

RHB GLOBAL ARTIFICIAL INTELLIGENCE FUND - RM HEDGED CLASS

The Fund aims to achieve long-term[^] capital growth by investing in one (1) target fund.

Note: [^]“long-term” in this context refers to a period of between 5 – 7 years.

INVESTMENT STRATEGY

- At least 95% of NAV - Investments in the USD denominated class AT^{^^} units of the Target Fund;
- The balance of the NAV: Investments in liquid assets including money market instruments, deposits that are not embedded with or linked to financial derivative instruments (“Deposits”) and collective investment schemes investing in money market instruments and Deposits.

^{^^} Class “AT” refers to retail accumulation units of the Target Fund.

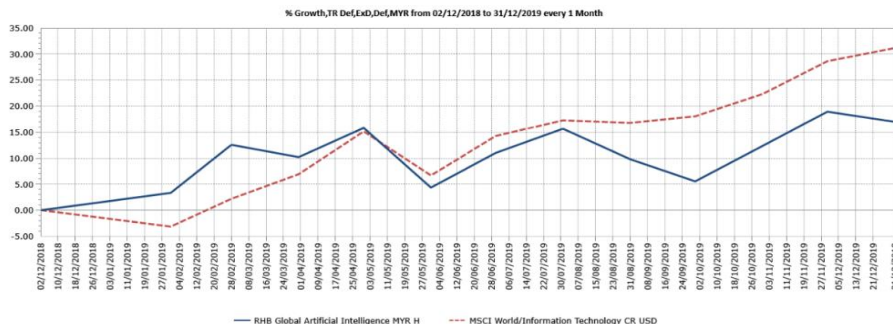
INVESTOR PROFILE

This Fund is suitable for:

- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-1.65	10.83	5.38	26.10
Benchmark	1.96	11.10	14.82	44.52

	1 Year	Since Launch
Fund	26.10	16.97
Benchmark	44.52	31.14

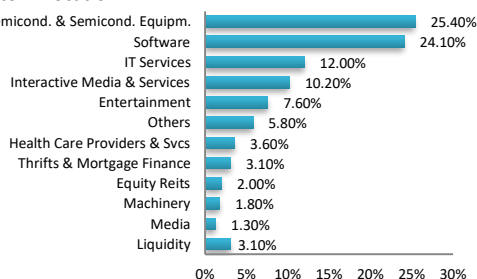
Calendar Year Performance (%)*

	2019
Fund	26.10
Benchmark	44.52

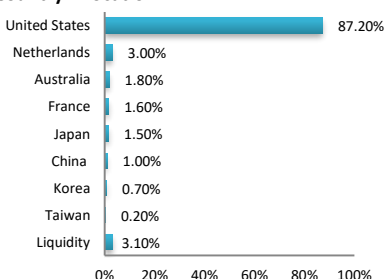
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ROKU INC	6.50
ON SEMICONDUCTOR	4.30
FACEBOOK INC	3.90
BROADCOM INC	3.90
SQUARE INC	3.70

*As percentage of NAV

*Source: Allianz Global Investors, 31 December 2019. Exposure in Allianz Global Investors Fund

- Allianz Global Artificial Intelligence - 96.11%

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	SCBMB Trustee Berhad
Fund Category	Feeder Fund
Launch Date	12 November 2018
Base Currency	USD
Unit NAV	RM1.1697
Fund Size (million)	RM113.53
Units In Circulation (million)	97.04
Financial Year End	30 September
MER (as at 30 Sept 2019)	0.19%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM500.00
Benchmark	MSCI World Information Technology Index
Sales Charge	Up to 5.00% of investment amount*
Redemption Charge	None
Annual Management Fee	Up to 1.80% p.a. of NAV*
Annual Trustee Fee	0.03% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Distribution Policy	Incidental, if any

*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 STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1924	1.1924	1.1924
Low	1.1450	0.9002	0.9002

Source: Lipper IM

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MANAGER'S COMMENTS
WHAT HAPPENED IN DECEMBER

Global equities closed the year on a strong footing, with many markets closing the year at or near multi-month highs. Sentiment was lifted by progress in two of the biggest concerns for markets: US-China trade relations and Brexit. The US and China agreed a “phase one” trade agreement, while the Conservative Party’s decisive victory in the UK general election provided some clarity on Brexit. Energy stocks, the laggards over the year to date, surged as OPEC and Russia agreed to cut production to help prop up oil prices, and the Technology sector continued to consolidate its outperformance. However, Industrials stocks lagged the broader market advance.

Information Technology stocks were among the best performing groups in the last month of 2019. Apple drove strong returns in the hardware segment as the company’s iPhone averted additional tariffs with the trade truce. Semiconductor stocks also benefitted from the trade news along with signs of firming demand conditions with tight inventories. Software stocks lagged following strong returns in the prior period along with the rotation toward more pro-cyclical groups like semiconductors.

MARKET OUTLOOK AND STRATEGY

The Target Fund Manager is optimistic on the financial markets as they enter 2020 driven by the prospects of improving economic and profit outlooks. In particular, the Target Fund Manager thinks the global manufacturing sector slowdown that impacted economic activity during most of 2019 has run its course. Recent data points suggest a trajectory of stability and broadly strengthening economic development. While the US-China trade dispute had also been a headwind to overall business activity, the pending signing of the “phase one” trade agreement, and discussions of subsequent trade agreements, should ease uncertainty and boost business confidence as the year unfolds. Furthermore, accommodative monetary and fiscal policies across the globe have been providing liquidity to the market.

The Target Fund Manager sees an environment of favourable business investment activity, particularly in AI. AI has continued to make progress and has reached a tipping point for adoption in the business world. AI technologies became easier to use, cheaper to deploy, and smarter & more efficient over the last year and should continue to make material strides forward in 2020. The Target Fund Manager believes the companies that advance and leverage these technologies have the potential to drive meaningful shareholder value creation over the next decade.

In AI infrastructure, the Target Fund Manager continues to expect healthy demand for the build-out of the underlying AI infrastructure over the coming years. As training progresses past the pilot stage, the next phase will be about AI inference and the new types of processing and storage needs to deploy AI from the cloud to billions of edge devices. In AI applications, the Target Fund Manager is seeing AI get embedded into an increasing number of software applications and systems to help make more intelligent decisions. AI is helping to drive higher levels of automation, better recommendations, faster decision-making, and significant cost savings. The Target Fund Manager is just beginning to see AI become a part of more applications, which could potentially create an even bigger market opportunity than past IT transformation eras.

In AI Applications the Target Fund Manager is seeing AI get embedded into an increasing number of software applications and systems to help make more intelligent decisions. AI is helping to drive higher levels of automation, better recommendations, faster decision-making, and significant cost savings. As AI continues to advance, 2020 should see software and apps offer even more personalised services, made possible through an increased understanding of user behaviour and search patterns, allowing companies to deliver more human-centric experiences in real-time. Smart assistants will begin to move from passive to proactive interactions by anticipating the user’s needs rather than simply waiting for instructions. AI and machine learning will continue to automate mundane tasks and complicated analyses to free up employees to focus more time and attention on creative and strategic tasks. The recent introduction of quantum cloud computing could lead to significant breakthroughs in AI and machine learning in the coming years as researchers design new algorithms to exploit the exponentially faster computing power. The Target Fund Manager is just beginning to see AI become a part of more applications, which could potentially create an even bigger market opportunity than past IT transformation eras.

In AI-enabled industries, the Target Fund Manager is seeing more companies begin to leverage AI to drive new innovations. Many of the Target Fund Manager’s portfolio holdings in the automotive, consumer, health care, and finance sectors are already seeing the early benefits from AI, which is allowing them to introduce unique products and services enabling them to out-perform their industry peers. The Target Fund Manager expects to see more industries roll out AI projects across more of their operations to accelerate their digital transformation.

Overall, the Target Fund Manager continues to believe that they are at the very early stages of massive disruptive change brought about by advances in AI. The Target Fund Manager believes that these changes will drive meaningful growth for companies that are able to take advantage and drive the disruption. While it is expected at times that markets may question the underpinnings of this growth and drive the type of rotations the Target Fund Manager has recently seen, the Target Fund Manager believes the compounding impacts of this growth from AI disruption will produce even greater long-term shareholder value creation. The Target Fund Manager believes that stock picking will be imperative to capturing the benefits of this opportunity, especially in an environment characterised by higher volatility.

DISCLAIMER:

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 PHS and the contents of the Information Memorandum dated 12 November 2018 and its supplementary(ies) (if any) (“the Information Memorandum”) before investing. The Information Memorandum has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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 Information Memorandum relates will only be made on receipt of a form of application referred to in the Information Memorandum. The Fund are only offered to “sophisticated investors” as defined in the Information Memorandum. For more details, please call 1-800-88-3175 for a copy of the PHS and the Information Memorandum or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are general market risk, currency risk, emerging markets risk, liquidity risk, company-specific risk, concentration risk, volatility risk and derivatives risk. These risks and other general risks are elaborated in the Information Memorandum.

This 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.