3-year Fund Volatility 15.6 very high Lipper Analytics 10 JUN 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:

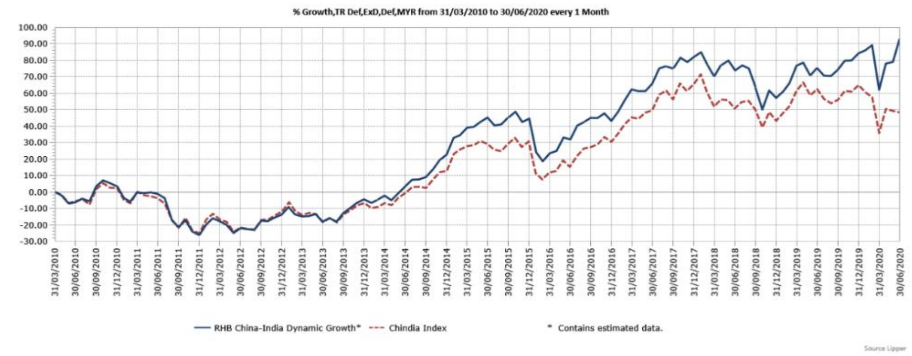
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

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	**7.86**	**19.03**	**4.79**	**4.79**
Benchmark	-0.65	9.09	-10.07	-10.07

	1 Year	3 Years	5 Years	Since Launch
Fund	**10.09**	**16.40**	**32.94**	**92.90**
Benchmark	-8.74	-0.88	14.55	48.21

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

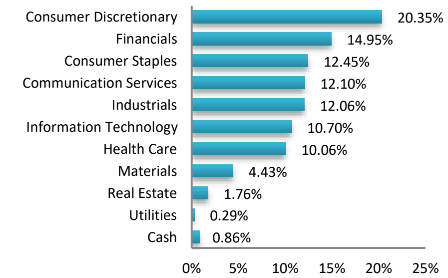
Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	11 March 2010
Unit NAV	RM0.9645
Fund Size (million)	RM18.40
Units In Circulation (million)	19.08
Financial Year End	31 July
MER (as at 31 July 2019)	0.47%
Min. Initial 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.*

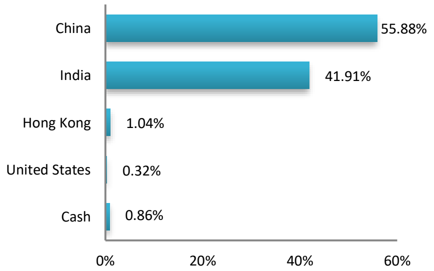
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	7.55
ALIBABA GROUP HOLDING LTD	6.64
BAJAJ FINANCE LTD	2.81
HDFC BANK LTD	2.77
WULIANGYE YIBIN CO LTD	2.39

**As percentage of NAV*

**Source: UOBAM, 30 June 2020. Exposure in United China India Dynamic Growth Fund - 96.85%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9733	0.9992	0.9992
Low	0.8942	0.7654	0.3648

Source: Lipper IM

RHB CHINA-INDIA DYNAMIC GROWTH FUND

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MANAGER'S COMMENTS

MARKET REVIEW

The U.S. Federal Reserve, in a unanimous decision, vowed to maintain the key overnight interest rate, or federal funds rate, near zero through at least 2022. It also promised to maintain the Fed's bond purchases at least at the current pace of around USD 80 billion per month in Treasuries and USD 40 billion per month in agency and mortgage-backed securities — a sign the central bank is beginning to shape its long-run strategy for the economic recovery. In the first economic projections of the pandemic era, U.S. central bank policymakers projected a 6.5% decline in GDP in 2020 and a 9.3% unemployment rate at year's end. They said that the rebound is expected to begin in earnest in 2021, with economic growth forecast at 5%.

Having prepared the markets to expect additional QE, the ECB's Governing Council delivered on its words and expanded the Pandemic Emergency Purchase Programme (PEPP) by Euro 600 billion. In addition, the ECB amended its forward guidance such that the previous word configuration that purchases will carry on until "until the end of this year" has been replaced with "at least the end of June 2021". This, effectively, makes QE open-ended and confirms that the ECB will remain active in the markets throughout 2021. In terms of the key numbers, the ECB's central forecasts foresee the economy contracting by -8.7% this year, followed by an expansion of 5.2% in 2021. The ECB cut its inflation forecast for 2020 from 1.2% to 0.8%.

The World Bank projected global economy to shrink by 5.2% in 2020 amid the Covid-19 pandemic. Economic activity in advanced economies is expected to shrink by 7.0% while the emerging markets and developing economies are expected to contract by 2.5%. The US is expected to shrink by 6.1% while the Euro area could see a 9.1% contraction. While India is expected to see a contraction of 3.2%, the Chinese economy is expected to grow by 1.0%. For 2021, the World Bank expects the global GDP to rebound by 4.2% with the US, China and India likely to grow by 3.9%, 6.9% and 3.1% respectively.

SSE 50 China A Share rose 4.27% and MSCI China rose 6.73% (MYR terms) in the month of June 2020.

Despite rising second-wave COVID-19 infection concerns globally, MSCI China has now erased all COVID-19-related losses and returned to positive gains for the year. For China, the rise of newly confirmed cases in Beijing in June was quickly contained and new cases have begun trending down. Thus far, it seems that smaller localized outbreaks have been handled swiftly and have not impacted the overall economic momentum, which has also been backed by policy support such as the announced 25bp rate cuts for re-lending and re-discount facilities.

On the external side, geopolitical tensions remain high, but US-China did hold its first in-person high level meeting since January, which was categorized as constructive by both sides. Overall, despite geopolitical and COVID-19 overhangs, investor sentiment seems quite positive following the bottoming-out in March; northbound inflows over the Stock Connect have seen RMB118bn in YTD net inflows and are outpacing all previous years, except 2018.

This has been in part driven by further A-share inclusion as FTSE Russell increased the A-share inclusion factor from 17.5% to 25%, with A-shares now representing ~6% of the FTSE Emerging Index. As for sector performance, leaders were dominated by new economy sectors such as technology (semi, consumer electronics), communication service (internet) and healthcare. It is noteworthy that the gap between these top three performing sectors and others has been quite significant, implying investors' preference for those sectors that are more resilient or could benefit from the COVID-19 outbreak.

May macro data confirmed further economic recovery, as production activity has largely normalized and demand conditions gradually restored. The better-than-expected activity data in May and April prompted us to revise up the full-year GDP growth to 2.0%yoy from 1.3%. June NBS manufacturing PMI rose 0.3pt to 50.9, with notable uptick of the export order component. Meanwhile, Caixin manufacturing PMI rose 0.5pt to 51.2.

MSCI India rose 5.01% (MYR terms), Sensex rose 6.09% (MYR terms) and Nifty rose 5.94% (MYR terms) in June 2020.

The stock market built up further from the positive momentum see over the second half of May and continued a strong move upwards, in line with global markets, driven by optimism around opening of the economy and initial data indicators of pick-up in demand. Sensex index delivered a return of 7.68% over the month closing at 34915.80. Nifty index delivered a return of 7.53% over the month closing at 10,302.10.

MARKET OUTLOOK

Global equity markets have seen sharp positive momentum over the month as economies start to open post the lockdown and initial demand trends indicate a strong revival from the March lows. Monetary measures announced by large central banks including the US Fed, ECB, etc., have also turned the sentiment positive. Indian equity market has also taken a cue and seen a sharp revival. A gradual lifting of the lockdown and pick-up in economic activity remains critical and there are measures being taken by the Government and RBI to minimize the impact of the lockdown and ensure a smooth resumption. While near term uncertainties remain, the Target Fund Manager is confident that there will be no lasting impact on India's long-term growth potential and the current challenges may, in fact, provide new opportunities for growth by participating more meaningfully in the global supply chain. The Target Fund Manager's strategy is to focus on companies which have a healthy Balance Sheet that enables them to tide through the current challenging environment and possibly emerge stronger once the economy stabilizes. In the Target Fund Manager's opinion, those who survive the current crisis will be able to ride the next phase of growth with higher market shares, well entrenched brands and limited competition as marginal players with leveraged Balance Sheets will find it difficult to survive.