

### 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:

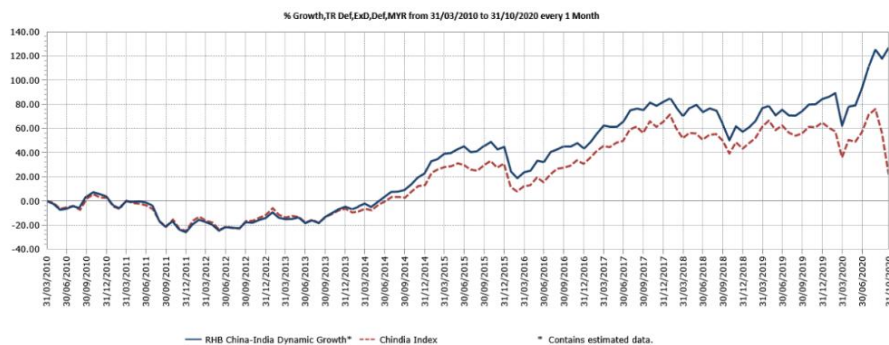
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

#### 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      | 4.21    | 7.62     | 27.68    | 23.35  |
| Benchmark | -22.13  | -28.88   | -19.03   | -26.14 |

|           | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund      | 26.44  | 25.13   | 52.74   | 127.06       |
| Benchmark | -24.52 | -26.59  | -8.44   | 21.72        |

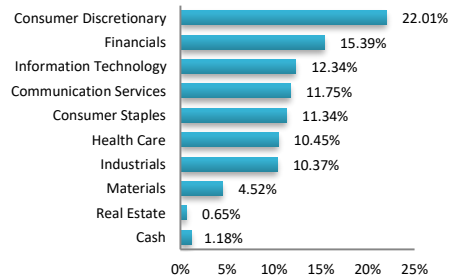
##### Calendar Year Performance (%)\*

|           | 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 |

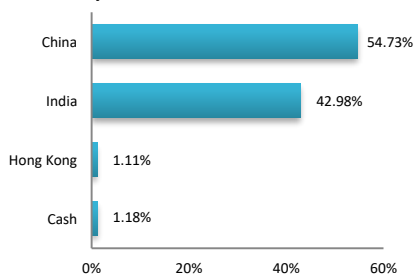
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

|                           |      |
|---------------------------|------|
| ALIBABA GROUP HOLDING LTD | 8.74 |
| TENCENT HOLDINGS LTD      | 7.91 |
| WULIANGYE YIBIN CO LTD    | 2.78 |
| KWEICHOW MOUTAI CO LTD    | 2.66 |
| HDFC BANK LTD             | 2.60 |

\*As percentage of NAV

\*Source: UOBAM, 31 October 2020. Exposure in United China India Dynamic Growth Fund - 96.20%

#### FUND STATISTICS

##### Historical NAV (RM)

|      | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 1.1543  | 1.1543    | 1.1543       |
| Low  | 1.0894  | 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                       | RM1.1353  |
| Fund Size (million)            | RM13.01   |
| Units In Circulation (million) | 11.46   |
| 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.

## 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.

### MANAGER'S COMMENTS

#### MARKET REVIEW

US GDP expanded by 7.4% in the third quarter, driving annualised growth to 33.1% - the highest on record - as the economy reopened from shutdown. Increased consumption along with gains in business and residential investment as well as exports fueled the third quarter rebound. Decreases in government spending following the expiration of the CARES Act rescue funding subtracted from GDP. Personal consumption increased 40.7%, while gross private domestic investment surged 83% amid a 59.3% increase on the residential side. The third-quarter GDP number represents a sharp rebound following a 31.4% annualized drop in the second quarter due in large part to pandemic-related economic shutdowns. Given that the economy shrank at a 5% annual rate in the first three months of the year, the US economy, will have recovered slightly more than two-thirds of the output it lost from the pre-pandemic level. In terms of percent change from a year earlier, the economy contracted 9% in the second quarter and 2.9% in Q3. Employment data reveals that unemployment rate has fallen significantly to 7.9% compared to 14.7% at the outset of the pandemic recession and the economy is roughly 10.7 million jobs short of recovering all the 22 million jobs that were lost to the pandemic.

The European Central Bank hinted at more monetary stimulus as Germany and France, the two largest economies in the region, prepare for a second national lockdown. The bank decided to keep its rates and wider monetary policy unchanged but suggested that additional policy action in the euro zone could come as soon as December. This means the interest rate on the ECB's main refinancing operations, marginal lending facility and deposit facility remain at 0%, 0.25% and -0.5%, respectively. In addition, its Pandemic Emergency Purchase Program (PEPP), created in the wake of the coronavirus outbreak, was left unchanged. The central bank is widely expected to add to its USD 1.35 trillion asset purchase program, which sits alongside the European Union's Euro 800 billion (USD 938 billion) coronavirus recovery fund and has enabled even heavily indebted countries such as Italy to borrow money at zero interest. In September, the ECB had estimated a contraction of 8% in euro zone GDP in 2020, followed by a rebound of 5% in 2021. In terms of headline inflation, it forecast 0.3% for 2020, followed by an increase to 1% in 2021. The institution will update these forecasts in December.

SSE 50 China A Share rose 2.94% and MSCI China rose 5.24% (MYR terms) in the month of Oct 2020, outperforming emerging markets and Asia, but lagging MSCI World by about 1%.

October marked the month of China's Golden Week Holiday which provided data indicating meaningful recovery of domestic consumption. The improvement in domestic activity alleviated fears of an uneven economic recovery brought about only by export-led industries. This mitigated potential fallout from geopolitical tensions as the US head towards elections.

China reported 3Q GDP of 4.9% which came in slightly below consensus expectation due to strong import growth. This puts it on track to remain as the only major economy to grow this year while further reducing the imminent need of fiscal and monetary stimulus. There was also positive development across key economic indicators as retail sales, industrial production and employment levels gained momentum, while Fixed Asset Investment turned positive for the first time this year. For October PMI, the composite PMI reading of 55.3 marked the highest reading since its inception in 2017. Non-manufacturing PMI was characterized by momentum in services-related activity that was boosted by increased spending over the Golden Week.

From a sector perspective, performance was broad-based across most sectors with notable outperformance in YTD winners such as Consumer Discretionary and Communication Services. Real Estate and Energy were notable laggards. Consumer Discretionary outperformed with a surprise in auto sales beating expectations, coming in line with the broader recovery of global auto demand. The energy sector trailed peers as global oil prices and demand continued to weaken in light of re-surfing virus cases, as well as the government's commitment to accelerate clean energy developments.

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 fell 0.02% (MYR terms), Sensex rose 2.60% (MYR terms) and Nifty rose 2.06% (MYR terms) in Oct 2020.

Equity markets remained positive during October on the back of sustained month-on-month improvement in economic indicators and announcement of second quarter results which were largely better than expectations. Sensex delivered a return of 4.06% over the month closing at 39,614.07. Nifty delivered a return of 3.51% over the month closing at 11,642.4. As per latest data, FII were net buyers in Equity markets with inflow of USD ~2.29 Bn and net buyer in Fixed Income markets with inflow of USD ~0.51 Bn. Domestic Institutions were net sellers in equities with net outflow of USD ~2.16 Bn over the month.

#### MARKET OUTLOOK

Equity market remained buoyant during the month on the back of sequentially improving economic indicators, higher consumption demand boosted by the festival period and better than expected corporate results announced so far. While consumption demand may have an element of pent up demand as well, various other economic indicators like power consumption, GST collections, e-way bill generation, freight volumes, fuel consumption, reduction in unemployment etc. point to a more broad-based revival. Management commentaries from the corporate sector are also optimistic with many companies witnessing sustained demand momentum. Growth in rural regions remains strong and shall only improve further as the benefits of a healthy monsoon start to play out. While there may be near term volatility as the fallout of the pandemic and its economic impact become clearer, 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 October 2020, the Volatility Factor (VF) for this fund is 17.2 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](http://www.rhbgroup.com)

 RHB Group  @RHBGroup  RHB Group  RHBGroup

RHB Asset Management Sdn Bhd (174588-X)

