

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:

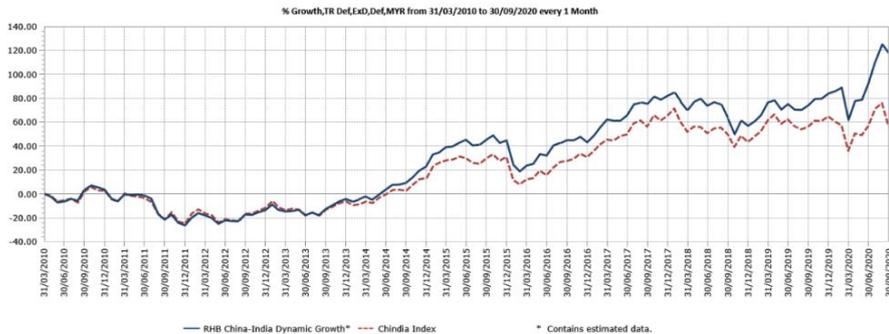
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

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

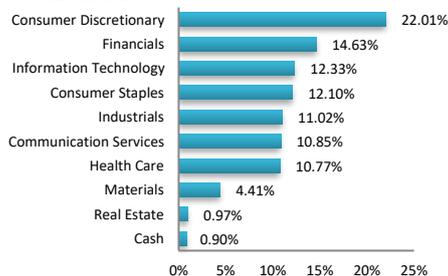
Calendar Year Performance (%)*

	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

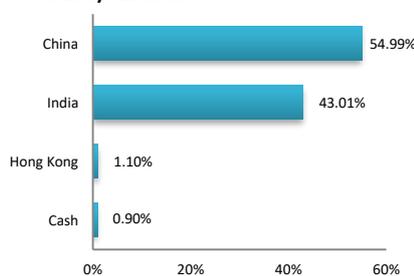
Source: Lipper IM

FUND 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

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.

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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, FIs 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.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 September 2020, the Volatility Factor (VF) for this fund is 17.1 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 15.4 (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 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2020.

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 contents of the PHS and Master Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("collectively known as the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia ("SC") who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Master Prospectus should not be taken to indicate that the SC has recommended the fund. 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 Fund 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.

This Fund Factsheet has not been reviewed by the SC.

RHB Asset Management Sdn Bhd (174588-x)

Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur

General Line: 603-9205 8000

www.rhbgroup.com

 RHB Group
  @RHBGroup
  RHB Group
  RHBGroup

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