RHB Asset Management

FUND FACTSHEET – AUGUST 2020

All data expressed as at 31 July 2020 unless otherwise stated

3-year Fund Volatility **16.2** very high — Lipper Analytics 14 JUL 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:

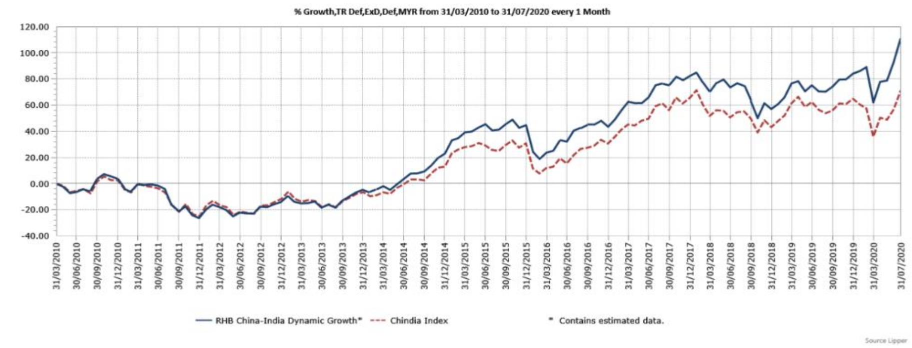
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

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	**9.37**	**18.63**	**13.43**	**14.61**
Benchmark	9.19	13.84	6.72	3.84

	1 Year	3 Years	5 Years	Since Launch
Fund	**23.71**	**20.63**	**50.33**	**110.98**
Benchmark	9.44	7.63	36.02	71.14

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

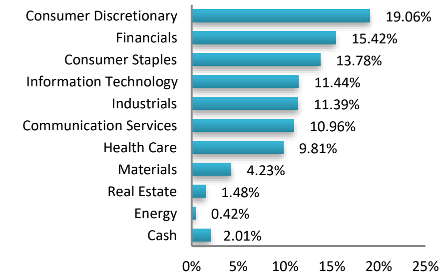
Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	11 March 2010
Unit NAV	RM1.0549
Fund Size (million)	RM19.41
Units In Circulation (million)	18.40
Financial Year End	31 July
MER (as at 31 July 2019)	0.47%
Min. Initial 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.*

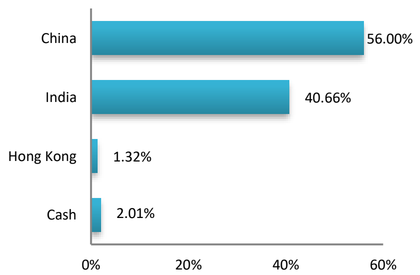
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	7.23
TENCENT HOLDINGS LTD	6.90
WULIANGYE YIBIN CO LTD	2.76
BAJAJ FINANCE LTD	2.74
HDFC BANK LTD	2.52

**As percentage of NAV*

**Source: UOBAM, 31 July 2020. Exposure in United China India Dynamic Growth Fund - 97.18%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0668	1.0668	1.0668
Low	0.9645	0.7654	0.3648

Source: Lipper IM

3-year Fund Volatility
16.2
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14 JUL 2020

RHB CHINA-INDIA DYNAMIC GROWTH FUND

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MANAGER'S COMMENTS

MARKET REVIEW

The U.S. economy declined by 9.5% (32.9% on an annualized basis) for the April-June quarter and reversed an 11-year expansion, the longest period of economic growth in U.S. history. The Federal Reserve kept interest rates on hold at near zero saying it would keep them there for as long as necessary. All members of the Fed's policy-setting committee voted to leave the target range for short-term interest rates at between 0% and 0.25%, where it has been since 15 March when Covid-19 was starting to take hold in the country.

European Union leaders agreed to create a Euro 750 billion (USD 858 billion) recovery fund to rebuild EU economies impacted by the coronavirus crisis. The European Commission will borrow the money on financial markets and distribute just under half of it — Euro 390 billion (USD 446 billion) — as grants to the hardest hit EU states, with the rest provided as loans. Leaders also agreed to a new EU budget of nearly Euro 1.1 trillion (USD 1.3 trillion) for 2021-2027, creating combined spending power of about Euro 1.8 trillion (USD 2 trillion). The deal focuses on providing funding across three pillars: helping businesses rebound from the pandemic, rolling out new measures to reform economies over the long haul, and investing to help protect against future crises. EU GDP for Q2 2020 declined by 11.9% compared to 3.2% in Q1 driven by Spain (-18.5%), Portugal (-14.1%), and Germany (-10.1%).

China's economy returned to modest growth in the second quarter of 2020 and reverted from the first contraction on record in the first quarter this year, as COVID-19 eased and policymakers announced economic packages. The world's second-largest economy grew by 3.2% in April-June from a year earlier, reversing a 6.8% decline in the first quarter. In the first half of 2020, China's economy declined by 1.6% year on year. Industrial production increased 4.4% in the second quarter and was down 1.3% for the first half. Retail sales fell 3.9% in the second quarter and were down 11.4% in the first half. Fixed asset investment fell 3.1% percent in the first half of the year, narrowing remarkably from a 16.1% decline in the first quarter.

SSE 50 China A Share rose 10.70% and MSCI China rose 7.75% (MYR terms) in the month of July 2020.

The China market outperformed Emerging Markets and MSCI World. In particular, domestic A-shares took the lead, with reached a multi-year high before some consolidation from the peak. Key drivers for the outperformance include: (i) Robust capital inflows over Stock Connect in early July and surging equity/mutual fund issuance driving A-share turnover. (ii) Solid incoming economic data confirmed the recovery outlook, (iii) Accelerated capital market reform, such as refinancing rule revision for STAR board companies and increasing equity investment threshold for insurers. Looking ahead, 1H20 earnings in selected sectors could provide some near-term catalyst, following the strong 2Q20 rebound.

China's 2Q GDP came in stronger than expected at 3.2%, prompting upgrades to estimates of full year 2020 GDP forecast, which is now expected to return to pre-crisis level of 5-6% by 4Q . June data confirmed further normalization, as production activity is largely restored. Infrastructure, real estate and auto sectors have led the recovery on the demand side. More recently, July NBS manufacturing PMI grew 0.2pt to 51.1, thanks to the rebound of export order component, while service PMI eased by 0.2pt to 54.2. Meantime, Caixin manufacturing PMI improved notably rising 1.6pt to 52.8 and reaching a nine-year high.

Meanwhile, signs of equity market overheating have raised policymaker concerns. On the external side, US-China tensions continue to escalate too. Overall, US-China tension and virus contagion remain the key overhangs going forward. New waves of Covid-19 cases emerged in July, which is now relatively under control in mainland China, but remains challenging in Hong Kong.

MSCI India rose 8.86% (MYR terms), Sensex rose 7.47% (MYR terms) and Nifty rose 7.25% (MYR terms) in July 2020.

The stock market continued the momentum seen over May and June and continued a strong move upwards, in line with global markets, driven by month on month improvement in economic activity and corporate results declared so far showing lower than anticipated dent in earnings. Sensex delivered a return of 7.71% over the month closing at 37606.89. Nifty delivered a return of 7.49% over the month closing at 11,073.45. As per latest data, FIIs were net buyers in Equity markets with inflow of USD ~1.15 Bn and net seller in Fixed Income markets with outflow of USD ~0.25 Bn. Domestic Institutions were net seller in equities with net outflow of USD ~0.96 Bn in the month.

MARKET OUTLOOK

Global equity markets have continued the momentum over the month driven by gradually improving economic data and the unprecedented monetary and fiscal stimulus provided by central banks and governments. Indian market has also followed the trend and delivered significant month on month gains. The corporate results for Q1FY21 declared so far have highlighted the corporate sector's ability to mitigate the impact of the near zero economic activity and sharp fall on revenues by significant cost control measures and liquidity management. Large corporates have provided financial support to players in their supply chain to help them survive the crisis which provides comfort that the damage from the crisis may be contained. 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.