

RHB GLOBAL EXTENDED ALPHA FUND - USD 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 Accumulation Shares - class P units of the Target Fund;
- The balance of the NAV: Investments in liquid assets including money market instruments, Deposits and collective investment schemes investing in money market instruments and Deposits.

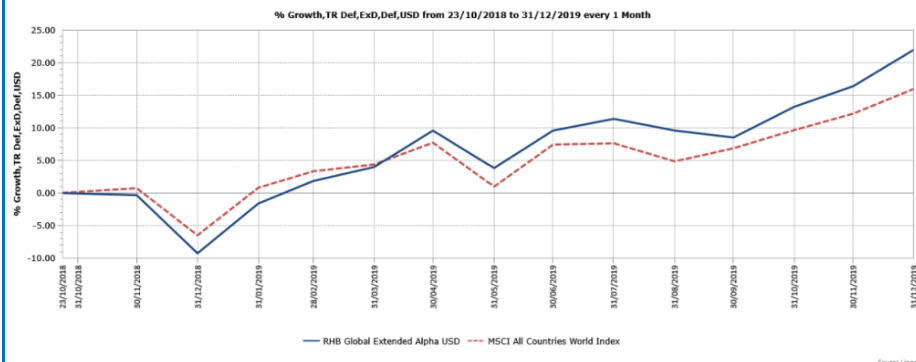
INVESTOR PROFILE

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	4.81	12.40	11.32	34.37
Benchmark	3.39	8.56	7.99	24.05

	1 Year	Since Launch
Fund	34.37	21.97
Benchmark	24.05	15.98

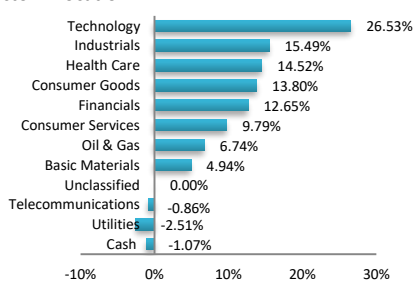
Calendar Year Performance (%)*

	2019
Fund	34.37
Benchmark	24.05

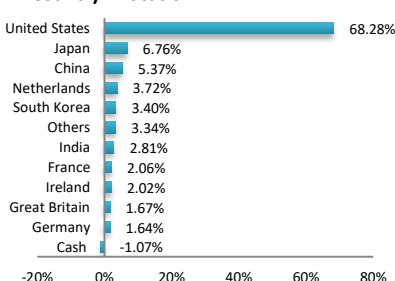
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALPHABET INC. CLASS A	5.84
MICROSOFT CORPORATION	5.24
AMAZON.COM, INC.	4.10
SAMSUNG ELECTRONICS CO., LTD.	3.40
HDFC BANK LIMITED	3.39

*As percentage of NAV

*Source: Threadneedle, 31 December 2019. Exposure in Threadneedle Specialist Investment Funds

ICVC - Global Extended Alpha Fund - 89.37%

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	SCBMB Trustee Berhad
Fund Category	Feeder Fund
Launch Date	03 October 2018
Base Currency	USD
Unit NAV	USD 1.2197
Fund Size (million)	USD 3.76
Units In Circulation (million)	3.08
Financial Year End	30 November
MER	Not available
Min. Initial Investment	USD 1,000.00
Min. Additional Investment	USD 500.00
Benchmark	MSCI All Countries World Index (with income reinvested)

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 USD10.00 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	1.2260	1.2260	1.2260
Low	1.1489	0.8941	0.8791

Source: Lipper IM

RHB GLOBAL EXTENDED ALPHA FUND - USD 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.

MANAGER'S COMMENTS
SUMMARY

- Global equities rose in local-currency terms in December.
- Gross of fees, the Target Fund outpaced its index to finish the full year well ahead.
- In the long book, we added to the positions in Sony and UnitedHealth.

MARKET BACKGROUND

Global stocks ended the year on strong note, with the MSCI ACWI rising by 2.7% in local-currency terms during December. This took the index's full-year return to 26.9%. Hopes surrounding a phase-one trade deal between the US and China buoyed investor sentiment, as did expectations of an orderly Brexit following the landslide victory of the Conservatives in the UK general election.

US stocks outperformed the global benchmark in local terms on the trade-related optimism, with all major domestic indices setting record highs. Healthy economic numbers also helped. These included a stronger-than-expected non-farm payrolls print and homebuilder data which showed confidence at a 20-year high. Prime Minister Boris Johnson's resounding election victory propelled UK stocks higher, although they ended the month in line with the index amid sterling strength. Reports that the new majority government was open to a hard Brexit weighed on European stocks, though they still rose in absolute terms. US threats of tariffs on French goods and more underwhelming economic data also caused a drag.

Emerging markets outpaced the index by some margin, aided by a weakening US dollar. Chinese equities rallied on the trade-deal news flow and the improving economic backdrop, while Brazil's economy grew at its fastest rate in six quarters. Elsewhere, Japanese stocks posted a positive absolute return but lagged the wider index as manufacturing sentiment remained weak. However, the mood was improved by the announcement of the country's first fiscal stimulus since 2016, designed to avert a looming economic contraction.

Economically sensitive sectors generally outpaced their defensive peers in the risk-on environment, with energy, materials and technology leading the way. Energy stocks benefited from a rising oil price, driven by OPEC's production curbs and the encouraging US-China news. Metals and mining stocks propelled materials higher, while technology gained against a backdrop of 5G-related optimism. A major product-upgrade cycle is expected to benefit the sector. The industrials sector was weak on lingering headwinds, notably in Germany, and consumer staples lagged as investors favoured more cyclical sources of growth.

ACTIVITY

In terms of activity, the Target Fund Manager topped up their position in consumer-electronics company Sony, which has multiple areas of strength in its earnings. These include its entertainment business, which should benefit as the consumer appetite for content grows, and its semiconductor business, which is expanding as efforts to add value to smartphones increase. A recent shift in management's capital-allocation policy also bodes well. This could create a simpler business structure, as Sony uses cash from sales of businesses and other assets to fund investments outlined in its medium-term plan, as well as for share buybacks.

The Target Fund Manager also extended their holding in managed-care company UnitedHealth. While there is some political risk linked to the sector – primarily relating to rhetoric from US Democratic presidential candidates around 'Medicare for all' – the company boasts scale and diversification, with the largest medical membership in the US. UnitedHealth is a beneficiary of an ageing population, and is also winning share by managing costs and investing in technology initiatives which competitors lack the expertise or resources to replicate.

Elsewhere, the Target Fund Manager added to the position in funeral-services provider Service Corp., which has been investing in technology to replace automated contracts and paperwork. This enables the customer to make more informed decisions around the company's entire suite of products and services. It also places the firm at an advantage over smaller peers that are unable to match this scale of investment, while increasing sales productivity and supporting the focus on client families. With limited competition in its sector, this focus on innovation should enable the company to continue delivering attractive and sustainable growth.

To help fund these purchases, the Target Fund Manager sold Tyler Technologies on a valuation basis after the stock's strong run of performance. Tyler provides end-to-end information management solutions and services for local governments. The firm benefits from high barriers to entry in its niche, cross-selling opportunities on its platform and the growing subscription business, which generates attractive levels of recurring revenue. The Target Fund Manager felt that the prospects of compelling growth arising from these factors are now better reflected in the share price. The Target Fund Manager also sold the remainder of their longstanding position in IHS Markit on valuation grounds.

In the short book, the Target Fund Manager initiated positions in a marketing technology firm and a software company.

MARKET OUTLOOK

Global equity markets have been providing evidence of the value to be found in secular winners that can sustainably outgrow their peers. With scope for these types of businesses to positively re-rate and expectations that volatility will remain somewhat elevated, the Target Fund Manager feels that the current backdrop is ideal for investors with the ability to identify undervalued, long-term opportunities. While factors such as trade and technological regulation will likely remain in focus in the short term, the Target Fund Manager believes that structural factors driving a world which is 'lower for longer' will shape markets further into the future. These drivers include debt, demographics and technological disruption, and they should ensure that firms sustaining above-average growth remain attractive. The Target Fund Manager therefore retain their focus on companies with durable competitive advantages, as the Target Fund Manager believes these are best placed to sustain high returns on capital and earnings growth through the market cycle. By contrast, the Target Fund Manager continues to seek businesses experiencing a secular decline or deteriorating competitive positions for the short book.

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 3 October 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 management risk, liquidity risk, currency risk and country risk and the specific risks of the target fund are general risk, currency exchange rates risk, counterparty risk, political and financial risk, volatility risk, valuation risk, short selling risk, leverage risk, investments in derivatives and forward transactions and the use of Efficient Portfolio Management ("EPM") risk, emerging markets risk, investments in collective investment schemes risk, taxation risk, investments in the People's Republic of China ("PRC") and the China-Hong Kong Stock Connect Programme 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.

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


RHB Asset Management Sdn Bhd (174588-X)

