. The sharp collapse in oil demand has left the global market oversupplied with enough crude to overwhelm storage facilities driving a sharp fall in prices.

The European Central Bank announced creation of a new targeted lending facility that will provide approximately 3 trillion euros (USD 3.3 trillion) in liquidity to banks at rates as low as negative 1%, so long as the money they borrow gets passed on via loans to businesses and consumers. The decision came after the ECB ran scenarios and projections that showed that GDP in the Eurozone could shrink by as much as 12% in 2020. The ECB did not cut its benchmark interest rates any further. The base interest rate remained at 0%, while the marginal lending rate that banks pay to borrow from the ECB overnight remained at 0.25%. The ECB also announced a new lending program called the pandemic emergency longer-term refinancing operations (PELTRO), the purpose of which is to assist with any liquidity crunches in the short-term funding markets.

SSE 50 China A Share rose 6.27% and MSCI China rose 5.89% (MYR terms) in the month of Apr 2020.

The China market rose in April, but lagged EM and World respectively. However, looking at how much of the COVID-19 induced equity losses have been retraced, MSCI China has recovered ~46% of the losses, vs approximately 53% for US equities. While the rest of the world continues to move beyond the infection peak, China continues to lead in terms of economic reopening. Indeed, the March economic data and the Target Fund Manager' high-frequency monitor both point to an encouraging recovery, with supply/production taking the lead, and demand/consumption lagging behind.

Notably, May Golden Week tourism consumption was soft with a 47%yoy decline in tourist numbers and 31%yoy decline in daily tourism expenditure, however it improved notably compared to a 61%yoy decline in tourist numbers and an 81%yoy decline in tourist revenue during the Qingming holiday one month ago. As consumption remains a key concern, proactive policy support continued in April, with further interest rate cuts and the politburo meeting highlighting that fiscal policy will become more proactive via three channels: (i) an increase in the budgetary fiscal deficit; (ii) increases in the quota for special local government bonds; (iii) issuance of special COVID-19 government bonds. The size of these channels will be confirmed at the NPC meeting beginning on May 22. Looking ahead, a key downside risk could stem from renewed US-China tensions, as the US Election Day nears. Overall, domestic oriented sectors with favorable policy support will likely continue to benefit from China's ongoing economic recovery. Following the rebound of Materials in early April, cyclical upturn accelerated in late April, leading by semiconductors, auto and real estate.

MSCI India rose 15.05% (MYR terms), Sensex rose 14.19% (MYR terms) and Nifty rose 14.45% (MYR terms) in Apr 2020.

MARKET OUTLOOK

Equity markets globally have seen a sharp bounce-back during the month as central banks and governments across the world have announced measures of unprecedented scale to combat the economic impact of Covid led lockdowns. In addition, there is some progress towards development of a medication as Gilead has been making headway in clinical trials for Remdesivir. However, the lockdown will have a significant impact on economic activity in the near term and may test the business models and resilience of many companies across sectors. The Target Fund Manager believe that going ahead, the market will take cues from data releases regarding the impact on economy, corporate sector and consumer demand. While the near term looks challenging, this will also present an opportunity to invest in companies with leadership positions in their industries, strong brand and acceptability amongst consumers and Balance Sheets strong enough to survive the challenging phase. Those who survive shall significantly strengthen their market position and create long term wealth for investors.