RHB Asset Management

FUND FACTSHEET – NOVEMBER 2014

All data expressed as at 31 October 2014 unless otherwise stated

3-year Fund Volatility 13.6 very high Lipper Analytics 15 OCTOBER 2014

RHB-OSK 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").

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

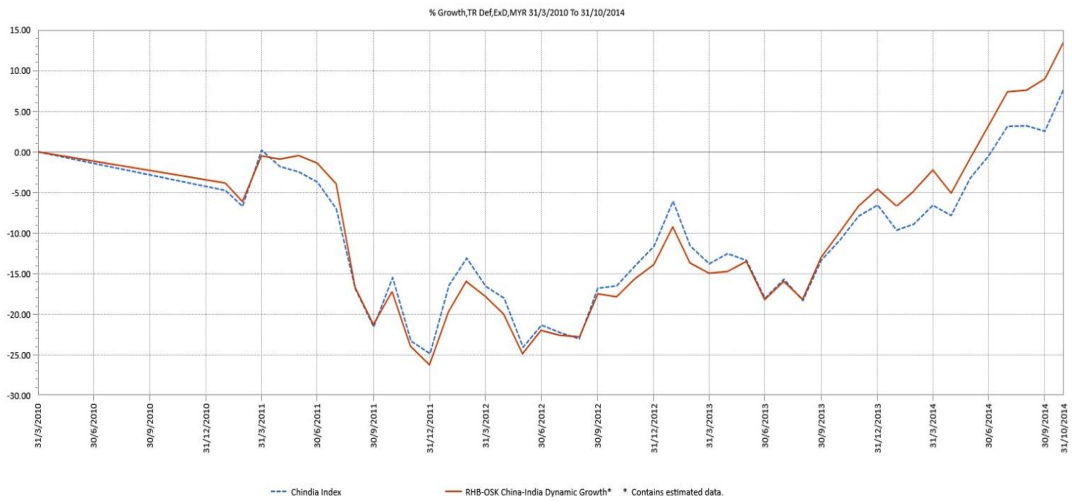
• wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
• are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
• seek capital appreciation.

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	**4.22**	**5.77**	**19.65**	**19.00**
Benchmark	5.10	4.48	16.97	15.36

	1 Year	3 Years	Since Launch
Fund	**25.94**	**37.23**	**13.60**
Benchmark	20.89	27.54	7.78

Calendar Year Performance (%)*

	2013	2012	2011
Fund	**10.79**	**16.81**	**-28.79**
Benchmark	5.73	17.62	-26.54

**Source: Lipper IM*

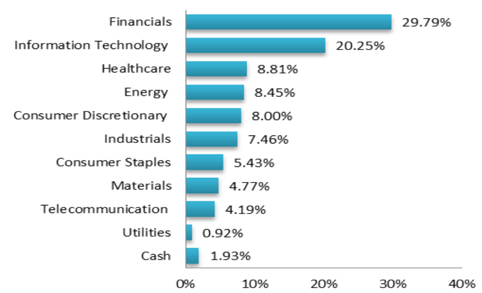
FUND DETAILS

Investment 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	RM0.5680
Fund Size (million)	RM9.98
Units In Circulation (million)	17.57
Financial Year End	31 July
MER (as at 31 July 2013)	0.45%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% MSCI China Index (RM) + 50% MSCI India Index (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 minimum of RM18,000 p.a.*
Switching Fee	RM25.00 per switch
Redemption Period	Within 10 days after receipt the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Incidental

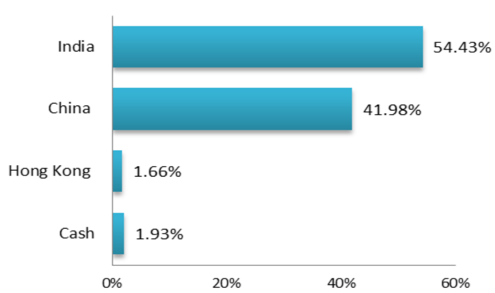
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LIMITED	4.82
INFOSYS LIMITED	4.69
TATA CONSULTANCY SERVICES LTD	4.10
HDFC BANK LIMITED	3.62
HOUSING DEVELOPMENT FINANCE CORP	3.56

**As percentage of NAV*
**Exposure in United China India Dynamic Growth Fund - 98.30%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5680	0.5680	0.5680
Low	0.5361	0.4352	0.3648

Source: Lipper IM

Historical Distributions (Last 3 Years) (Net)

	Distribution (sen)	Yield (%)
31 Jul 2014	-	-
31 Jul 2013	-	-
31 Jul 2012	-	-
31 Jul 2011	-	-

Source: RHB Asset Management Sdn. Bhd.

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RHB-OSK CHINA-INDIA DYNAMIC GROWTH FUND

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MANAGER'S COMMENTS

ASSET ALLOCATION

Our official asset allocation is now slightly overweight India vs slightly underweight China. 55 India: 45 China. In China, we are seeing improving corporate profitability from cost discipline and SOE reform momentum will give this further impetus. Valuations are very attractive, versus the region and its history too. However, China continues to face macro challenges of slowing growth and rising debt levels and financial risks. Until they show progress in rebalancing the economy and resolving their macro challenges, then we can see the market re-rate on current cheap valuations. In India, the market has enjoyed a strong re-rating on the BJP's decisive election victory and the prospect of a multi-year investment cycle acceleration. Lower commodity prices have also helped ease inflation pressures and improve the current account deficit and fiscal deficit. It has also given a boost to corporate earnings. Valuations have reflected these positive tailwinds to some extent as MSCI India is trading close to 1 standard deviation above its historical mean. Much of the market re-rating has been done, and earnings growth will be the driver of the markets going forward. So far, in the 3rd quarter, india corporates have delivered well on earnings expectations in general.

CHINA MARKET COMMENTARY

MSCI China gained 6.66% (JPY terms) in the month of October 2014.

The China equity markets gained in October, outperforming global equities and the broader Asia ex-Japan market. Investors' attention was focused on the significant global central bank actions at the end of October. The US Federal Reserve (Fed) ended quantitative easing as scheduled while the Bank of Japan (BoJ) surprised markets with its announcement to further ease monetary policy and the Japan government pension fund announced its plan to raise allocation to equities and foreign assets.

Global economic leading indicators all improved across the developed markets in October, though they were softer in emerging markets. The US PMI rose back to 59.0 from 56.6, Japan PMI rose to 52.8 from 51.7, the Eurozone inched up to 50.6 from 50.3 and the UK PMI rose to 53.2 from 51.5. China's official PMI softened to 50.8 in October from 51.1 in September, with the private sector HSBC PMI inching up to 50.4 from 50.2. Other latest activity indicator such as industrial production mostly dipped in August, though there was some improvement in September where data was available. Inflation remained largely stable across most markets.

The better-than-expected 3Q14 GDP data out of China and pick up in property sales from September following easing of mortgage rules allayed some concerns on further deterioration in the near-term economic outlook. China's central bank injected short-term liquidity into small banks and focused on lowering market interest rates, targeted quantitative easing and a shift in credit components to support the economy.

CHINA MARKET OUTLOOK AND STRATEGY

China has a tough time balancing growth and reforms to resolve structural problems. There are many urgent areas that need to be resolved such as cleaning up the environment, reducing overcapacity; restructuring state owned enterprises (SOEs) and curbing excess credit build up. Most of the proposed reform measures will likely have a dampening effect on growth in the near term.

Hence, the macro challenges of slower growth, rising debt levels and a property slowdown still persist, causing headwinds for the market. The government has adopted some selective targeted stimulus that has helped stabilize growth but activity has still slipped as credit is controlled. Property sales and starts have remained weak through most of the year. Clearly, China's continued rebalancing process will still cause growth headwinds over the medium term.

On the other hand at the micro-level, we see encouraging signs of improved corporate profitability. Despite a slowing economy and falling topline growth in the last two years, corporate profits in general have held up well in China. Data shows that they have been more disciplined in controlling capital expenditure and cutting costs. In the third quarter, Chinese corporates also improved the cashflow significantly. A further impetus to corporate profitability should come from State owned enterprises (SOE) reforms. The government is introducing a series of measures including private ownership in traditionally monopolistic industries and tightening cost control after a series of anti-corruption investigations. This should help improve the efficiency and profitability of the SOEs which have historically lagged the private sector.

After a brief surge in the middle of the year, the HSBC PMI has dipped back in latest 2 months, though still above the 50 level. Other activity indicators such as retail sales, industrial production, have also remained soft compared to earlier in the year. Property continued to be the main risk as there is a lot of oversupply especially in many tier 2 and 3 cities. A lot of developers are also highly levered through the shadow banking system and facing cash flow problems as sales have slowed down. The government has already eased home purchase restrictions across many cities and allowed wider availability of mortgages. September and October sales have already picked up as sentiment improved. However, the oversupply situation is still very significant. If the property sector rolls over, there is more downside to economic growth and greater financial risks.

China's macro challenges and restructuring process still has some way to go. Maintaining stable growth while keeping credit growth in check will be particularly difficult. China's debt to GDP has burgeoned to over 240% of GDP as of mid 2014 from less than 150% in 2008, even as growth has slowed from over 10% to 7% now. While the Central government balance sheet is still healthy, local government and SOE corporate balance sheets are stretched. Financial risks are rising as seen in the escalation of shadow banking and the acceleration of non-performing loans. We believe there are still very good investment opportunities in China, and we see improvements at the micro level in corporate profitability. However, there will be huge dispersions between the winners and losers in China's re-structuring process. Picking the right stocks in this challenging macro-environment will be very important.

We are positive on China. Policy easing, improving corporate profits and SOE reform momentum should help support the markets. China's macro challenges remain, but it looks to be well reflected in the price. China's valuations are very cheap, well below its 10 year mean on price to earnings, and in the case of price to book, already at levels during the 2008 global financial crisis. Within the regional Asian markets, China also stands out as the cheapest. History shows that if we buy markets at such valuation levels, we will very likely be rewarded with strong positive returns over the medium to long term. We believe that China will likely muddle through its problems. They have ample resources to cover its financial liabilities and cushion a potential hard landing if necessary. It's a matter of policy coordination. When China's shows progress in rebalancing its economy and resolving its macro challenges, the market should rerate given its current cheap valuations. However, this may take some time given the current macro headwinds and concerns.

We remain vigilant in tracking operating conditions across China given the slowdown in growth and the government's policy initiatives having uneven impact across industries. We look for opportunities to invest in companies that are benefitting from the rising purchasing power of the region's consumers or have technologies causing disruptive innovation to lifestyles and consumer spending patterns. However, stock selection is critical, given slowing growth and high competitive pressures.

We continue to underweight deep cyclical sectors such as materials in the face of China's slower growth over the medium term and general over-supply conditions. We are neutral on Financials given the tailwinds of RRR cuts, relaxation of LDR limits and stable growth. However, we recognize they still face structural challenges - pressures of contracting profit and net interest margins with interest rate liberalization, non-bank disintermediation and rising NPLs. We like technology, from social media to component suppliers of smartphones, which are facilitating a sea change in consumer spending patterns. We are also positioned in selected Industrials which are gaining in competitiveness against international peers and winning overseas orders.

In the long term, the China economy continues to be supported by high savings and wage gains, which provide an attractive backdrop for consumption growth. Rising purchasing power of the middle and lower income population is a very supportive backdrop for investors. When China gets through the current necessary painful transition, reforms and rebalances its economy towards a more sustainable growth path, these positive fundamentals should reassert themselves. The China market should then enjoy a sustained re-rating, with high rewards for long term investors now.

INDIA MARKET COMMENTARY

MSCI India gained 6.41% (JPY terms), Sensex gained 6.41% (MYR terms) and Nifty gained 6.25% (MYR terms) in October 2014. Sensex started the month at 26,631 and closed at 27,866 up 4.6% over the month. Nifty started at 7,965 and closed at 8,322 up 4.5%. As per latest data, FIIs were net sellers in with outflow of USD 165 Mn vs. an inflow of USD 0.88 Bn last month, in Indian Equity markets. FIIs invested USD 2.8 Bn into Indian debt vs. an inflow of USD 2.6 Bn last month. Domestic Mutual Funds were net buyers in equities with net purchase of USD 820 Mn in the month.