RHB Asset Management

FUND FACTSHEET - OCTOBER 2020

All data expressed as at 30 September 2020 unless otherwise stated

3-year Fund Volatility **17.1** very high
Lipper Analytics 10 SEP 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:

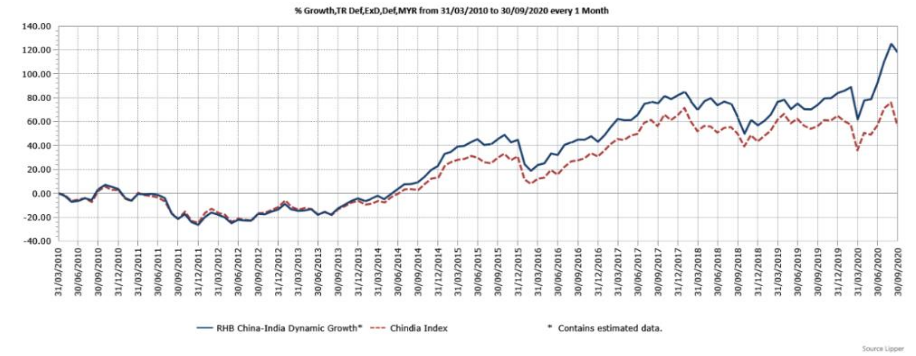
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

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	**-3.30**	**12.95**	**34.44**	**18.36**
Benchmark	-11.13	-0.27	15.05	-5.16

	1 Year	3 Years	5 Years	Since Launch
Fund	**25.15**	**24.46**	**50.12**	**117.88**
Benchmark	0.30	0.12	20.84	56.31

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

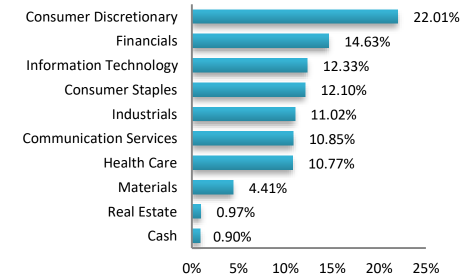
Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	11 March 2010
Unit NAV	RM1.0894
Fund Size (million)	RM15.21
Units In Circulation (million)	13.96
Financial Year End	31 July
MER (as at 31 July 2020)	0.40%
Min. Initial 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.*

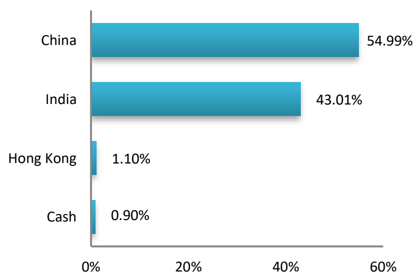
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDING LTD	8.72
TENCENT HOLDINGS LTD	6.77
BAJAJ FINANCE LTD	2.62
KWEICHOW MOUTAI CO LTD	2.59
WULIANGYE YIBIN CO LTD	2.57

**As percentage of NAV*

**Source: UOBAM, 30 September 2020. Exposure in United China India Dynamic Growth Fund - 97.66%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1266	1.1266	1.1266
Low	1.0482	0.7654	0.3648

Source: Lipper IM

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RHB CHINA-INDIA DYNAMIC GROWTH FUND

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MANAGER'S COMMENTS

MARKET REVIEW

The European Central Bank left its key stimulus policies unchanged with almost a trillion Euros still in the pipeline to bolster the eurozone economy's rebound from the severe coronavirus recession. ECB President Christine Lagarde said the economy had shown a strong rebound in activity since the lockdowns eased but remained well below pre-virus levels. She said high uncertainty about the path of the economy's recovery meant that "ample monetary stimulus remains necessary" and repeated intentions to keep the ECB's pandemic emergency bond purchase stimulus running through mid-2021. The bank's governing council has kept the benchmark interest rates, the size of its bond-buying stimulus programs and its outlook unchanged. Inflation in the euro zone has missed the ECB's target of "below but close to 2%" for more than seven years, despite increasingly aggressive stimulus from the central bank, which has pushed its main interest rate below zero and bought more than 3 trillion euros (USD 3.51 trillion) worth of assets. Lagarde also raised the idea that the ECB might in future focus on achieving that elusive goal more quickly. The ECB is widely expected to follow in the footsteps of the US Fed, which has announced that it would aim for inflation of 2% on average, so that periods when prices grow too slowly can be compensated for with faster increases at another time.

According to the Organisation for Economic Co-operation and Development, global recession in 2020 will not be as deep as expected as a result of countries' efforts to counter the economic fallout from the coronavirus pandemic. But the recovery next year will also be more modest than anticipated, with the OECD projecting a contraction of 4.5% percent in global economic output in 2020 and a growth of roughly 5.0% in 2021. In its previous set of forecasts in June, the Paris-based OECD had been expecting the global economy to shrink by 6.0% in 2020 and return to growth of 5.2% next year. Looking at individual economies, China was expected to be the only one to expand in 2020, with projected growth of 1.8%. India, on the other hand, would see its economy shrink by 10.2%. The United States, the world's biggest economy, would fare better than the global average, with a projected contraction of 3.8% percent this year. Germany would perform better than the eurozone, with its economy set to shrink by 5.4% compared with a contraction of 7.9% for the single currency area. The French economy was set to shrink by 9.5%, Italy's by 10.5% and Britain's by 10.1%, the OECD predicted. Future growth prospects would depend on factors including the severity of new virus outbreaks, the type of restrictions imposed, vaccine deployment and the effects of fiscal and monetary policy actions on demand, the OECD said.

SSE 50 China A Share fell 2.76% and MSCI China fell 3.11% (MYR terms) in the month of Sep 2020, outperforming emerging markets and Asia, but lagging MSCI World by about 1%.

The announcement to impose export control over SMIC triggered waves of sell-offs, as the semiconductor index went down by ~10% in September. Increased attempts to ban WeChat further raised concerns over broadening sanctions with the US elections looming. The increased geopolitical tensions could overshadow domestic recovery in China.

From a sector perspective, all sectors saw declines in September. YTD winners, such as IT, staples and healthcare, retreated 6-8%, mainly due to stretched valuations and the US sanctions on China tech. In addition, the energy sector lost another 10.4% this month, resulted from softening oil price and weaker demand prospects, as well as the government's commitment to accelerate clean energy developments. Consumer discretionary outperformed, declining 3.2%, which was mainly supported by the auto sector as auto sales, especially NEV sales and global auto demand recovery, have come in strong in recent months. Separately, the utilities sector outperformed thanks to its defensiveness amidst market correction and volatility.

There were positive surprises across key economic indicators, as August activity data confirms that the economy continued to recover through 3Q with where numbers in industrial production, retail sales and property investment came in above expectations. September NBS manufacturing PMI increased 0.5-pt to 51.5, mainly backed by export order component as global demand rebounded. Service PMI improved further by rising 0.7-pt to 55.9 in September, with new orders component reaching YTD high at 54.0.

On the virus front, Covid-19 cases remain muted in the country as the economy continues to run in an almost virus free environment, with high-frequency data on domestic air travel and cinema near normalization. This maintains the positive trend in favor of recovery in the service sectors.

MSCI India rose 0.30% (MYR terms), Sensex fell 1.97% (MYR terms) and Nifty fell 1.75% (MYR terms) in Sep 2020.

Equity markets witnessed some volatility during the September after months of positive momentum as concerns of a second wave of the pandemic emerged across many countries while at the same time a few data points indicated gradual pick up in economic activity. Sensex delivered a negative return of 1.45% over the month closing at 38067.93. Nifty delivered a negative return of 1.23% over the month closing at 11,247.55. As per latest data, FIIs were net sellers in Equity markets with outflow of USD ~0.77 Bn and net buyer in Fixed Income markets with inflow of USD ~0.41 Bn. Domestic Institutions were net buyer in equities with net inflow of USD ~0.01 Bn over the month.

MARKET OUTLOOK

The Target Fund Manager maintains their positive stance on Mainland China. China has the best near term economic growth prospects among most countries, and large weights in the type of companies with businesses that have proven to be resilient through Covid-19, e.g. E-commerce, social media, internet economy. Mainland China also has significant policy ammunition to tackle future crises, having positive real interest rates, strong reserves and only a modest fiscal deficit. In particular, they are positive on China 'A' shares, which enjoy structural tailwinds such as index representation increase over several years and positive capital market reforms. The China market's valuations still look reasonable despite its outperformance.

India has, for the first time in many years, seen two back-to-back years of above normal monsoon which is a key driver for growth of the agriculture and rural economy. The Target Fund Manager remains confident of the long-term growth potential for India and will continue to invest in high quality companies that can navigate the current challenging phase and are in a position to accelerate growth, gain market share and profitability in the subsequent period as they face less competition.