RHB Asset Management

FUND FACTSHEET - DECEMBER 2020

All data expressed as at 30 November 2020 unless otherwise stated

3-year Fund Volatility **17.3** very high
Lipper Analytics 10 NOV 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:

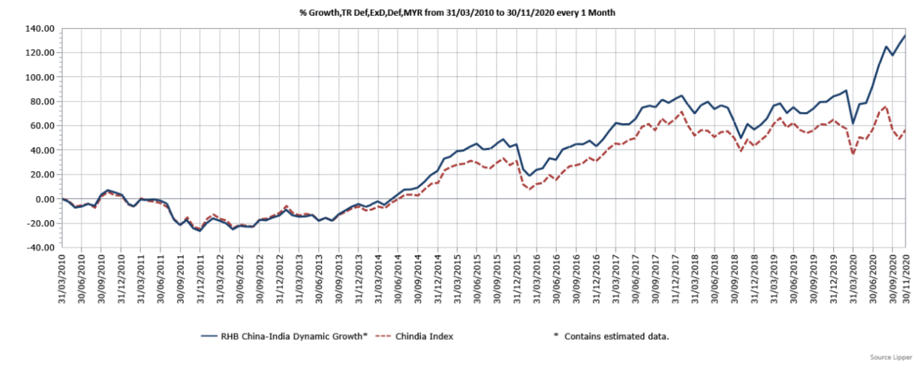
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

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	**3.26**	**4.06**	**31.10**	**27.37**
Benchmark	5.16	-10.89	5.29	-4.90

	1 Year	3 Years	5 Years	Since Launch
Fund	**30.41**	**31.12**	**64.60**	**134.46**
Benchmark	-2.54	-2.77	22.96	56.73

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

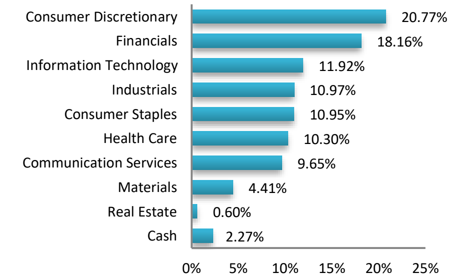
Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	11 March 2010
Unit NAV	RM1.1723
Fund Size (million)	RM12.52
Units In Circulation (million)	10.68
Financial Year End	31 July
MER (as at 31 July 2020)	0.40%
Min. Initial 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.*

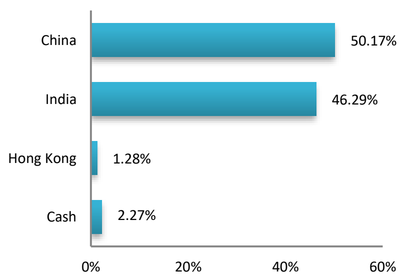
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LTD	6.55
ALIBABA GROUP HOLDING LTD	6.44
BAJAJ FINANCE LTD	3.31
HDFC BANK LTD	3.00
WULIANGYE YIBIN CO LTD	2.79

**As percentage of NAV*

**Source: UOBAM, 30 November 2020. Exposure in United China India Dynamic Growth Fund - 96.60%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1956	1.1956	1.1956
Low	1.1353	0.7654	0.3648

Source: Lipper IM

RHB CHINA-INDIA DYNAMIC GROWTH FUND

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MANAGER'S COMMENTS

MARKET REVIEW

The US Fed Reserve maintained status quo on the policy rates with federal funds target rate in the range of zero to 0.25%, where it has been since March. It said that interest rates will be kept low until labour markets have fully recovered and inflation has reached target and is on path to remain moderately higher than 2%. The Fed said that economic recovery continues helped by large fiscal support and progressive unlocking of the economy. Housing market has fully recovered from the Covid-19 shock, consumer spending on goods remain strong, although spending on services is still weak. However, chairman Powell did mention that incremental pace of recovery has moderated a bit and there is a long way to full normalization of the labour market. Asset purchases will continue at least at the current pace of USD120 bn per month. Powell mentioned that they did discuss about the pace of asset purchases and mentioned that they stand ready to make changes to the program to increase the pace of accommodation.

The euro zone economy rebounded more than expected in the third quarter from its coronavirus-induced slump as GDP in the 19 countries sharing the euro surged 12.7% quarter-on-quarter in the third quarter after contracting 11.8% in the second, according to the European Union's statistics office, Eurostat. Year-on-year, however, euro zone economic output was still 4.3% lower, though an improvement on the 14.8% annual contraction in the previous three months. The euro zone average was boosted mainly by France, Italy, and Spain, which all registered quarterly growth between 16.1% and 18.2%. Germany, the euro zone's biggest economy, grew 8.2% quarter-on-quarter. The increase led Germany to revise its economic forecast for the year to a 5.5% contraction, instead of the 5.8% it had expected earlier. Consumer prices continued to fall in October, pulled down by plunging energy costs despite more expensive food, alcohol, and tobacco. Consumer prices in October were 0.3% lower year-on-year, the same rate as in September. Euro zone unemployment was flat in September from August at 8.3% of the workforce.

SSE 50 China A Share rose 5.43% and MSCI China rose 0.78% (MYR terms) in the month of Nov 2020, outperforming emerging markets and Asia, but lagging MSCI World by about 1%.

Economic data in November showed continued signs of economic recovery, indicating meaningful recovery in domestic consumption and external demand. The improvement in domestic activity alleviated fears of an uneven economic recovery brought about only by export led industries.

China reported 3Q GDP of 4.9% which came in slightly below consensus expectation due to strong import growth. It remains on track as the only major economy to grow this year, 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 built on its positive growth for this year. For November PMI, the composite PMI reading of 55.7 refreshed the record as the highest reading since its inception in 2017. Non-manufacturing PMI reached the highest in 8.5 years while Services PMI edged up, led by transportation, telecommunication and financial services.

From a sector perspective, performance was uneven as the Target Fund Manager saw a rotation into cyclical sectors as different drug makers reported significant advances on vaccine trials. Sectors that mainly benefit from a global economic reopening led the index in November, with Energy, Materials, Utilities and Financials being notable outperformers, while Communication Services and Consumer Discretionary lagged the market.

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 7.12% (MYR terms), Sensex rose 10.07% (MYR terms) and Nifty rose 10.01% (MYR terms) in Nov 2020.

Equity markets across the world reacted positively to significant forward movement on vaccine development as a few pharmaceutical companies announced data indicating high efficacy of vaccines under development. This has led to a positive sentiment favouring risk assets including emerging market equities and global commodities. India has benefited immensely from this momentum as foreign flows in the equity market have picked up significantly during the month. Sensex delivered a return of 11.45% over the month closing at 44,149.72. Nifty delivered a return of 11.39% over the month closing at 12968.95. As per latest data, FIIs were net buyers in Equity markets with inflow of USD ~8.32 Bn and net seller in Fixed Income markets with outflow of USD ~0.31 Bn. Domestic Institutions were net sellers in equities with net outflow of USD ~5.93 Bn over the month.

MARKET OUTLOOK

Equity markets gained momentum during the quarter and rallied as progress on multiple vaccines under development raised optimism of possible launches as soon as early 2021. This has buoyed sentiments and expectations of a global economic recovery much earlier than anticipated before, also visible in rally in commodity prices. Global central banks are expected to maintain accommodative policy stance in 2021 as well providing enough liquidity to enable recovery in economic growth. On the domestic front, corporate results were better than expectations driven by quicker than expected revival from the bottom and significant cost efficiency measures and have led to earnings upgrades after many quarters of continuous earnings downgrades. All these factors have driven a revival in sentiments towards risk assets including emerging market equities. India has also benefited from strong inflows from foreign investors. While valuations after the rally appear to be slightly above the fair value zone, a sustained economic recovery, opportunities for Indian companies to cater to the exports markets, and lasting benefits from cost efficiency measures are factors that can drive an earnings recovery going ahead. While near term uncertainty persists, the Target Fund Manager believes that the long-term growth potential remains intact. The Target Fund Manager maintains their preference for companies with low leverage, industry leadership position and ability to gain market share during periods of stress, generate free cash flow and protect Return on Capital during downcycles.