

# MERGE



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## The next big boom: Digital economy on the *rise.*

page 2



To catch a rising star -  
Why the time to invest  
in esports is now.

page 8

The places we'll go!  
What's next in your  
wander list?

page 18

Top 10 Performing  
UT Funds

page 26

Now, all you need  
to think about is  
*dance time.*



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# Keeping our faces to the sun.



*Thank you for joining us in this June issue of MERGE. Although things are once again a little gloomy with the rising COVID-19 numbers in Asia, hope is on the horizon as we watch life returning back to normalcy in the US and the UK with mass vaccinations. Now more than ever, we should start thinking about “what’s next?” for life after the pandemic.*

As investors, “what’s next?” is a familiar buzzword as we are always looking for the next big thing to invest in. In this issue, let’s get ahead of the crowd by identifying nascent industries that are expected to shake the global economy with the introduction of 5G and brace ourselves for a new wave of digitalisation.

Also shaping the future are Millennials, who are now the world’s largest demographic cohort. This is why esports, which came of age with the Millennials, has catapulted seemingly out of nowhere into the mainstream. Find out why this formerly niche segment is now poised to be one of the biggest growth stories for the future.

Of course, as we watch the world returning to normalcy, travel-deprived Malaysians are dreaming of their next vacations. We have asked fellow Malaysians about their top post-pandemic travel destinations and will be introducing a few hidden gems. In fact, we will also be introducing a travel helpmate, the RHB Multi Currency Account, which you can use to hedge your holiday currencies against exchange rate fluctuations.

We hope that this issue of MERGE will give you lots to dream about and build on for the future. Let’s all keep our faces to the sun, and move towards a brighter future, together.

**Rakesh Kaul**  
Head of Group Retail Banking  
Malaysia and ASEAN

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## The next big boom: Digital economy on the *rise.*

Netflix. Grab. Lazada. Work-from-home (WFH). Video conference. These names and phrases have become second nature to us, more so over the past year. They are also part of a new wave of digitalisation that is changing the global economy.

The digital economy is the new economy, sustaining global productivity growth, development and prosperity. According to the World Economic Forum, an estimated 70% of new value created in the economy over the next decade will be based on digitally enabled platforms. The world is changing before our eyes, and with that change comes growth and investment opportunities.

This development didn't just materialise recently as a new idea, but rather, it was the next logical stage in the evolution of the economy. The evolution from

conventional to digital is rapidly changing the way we do things - how businesses are structured, how consumers obtain services, information and goods and how governments need to adapt to new regulatory challenges. It also changes how we invest.

What's a digital economy, exactly? The term was coined by a Japanese professor and research economist (with amazing foresight) during Japan's recession in the 1990s.

The digital economy is an economy based on digital computing technologies, where business is conducted through markets based on the internet, mobile technology and the internet of things (IoT). It is underpinned by the increasing use of information and communication technologies across all business sectors to generate productivity, grow wealth and enhance our wellbeing.

Malaysia is part of the global digital economy. By the end of this decade, Malaysia will become a high-value-added economy and a net exporter of home-grown technologies and digital solutions, according to the road map set out in the Malaysia Digital Economy Blueprint. The Malaysia Digital Economy Blueprint's vision is to be a regional leader in the digital economy and achieve inclusive, responsible and sustainable socioeconomic development.

The digital economy, which has been growing by leaps and bounds in recent months, is expected to make up 22.6% Malaysia's gross domestic product (GDP) and create 500,000 jobs by 2025. To achieve this, RM21 billion will be invested through the National Digital Network (JENDELA) plan over the next five years. The plan was formulated to provide wider coverage and better quality of broadband experience for the Rakyat in preparation for 5G technology.

We're currently in the first phase of JENDELA (2020 - 2022), which will see the retirement of 3G telecommunications technology. Under the second phase, 5G will be deployed in full in line with the 12th Malaysia Plan, providing a digital boost to the economy.

The Malaysia Digital Economy Blueprint's vision is to be a regional leader in the digital economy.



## Get plugged in

We've been forced to work remotely over the past year, and it's likely that many of us will continue to do so long after Covid-19 becomes a distant memory. Most office-based work can be carried out from anywhere.

Malaysia ranks slightly above the global average in the percentage of people working from home, according to a 28-country survey conducted by Ipsos.<sup>1</sup> As at December 2020, 65% of polled Malaysians said they worked from home, compared to the global average of 50%. This figure is largely due to the movement restrictions, but is likely to remain roughly the same as Malaysians - especially the younger generation entering the workforce - who place more emphasis on work-life balance and flexibility. This is same for businesses too, as they adopt a more asset-light approach to reduce overhead costs. With WFH arrangements, a large physical office becomes optional and transport costs and paid medical leave, which are often subsidised, are reduced as well. Employees no longer need to spend hours each day on the commute, reducing work-related stress.

## The gig economy

The developments in the digital realm and concurrent drop in the cost of internet access have opened up the floodgates for money-making opportunities. Social media influencers are raking in millions, while freelance graphic designers can be hired from anywhere in the world, all from the comfort of their homes.

The digital economy will be driven, in part, by the increasing number of these 'gig' workers. Non-standard or gig work consists of income-earning activities outside of standard, long-term employer-employee relationships. These can be part or full-time, temporary or project-based, and can be paid by the hour, with a monthly wage, or by project.

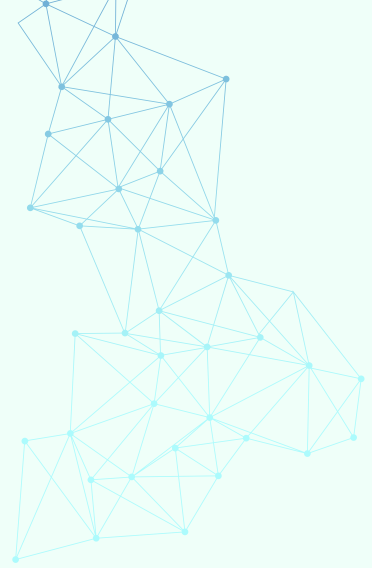
Gig work is highly dependent on digital technology. Employees are not tied to one company or occupation; the incomes they get commensurate with the number of jobs they take on. They are free to work at any time as long as the deadlines are adhered to. With platforms like PayPal, they can accept payments from anywhere in the world.

Besides the newer gig jobs such as e-hailing drivers, parcel and food delivery, Airbnb hosts and influencers, there are more traditional gig jobs that have become more prominent. Writers, accountants, sound engineers and programmers can now offer their services through freelancer platforms.

As of October 2020, 26% of the Malaysian labour force, or about 4 million people, are gig workers and the number is growing.<sup>2</sup> Platforms like Grab and Gigworks provide a viable solution for Malaysians to start gig work almost immediately. Statistics show that the gig economy tends to attract more young adults: 25-34 years (46.2%) and 35-44 (32.5%). Based on a report by a talent outsourcing and consultancy group KellyOCG, 84% of hiring managers in Asia Pacific outsource to freelancers as a means to save cost, stimulate innovation and keep a competitive advantage.



The Malaysian government is helping the gig economy with incentives involving gig workers' welfare in the National Economic Reform Plan (Penjana) package worth RM75 million. Via Penjana, the Government will facilitate policies to support the growth of the gig economy and the welfare of gig economy workers through:



## Gig economy protection and upskilling



A matching grant of up to RM50 million for gig economy platforms who contribute for their gig workers towards PERKESO's employment injury scheme of up to RM162 and EPF's i-Saraan contribution of up to RM250 yearly.



Provide MDEC with RM25 million for the Global Online Workforce (GLOW) program which will train Malaysians to earn income from serving international clients while working online from home.

## Flexible work arrangements initiatives



Further tax deduction for employers which implement Flexible Work Arrangements (FWAs) or undertake enhancement of their existing FWAs (effective 1st July 2020).



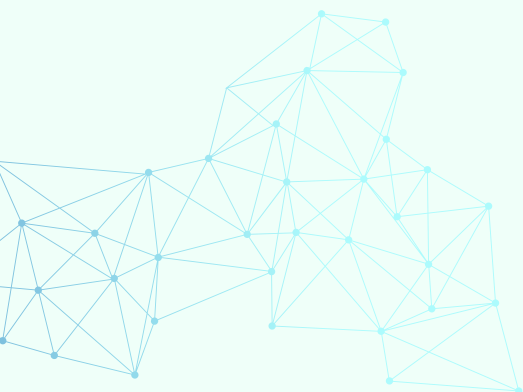
Individual income tax exemption of up to RM5,000 to employees who receive a handphone, notebook and tablet from their employer (effective 1st July 2020).

Special individual income tax relief of up to RM2,500 on the purchase of handphone, notebook & tablet (effective 1st June 2020).



With the increasing number of Malaysians working from home, SOCSO will also provide coverage for workers involved in accidents while working at home under the Employment Injury Scheme.

Along with Penjana, the launch of RM100 million Ministry of Higher Education's Penjana Career Advancement Programme (KPT-CAP) is rather timely, giving fresh graduates the option, and knowledge, to start their careers in gig work.





### Capitalising on rapid growth

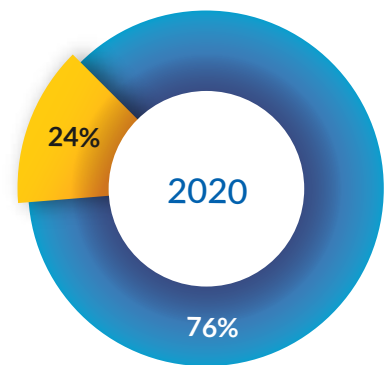
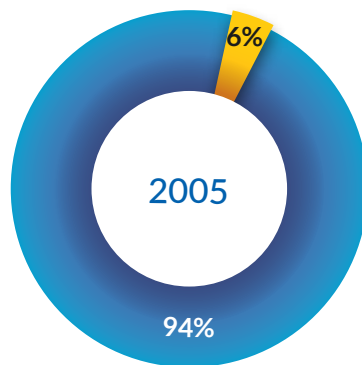
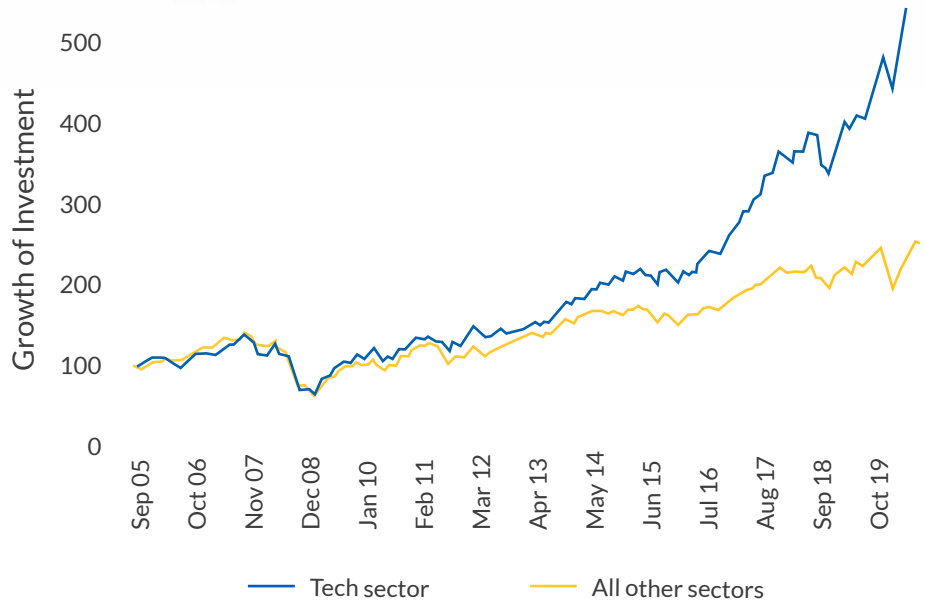
As investors, we look for potential growth. To give an idea of the massive growth of businesses that have become synonymous with the digital economy, we'll go back to the beginnings of Netflix.

The company started out in 1998 as an online DVD rental business, and in 2007 introduced the gamechanger: streaming. By 2010, it was available through PS3, Xbox360, or an Apple device. As a reflection of just how much Netflix has changed the way we watch TV, the company won the Emmy Engineering Award in 2012, awarded to individuals or organisations that made a profound impact on the industry. In terms of subscribers, in Q3 2011 the platform had 21.5 million users. In Q3 2020, in the midst of the pandemic that turned us into binge-watching couch potatoes, that figure ballooned to 203.66 million.<sup>3</sup>

While you might feel it's a little late to get on the Netflix bandwagon, there are many more such opportunities. If you're looking for an opportunity to get in at the start, Grab Holdings, a major proponent of the gig economy, is expected to get public on the NYSE this year.

The expected growth of the digital economy and the related developments results in the increase in demand for ICT services and products. Technology has outpaced the broader equity market in recent years.

Investment growth for tech sector weight in MSCI ACWI



■ All other sectors in MSCI ACWI    ■ Tech sector weight in MSCI ACWI

Source : Morningstar, FactSet 30 Sept 2020. For illustrative purposes only. The figures shown relate to past performance. Past performance is not a reliable indicator of current or future result.



## FAANG growth over a five-year period



Source : Google Finance

[https://www.google.com/finance/quote/NYFANG:INDEXNYSEGIS?sa=X&ved=2ahUKEwiiuYmcm9LwAhXQwTgGHXUCCXMQ\\_AUoAXoECAEQAw&window=5Y](https://www.google.com/finance/quote/NYFANG:INDEXNYSEGIS?sa=X&ved=2ahUKEwiiuYmcm9LwAhXQwTgGHXUCCXMQ_AUoAXoECAEQAw&window=5Y)

To make it easier for investors to highlight relevant stocks, the acronym “FAANG” refers to the stocks of five prominent US tech companies: Facebook, Amazon, Apple, Netflix and Google (Alphabet).

As we can see in the chart, FAANG stocks have appreciated 205% over a five-year period, with a sharp growth of 137% since the start of the global lockdown in March 2020.

While you could invest in individual stocks or companies, that comes with its own risks and challenges. There is a selection of funds that will let you get a foot in the door and take some of the risk off your shoulders. These funds offer you access to the key elements that make up the backbone of the digital economy: artificial intelligence (AI), cloud computing, electric vehicles, the IoT, 5G communications and technology services. RHB offers a wide range of funds to choose from, no matter what your investment goals are.

RHB i-Global Sustainable Disruptors Fund is a Shariah-compliant fund based on a bottom-up approach, focusing on innovation from a diverse number of securities within the Dow Jones Islamic Markets World Index. It gives investors the chance to capitalise on the key beneficiaries of long-term structural growth themes like digitalisation, the financial evolution, feeling good, healthcare innovation, and the energy revolution. Its approach is flexible, unconstrained by any particular style, sector or region, and includes investments in emerging markets.

The Affin Hwang World Series – Next Generation Technology Fund capital appreciation in global equities over a medium to long-term horizon, investing in life-changing disruptive tech, including artificial intelligence, 5G, cloud computing, electric vehicles. A broader focus beyond the established mega names provides exposure to high growth companies that are behind the world’s latest technological developments.

The millennials (1980 – 1996) and Gen-Y (1997 – 2000s) make up the largest demographic, and the Principal Global Millennial Equity Fund aims to capitalise on their habits and lifestyle choices. This segment is currently changing how businesses interact with their customers and disrupting the global economic landscape by seizing new platforms to construct personalised networks of friends, colleagues and affinity groups.

With all these choices available, your Relationship Manager can help you create a portfolio tailored to suit your goals. Discuss your options with your Relationship Manager. If you aren’t currently an RHB customer, we’d love to have you on board. Provide us with your contact details and we’ll get in touch, or just drop by any of our branches.

To catch a rising star -  
Why the time to invest  
in esports is  
*now.*

Esports, after so many years of being underestimated, has become an attractive market for strategic investors (investors looking for synergies and integration) and financial investors (investors looking for financial growth) alike. According to Deloitte and The Esports Observer in a joint report, the sector saw a huge leap in investments between 2017 and 2018<sup>1</sup>. More significantly,

traditional private equity firms joined in the fray, making more investments in 2018 than in the previous four years combined<sup>2</sup>.

The esports market revenue was valued at USD947.1 million in 2020. The pandemic has increased the popularity of gaming in general, as people sought social interaction via the social aspects of online gaming during the lockdown.

Newzoo, a leading provider of games and esports analytics, believes that the lockdown measures across the world have accelerated changes in the games market as the younger generation is leaving behind social media for the more interactive experiences that gaming offers. Newzoo forecasts the number of video game players to increase to 3.07 billion in 2023 from 2.7 billion in 2020.

Malaysia's highest-earning esports player has total prize earnings of USD1.89 million to date, eclipsing the prize earnings of some of our professional badminton players.



## What is esports exactly?

So, what is esports? Esports stands for electronic sports and essentially refers to organised competitive video games. Although video games and video game matches have been around since the 1970s, esports only began to gain traction in the 2010s. During this period game publishers transitioned to a “games as a service” (GaaS) model, which incentivised them to support a competitive scene as marketing extensions of their products.

For example, Riot Games (owned by Tencent Holdings Ltd) and Valve run successful leagues for their most popular games, League of Legends and DOTA 2, respectively. When publishers of GaaS and free-to-play games turn their titles into esports games, the benefits include increased exposure for the title - both online and offline, and additional revenue streams from competition-themed in-game content.

Simultaneously, the emergence of dedicated online streaming services such as Twitch and Huya in the 2010s allowed esports to expand its audience and support regularly scheduled broadcasts. Online viewership grew and the prize pool for esports grew in tandem.

Now, esports tournaments are being played in stadiums and attract audiences from around the world. The major tournaments and leagues offer prize pools in the millions and are organised around the most popular games like League of Legends, DOTA, Fortnite, Counterstrike, Call of Duty, Overwatch, FIFA and Madden NFL.

In 2019, American teenager Kyle Giersdorf won the Fortnite World Cup at Arthur Ashe Stadium in New York City, together with prize money of USD3 million, eclipsing Tiger Woods' PGA prize of USD2 million when he won the Masters Tournament the same year. Close to home, Yap “xNova” Jian Wei, Malaysia's highest-earning esports player has total prize earnings of USD1.89 million to date<sup>3</sup>, eclipsing the prize earnings of some of our professional badminton players.

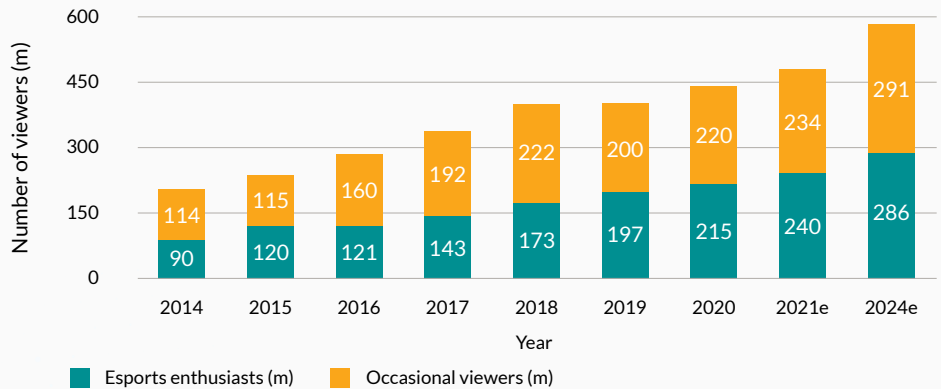
## Global Player Forecast



Source : Newzoo Global Games Market Report 2020

## What makes esports such a compelling investment story?

### Esports viewership

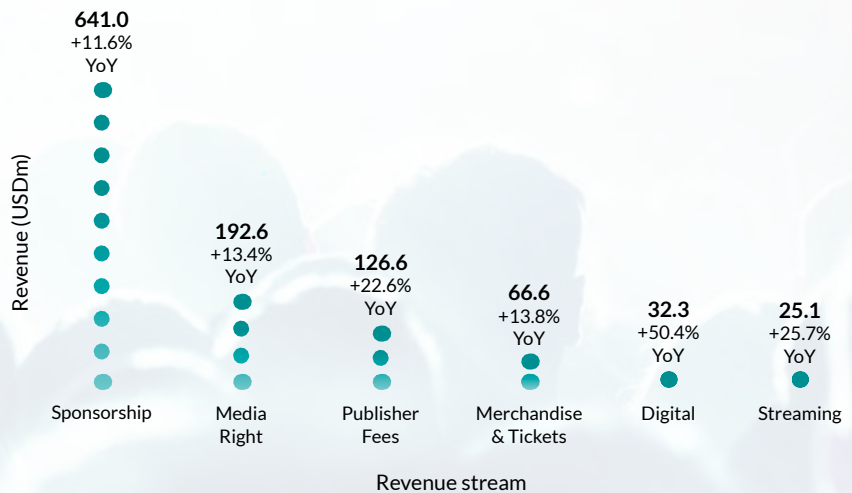


Source : Newzoo Global Esports Market Report 2014-2020, Newzoo Global Esports and Live Stream Market Report 2021

Esports has seen rapid growth in viewership over the past few years from 204 million viewers in 2014 to 435 million viewers in 2020, representing a compounded annual growth rate (CAGR) of 13.5% per annum. To give context to the size of the esports audience, Twitch, the online platform where most esports are streamed has more viewers than HBO, Netflix and CNN. What makes this segment even more exciting is that this growth is just the tip of the iceberg. With a viewership of 435 million out of 2.7 billion people playing video games in 2020, there is a lot of room for esports viewership to grow. Newzoo is expecting the number of viewers to grow 32.6% to 577 million viewers by 2024.

### Esports Revenue Streams

Global 2021



Source : Newzoo Global Esports and Live Stream Market Report 2021

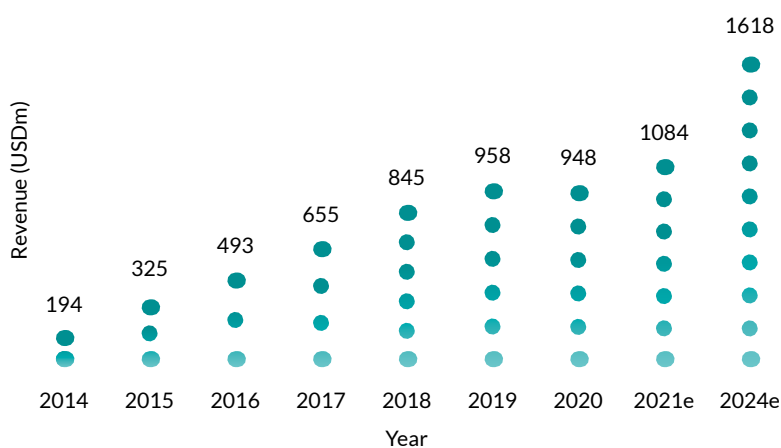


As viewership has grown, so has sponsorship and therefore revenue for this segment. The bulk of esports revenue comes from sponsorship which is expected to hit USD641 million in 2021. Sponsorship of esports is expected to continue to grow, particularly driven by the growth in non-endemic sponsorship by brands eager to connect to esports' unique audience.

There are two types of sponsorships. Endemic sponsorships are made by brands that create the products used to produce and play esports, such as Razer, Logitech and Intel. Non-endemic sponsors are brands that produce products not vital to esports, including mainstream consumer brands like Coca-Cola, Vodafone and Toyota.

Endemic sponsorships have historically made up the bulk of esports sponsorship, but this changed in 2020 when non-endemic sponsors began to pull ahead<sup>4</sup>. These brands sought to connect to the esports fan base which comprises Millennials, the world's largest cohort, who have largely turned away from traditional sports and media. This audience is very attractive to consumer brands because it is young, (37% are males aged 21 to 35, 16% are females aged 21 to 35<sup>5</sup>) and have relatively high purchasing power (61% of US esports viewers earn more than USD50,000 per year<sup>6</sup>).

### Esports Revenue



Source: Newzoo Global Esports Market Report 2014-2020, Newzoo Global Esports & Live Stream Market Report 2021

Esports has seen its revenues grow from USD194 million in 2014 to USD948 million in 2020 representing a CAGR of 30.2% per annum. Thanks to expected growth in viewership and sponsorship, Newzoo expects esports revenue to grow at a CAGR of 14.4% per annum to USD1.6 billion in 2024.

Investors are definitely taking notice of these growth rates. The big turning point for esports as an investment vehicle came in 2018 when investments in the industry jumped to USD4.5 billion in 2018 compared to USD490 million in 2017<sup>7</sup>. 2018 is also significant as more traditional investors, such as private equity investors, began to invest in this sector, signalling its entry into the mainstream.

## The future of esports

Many investors used to believe that esports was not a long-term trend. However, judging by the recent significant increase in investments in the industry, esports is probably here to stay. As it is esports is already being accepted by international sports bodies. It became a medal event in the 2019 SEA Games and will also be a medal event at the 2022 Asian Games in Hangzhou, China. In the Paris 2024 Olympics, esports will be used to enable fans to connect with the athletes by competing virtually with athletes in events like sailing, cycling and rowing. All these mean that there will be increased interest and sponsorships flowing to this industry.

Esports came of age in the digital era and as a digital native, it is poised to continue to ride the waves of technological change to greater heights. In fact, PWC analysts believe that esports is going to be more than a long-term trend and will evolve from a growing live sport with high entertainment characteristics into a leading factor in pop culture that has a significant impact on all games<sup>8</sup>. Here are three ways esports will continue to grow and evolve in tandem with future changes in technology.

## Esports in Malaysia

Esports is especially popular in Asia, with China, Japan and South Korea being esports pioneers, together with the US. However, a 2015 Newzoo report showed that the Southeast Asian countries are also embracing esports. In fact, the 2019 SEA Games was the first time esports became a medal event at an Olympic recognised multi-sport competition.

In Malaysia, video games are seen as an activity for the young and are frowned upon by parents as a waste of time and a distraction from the all-important pursuit of good grades. However, former Minister of Youth and Sports, Syed Saddiq Syed Abdul Rahman, himself only in his mid-twenties, championed esports in Malaysia. Under his leadership, the Strategic Plan for Esports Development 2020-2025 was unveiled in 2019 to turn Malaysia into an esports hub in Southeast Asia. "I will try my best to bring whatever facilities, investments and development there is so that esports gamers and players will have a place," he said<sup>9</sup>.

Thanks to these initiatives, Malaysia will see the opening of the largest esports facility in Southeast Asia in 2021. Located in Quill City Mall, the facility called the EBN Esports City offers 65,000 square feet of space equipped with the latest technology and support system to host world-class esports tournaments, events and conventions.

## Mobile Gaming

One future avenue of growth is mobile gaming, which is currently only in its infancy. Mobile gaming can only get bigger as out of the 2.7 billion gamers worldwide, 2.5 billion play games on their mobile phones compared to 1.3 billion players on a PC and 0.8 billion players on a console<sup>10</sup>. The mobile phone is the most affordable of the three types of gadgets used to play video games, and thus is expected to garner the biggest number of players and audience. The pandemic saw an increase in mobile gaming, and the challenge would be for the gaming industry to retain these new gamers. The introduction of 5G connectivity, widely expected to take place in the next few years, will increase connectivity and support more sophisticated games on the mobile phone.

2020 gives us a glimpse into the future of the mobile gaming esports scene. PUBG Mobile, a mobile game introduced in 2018 became the most-watched mobile esports title and is now the number four esports game via hours watched in 2020<sup>11</sup>. Another mobile game Free Fire, saw impressive viewership numbers for the Continental Series, its 2020 global championship event. In Asia specifically, the Continental Series drew in over 2.5 million peak viewers during the grand finals<sup>12</sup>. This viewership number is encouraging, considering that the finals of the 2020 League of Legends World Championships, the most-watched esports event of 2020 chalked up 3.8 million peak viewers<sup>13</sup>.

*The introduction of 5G connectivity, widely expected to take place in the next few years, will increase connectivity and support more sophisticated games on the mobile phone.*



## When esports and real sports meet

Another expected area of growth is in the merging of real sports and esports. This is expected to happen as virtual reality technology becomes more ubiquitous. Although virtual reality is not expected to become mainstream for another 5-10 years, we can get a glimpse of this future in Zwift.

Zwift is an online gaming platform dedicated to indoor cycling. Thanks to the pandemic, cyclists have discovered Zwift as a way to make indoor cycling more fun. Subscribers to Zwift gain access to a virtual cycling world with multiple courses, group rides, and even races, and it has attracted both professional and amateur riders alike. Zwift as an esports is still in its infancy but shows promise. Since its inception in 2015, Zwift has seen the debut of a professional cycling esports league (KISS Super League) in 2019 and in December 2020, the first-ever UCI Cycling Esports World Championship was held on Zwift.





## Live streaming and gaming video content

The third area of growth, that may not strictly be considered esports, is live streaming and gaming video content (GVC). While esports refers to professional tournaments, live streaming and GVC encompasses the content created around gaming, both professional and non-professional. There is a significant audience overlap between the live streaming and esports markets, although their content and monetization strategies differ. Many non-professional gamers, like Tyler Bevins who is known as Ninja, have built a following via online streaming.

Live streaming had an audience of 662.7 million in 2020 and this audience is expected to grow to 920.3 million in 2024. In light of the new developments in live streaming, Newzoo has expanded its annual Global Esports Market Report into the Global Esport and Live Streaming Market Report in 2021.

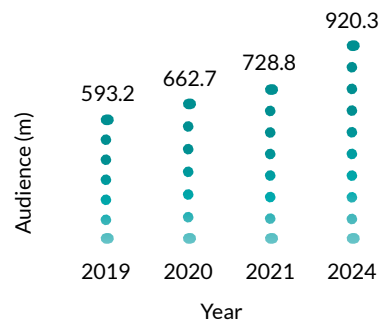
The future of esports looks bright. As more and more people turn to video games for entertainment and social connections, esports will continue to evolve and expand to become a key component of the entertainment industry of the future.

### Live Streaming and Gaming Video Content

Games Live Streaming Audience Global 2019, 2020, 2021, 2024

**CAGR: +9.2%**

Live Streaming Audience 2019 - 2024



Source : Newzoo Global Esports and Live Stream Market Report 2021

*Live streaming had an audience of 662.7 million in 2020 and this audience is expected to grow to 920.3 million in 2024.*



## How do we invest in esports?

As a sector that is still in its infancy, with great growth prospects for the medium to long term, now is a great time to invest in esports to fully participate in the growth potential of this sector. How do we as investors get a piece of the action? We can invest in the diverse range of businesses within the esports ecosystem namely teams, event management, developers, third party coordinators, media platforms and advertising, consumer products and gaming hardware producers.

Although many investments in esports are still done via private equity and venture capital funds, the segment is becoming more mainstream and there many stocks listed in international markets with exposure to the esports ecosystem. Major esports stocks are Tencent Holdings Ltd - the largest gaming company in the world, Activision Blizzard Inc, Razer Inc and

Electronic Arts Inc. There are also esports-themed ETFs such as the Roundhill BITKRAFT Esports & Digital Entertainment ETF (NERD ETF) and the VanEck Vectors Video Gaming and eSports UCITS ETF (ESPO ETF) listed in the US.

However, if you would like to avoid the complications of purchasing different shares and ETFs in different markets around the world, RHB offers you exposure to esports investments via the Manulife Global Thematic Fund and Principal Global Millennial Equity Fund.

The Manulife Global Thematic Fund invests in global equity along multiple themes that are behind the structural shifts of our ever-changing world. The fund is actively managed and unconstrained by region, sector or market capitalisation. Digital life, which includes esports, has been identified as one of the fund's key

investment themes. Accordingly, the fund has investments in Electronic Arts Inc and Square Enix amongst others.

The Principal Global Millennial Equity Fund aims to gain exposure to the Millennial generation by investing in global equities which captures the spending and lifestyle choices of this demographic cohort, which is currently the world's largest. As gaming and esports form part of the Millennial lifestyle, the fund has investments in these areas.

To find out more about the esports investments made by these funds, and how they can enhance your current portfolio, do not hesitate to contact your Relationship Manager.

**Sources:** **1** The Rise of Esports Investment, Deloitte Corporate Finance LLC and The Esports Observer, April 2019. **2** The Rise of Esports Investment, Deloitte Corporate Finance LLC and The Esports Observer, April 2019. **3** Esportsearnings.com, Yap "xNova" Jianwei - Dota 2 Player, accessed 20 May 2021. **4** Globaldata.com, Global esports sponsorship sector dominated by non-endemic brands worth \$584m, 19 January 2021. **5** The Rise of Esports Investment, Deloitte Corporate Finance LLC and The Esports Observer, April 2019. **6** The Rise of Esports Investment, Deloitte Corporate Finance LLC and The Esports Observer, April 2019. **7** The Rise of Esports Investment, Deloitte Corporate Finance LLC and The Esports Observer, April 2019. **8** PWC.de, Investors: High demand in esports attracts big brands from various industries, 2020. **9** New Straits Times, Malaysia to be Esports hub in Asia: Syed Saddiq, 6 August 2018. **10** Newzoo.com, Three Billion Players by 2023: Engagement and Revenues Continue to Thrive Across the Global Games Market, 25 June 2020. **11** Pocketgamer.biz, PUBG Mobile esports generated 200 million hours of viewing in 2020, 23 April 2021 **12** Sportskeeda.com. Free Fire: FFCS Asia creates record with peak viewership of over 2.5 million, 26 December 2020. **13** Dotesports.com, The most watched esports events of 2020, 24 December 2020.



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# The places we'll go! What's next in your *wander list?*

"Where do you want to go once the pandemic is over?" This is a question that has been cropping up in conversations all over the country and in fact, the world. Everyone misses travelling, so when we posed this question in an informal survey, our travel-deprived correspondents were eager to talk about their dream vacations. Small wonder, as just the idea of travel and planning a trip, can boost our happiness.

*"What I need is a good dose of Vitamin Sea! I want to be walking on white-sand beaches, swimming with the fishes, exploring beautiful corals and enjoying a luxurious spa at a beach resort. I don't care if it's in Malaysia or overseas, I just want to get my Vitamin Sea after I get my vaccination!" - Amanda*

*"The first place I want to visit is Hokkaido, Japan to discover the magnificent natural scenery, villages along the coastlines and fresh seafood such as kani (crab), ikura (salmon roe) and uni (sea urchin). I'm already drooling just thinking about it. I also can't wait to soak in a hot spring while gazing out into the serenity of nature" - Alvin*

*"Thailand! First on my list. It's so near and yet so far. I miss the tom yum, pad thai and mango sticky rice! No doubt, there are plenty of good Thai restaurants in KL but enjoying Thai food at my favourite beach resort in Koh Lipe is the next level of enjoyment!" - Jessica*

*"I cancelled my trip to Melbourne back in mid-2020 due to the pandemic. It was a sad decision, but later is better than never. It looks like I can probably proceed with my plan real soon. Can't wait to catch the sunrise on a hot air balloon ride over the Yarra Valley vineyards with my family." - Kay*

Based on our conversations, we found that a few destinations proved to be exceptionally popular, namely:

- A beach vacation
- Thailand
- Japan
- Australia

Do you agree with these destinations topping our list? Do see if your choice of destination matches the rest of our readers! But read on to discover hidden gems to be discovered at these destinations on your next trip.

## The beach vacation

The beach vacation seems to be the most popular destination amongst those we surveyed. Some are yearning to go back to a favourite destination, such as Mary, who is looking forward to returning to Langkawi, where her family vacations almost every year.

*“My son loves the beach, he can just spend the entire holiday there. There are also other activities such as cable car rides, river cruises to mangrove forests and island hopping to keep a child occupied. We usually spend a whole week there,”*

- Mary shares wistfully.

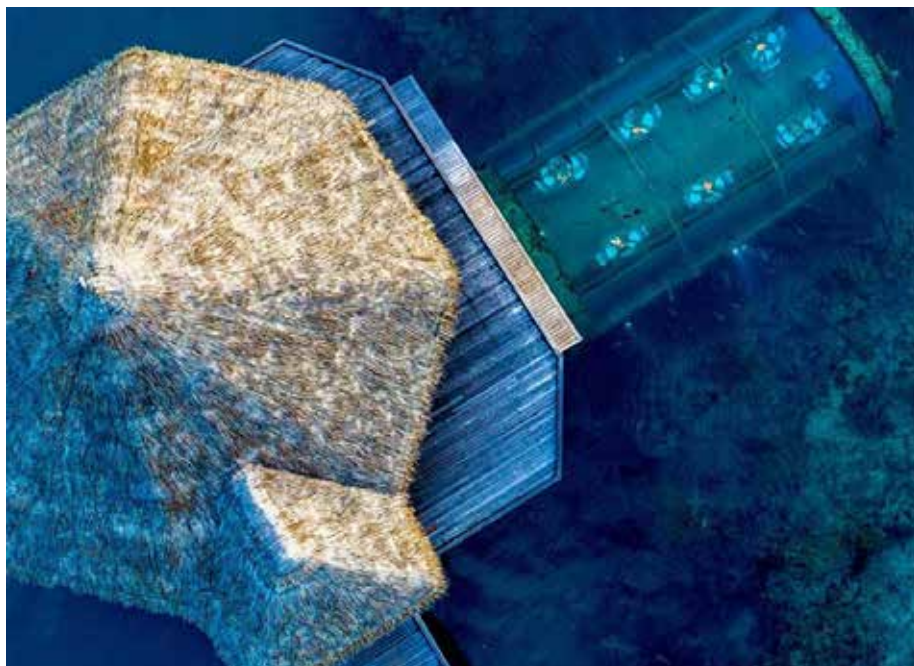


Source: [www.naga-pelangi.com](http://www.naga-pelangi.com)

Frequent visitors to Langkawi may feel that they've seen all it has to offer. If so, you should go for the one-of-a-kind sailing experience to be had aboard the picturesque Naga Pelangi. The Naga Pelangi is one of the legendary Pinas-type “perahu besar” or big boat, a Malay-style sailing boat, that is sadly going extinct. These speedy boats sailed the South China Sea for centuries, with the last few still in operation up until the 1980s.

The Naga Pelangi is the first perahu besar built in decades by the shipwrights of Duyong Island, Trengganu in a unique Malay wooden boat-building tradition that is thousands of years old. Like the boats, this art is also fading away. Sailing around the waters of Langkawi on the Naga Pelangi, it is not difficult to take a step back in time and imagine yourself an ancient mariner who sailed the Malay archipelago thousands of years ago or a swash-buckling pirate of the South China Sea.

Those looking forward to an overseas beach vacation seem to be looking for a new and wow experience. The Maldives seem to be the destination of choice, particularly for newlyweds who have had to postpone their honeymoons. "We had to postpone our plans to honeymoon in the Maldives," says Sara.



Source: [www.conradmaldives.com](http://www.conradmaldives.com)



Source: [www.conradmaldives.com](http://www.conradmaldives.com)

*"Nevertheless I've narrowed down my choice of resorts to the Anantara Kihavah Maldives Over Water Pool Villa, St. Regis Over Water Villa or the W Maldives. I'll proceed with whichever resort that is available once travel is permitted," - Sara*

The Maldives is definitely the ultimate beach vacation, topping the bucket lists of countless travel publications. Not only does it have natural beauty in spades, it also has some of the most spectacular resorts and restaurants built to showcase the beauty of its oceans. One of the most spectacular of these is The Muraka at Conrad Maldives Rangali Island.

The Conrad is already known for its underwater restaurant Ithaa. It has now topped itself with the introduction of the world's first undersea villa. The Muraka is a two-storey residence featuring a master bedroom submerged over 16 feet below sea level. The master bedroom is an architectural masterpiece that doubles up as your own private underwater wonderland. You will undoubtedly spend many enchanted hours watching the fishes, rays, sharks and turtles frolic and play via floor-to-ceiling windows in the walk-in closet, bathroom, shower, bedroom and dedicated viewing theatre.

## Japan

*“It’s one of my favourite places to visit. I enjoy the culture, and I love the food. I also love the Japanese attention to detail - from the little sparrow sculptures along a railing in Osaka Castle Park to the different manhole cover designs in every city.” - Jing*



Without a doubt, Japan is a favourite destination for Malaysians. Many seem to be getting their Japan fix by patronising Japanese franchises in Malaysia. Recently we saw 2-hour lines as people waited to enter a newly-opened Japanese discount chain in Bukit Bintang. Similarly, there is always a long line at the newly-opened branch of a Kyoto-based coffee shop in Kuala Lumpur.

There is so much to see and do in Japan. It is so rich in tradition, yet also ultra-modern, even futuristic. To top it all off, Japan has a distinctive pop culture found nowhere else in the world. One of the quintessential Japanese experience is the onsen or hot spring baths and onsen towns dot the country. However, there is only one onsen that has received the coveted three Michelin stars, and that is Hyotan Onsen in the onsen town of Beppu.

What has this onsen done to receive these accolades? This welcoming onsen is considered the most beautiful onsen in Beppu and is one of the onsens that welcome tattooed customers in its public baths.

Hyotan Onsen offers 8 types of public baths for men and women, including beautiful waterfall baths featuring waterfalls coming out directly from the hot springs on the property. There are 14 different private family baths for those who want a little privacy. Hyotan Onsen also offers sand baths, heated by the steam from hot springs, which is said to be gentler on the bathers.

As a finishing touch, Hyotan Onsen offers *jikogumushi* cuisine if you are feeling peckish after exploring all the baths it has to offer. *Jikogumushi* is a cooking technique unique to the region, which uses the steam from the hot springs to cook food while preserving the delicacy of its natural flavours.



Source: [www.snowtomamu.jp](http://www.snowtomamu.jp)



Source: [www.snowtomamu.jp](http://www.snowtomamu.jp)

If you aren't fond of the heat, you may prefer to head to the Tomamu Ice Village in Hokkaido. This village appears almost magically at Tomamu in winter when the temperature drops below  $-30^{\circ}\text{C}$ . The village features 11 ice domes spread over 3.2 hectares. Here you can eat, drink and be merry as the shops serve up delicious Tomamu milk and fruits, while an Ice bar serves colour-changing cocktails, in chilled ice glasses. Everything is made of ice – from the furniture to the glasses and bowls used in the shops. This village features an ice church, perfect for a fairy tale wedding, and an ice hotel furnished with crystalline furniture hewn from ice. Even in the heart of this winter wonderland, we cannot escape the Japanese love for baths. Hotel guests can enjoy an outdoor onsen, encased in ice while surrounded by a wintry forest wonderland.



## Thailand

Chee takes a more practical approach and would prefer to go somewhere a little closer to home assuming there are still COVID-19 rules to adhere to. Thailand is one of his favourite destinations, and he visits the country annually, sometimes even making a trip twice a year. Bangkok is one of his favourite destinations where he finds that there are still much to be discovered in each neighbourhood.

*“I would go to Thailand because it’s the fastest and easiest to get to. My friends from other countries would also choose to go to Thailand, making it the perfect destination for a regional gathering.” - Chee*



Source: [www.thefloathouseriverkwai.com](http://www.thefloathouseriverkwai.com)



Source: [www.sarojin.com](http://www.sarojin.com)

Beyond the bright city lights of Bangkok, there is still so much to see and experience, from hot air balloon rides over Chiangmai, treepod dining in Ko Khud, and floating luxury resorts on the River Kwai. However, an experience not to be missed, especially by honeymooning couples or those on a romantic getaway is the private dinners at The Sarojin, a luxury resort in the coastal resort town of Khao Lak.

Couples have their choice of different themed romantic dinners. One popular dinner experience is the Shipwrecked-in-Style dinner, where diners are taken on a yacht to be “shipwrecked” on a secluded sand isle to dine under the stars with a 360-degree view of the Andaman Sea.

But it is the Waterfall Dinner that has garnered the most accolades, being named one of the top three honeymoon experiences in 2017. At the Waterfall Dinner, couples will find themselves dining in a lush jungle paradise next to the Sai Rung (Rainbow) Waterfall, illuminated by the magical glow of hundreds of candles while being serenaded by the night songs of the jungle.

## Australia

Australia is another country near and dear to the heart of Malaysians. Many have spent their university years there or have relatives who have migrated there. Unlike many Malaysians who flock to Melbourne, Stan would prefer to visit Perth where he spent his university days. "It's a smaller and more relaxed city compared to Melbourne," he says. Perth is known for its vineyards, however, Stan lets us in on a little known Western Australian secret.

A hidden gem in Perth is Rottneest Island, affectionately called Rotto by the locals. There are plenty of water activities to be had on this car-free island as there are 63 beautiful beaches to explore. However, the biggest attraction on Rottneest Island is the adorable quokka. Dubbed the 'happiest animals on earth' because of their cheeky smiles, the quokka can only be found on Rottneest Island. These friendly and curious creatures roam the island freely. Although they are a protected species and it is prohibited to touch or feed them, it is possible to sidle up next to a friendly quokka for the cutest selfie on earth.



Source: [www.rottneestexpress.com.au](http://www.rottneestexpress.com.au)

*"Perth has some of the best beaches in Australia. There are so many beautiful white sand beaches with clear blue waters."* - Stan

Australia is also synonymous with road trips, with scenic routes crisscrossing the country. Ultimate Driving Tours (UDT) elevates road trips to an art form for the motoring enthusiast, where the driving is as much a highlight of the tour as the breathtaking scenery, luxury accommodations and award-winning restaurants. Imagine driving across one of Australia's iconic routes in a Lamborghini one day, a Porsche the next and an Aston Martin after that. There's no need to tax your imagination if you

are part of a UDT Supercar driving tour. On this tour, a group of 12-24 people will go on a road trip with a fleet of 6 - 12 supercars on the world's most famous roads. What is a supercar you ask? Well, a car has to be at the very least be able to accelerate from 0-100kph in 3.5 seconds to qualify for the UDT fleet. UDT also offers self-drive tours where you select a supercar and drive along a highly curated, pre-planned route. Whatever you decide, this will surely be the road trip of a lifetime!



Source: [www.ultimatedrivingtours.com](http://www.ultimatedrivingtours.com)

Where do you want to go once you are vaccinated and free to travel? With vaccinations being rolled out, the prospect of travelling with a vaccine passport is near. Are you longing to return to a familiar favourite or to head out for that deferred bucket list trip? Would you be planning a huge multi-generational family trip, a regional catch up with friends, a romantic getaway for two or going solo? While you are planning out the logistics of the trip, don't forget to keep an eye on the foreign exchange rates on the currencies that you need.

Currencies such as the US Dollar and the Japanese Yen have weakened against the Malaysian Ringgit over the past year, and now is a good time to buy what you need for your future travels. This is especially true for the US Dollar as RHB is expecting the dollar to strengthen in 2Q2021, where it will stabilise before strengthening further in 1Q2022. If you are planning to go to Thailand, RHB also recommends that you pick up some Thai Baht as the Thai Baht is expected to appreciate if borders open between Malaysia and Thailand.

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# TOP 10 PERFORMING UT FUNDS

Lipper ranking as at 31 May 2021.

The Lipper Ratings provide an instant measure of a fund's success. Funds are ranked against their Lipper peer group classifications each month for 1-month, 6-month, 1-year, and overall periods. These ratings are based on an equal-weighted average of percentile ranks of the five Lipper Leaders metrics: Total Return, Consistent Return, Preservation, Expense, and Tax Efficiency. To see details about each metric, go to [lipperleaders.com](http://lipperleaders.com)

- Equity
- Commodity
- Other



**Note:**

- Investors are advised to read and understand the contents of the respective product-offering documents or prospectus before investing. Among others, investors should consider the fees and charges involved. The price of units and distributions payable, if any, may go down as well as up. Top Performing Unit Trust Funds are distributed by RHB (ranked by 1 Year's Performance Growth %). Data is sourced from Lipper as at 31 May 2021.
- Asset Type is based on Lipper classifications
- Terms and conditions apply