

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.

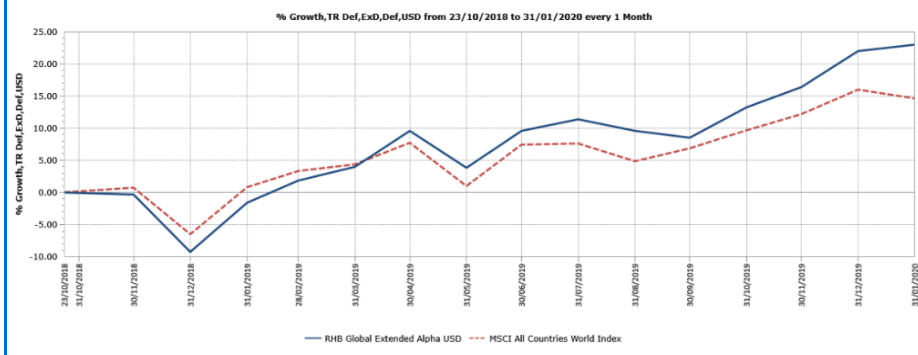
INVESTOR PROFILE

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	0.82	8.61	10.42	0.82
Benchmark	-1.17	4.53	6.54	-1.17

	1 Year	Since Launch
Fund	24.97	22.97
Benchmark	13.73	14.62

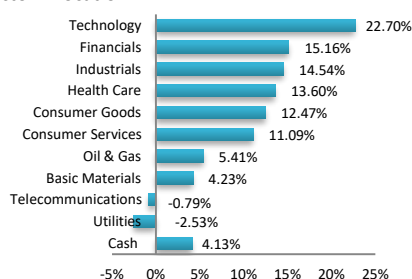
Calendar Year Performance (%)*

	2019
Fund	34.37
Benchmark	24.05

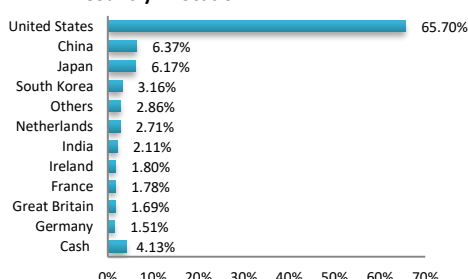
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALPHABET INC. CLASS A	6.07
AMAZON.COM, INC.	5.52
MICROSOFT CORPORATION	5.36
SAMSUNG ELECTRONICS CO., LTD.	3.16
HDFC BANK LIMITED	3.09

*As percentage of NAV

*Source: Threadneedle, 31 January 2020. Exposure in Threadneedle Specialist Investment Funds

ICVC - Global Extended Alpha Fund - 90.19%

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 1.2297
Fund Size (million)	USD 4.36
Units In Circulation (million)	3.54
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	1.2680	1.2680	1.2680
Low	1.2175	0.9840	0.8791

Source: Lipper IM

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MANAGER'S COMMENTS

SUMMARY

- Global equities fell in local-currency terms in January.
- Gross of fees, the Target Fund outperformed its index over the month.
- The Target Fund Manager initiated long positions in Wells Fargo and Luckin Coffee.

MARKET BACKGROUND

Global stocks fell in January, snapping a four-month winning streak. Initially, the trigger was escalating US-Iran tensions. These later eased, and sentiment was boosted as President Trump signed the phase-one deal with China into law. Thereafter, despite economic resilience in the US, markets were rattled again – this time by concerns about the economic implications of the spread of the coronavirus. The MSCI ACWI returned -0.6% on a local-currency basis.

North American equities rose mildly in local-currency terms, outpacing their global peers. Major indices notched all-time highs, before falling in the second half on worries about the coronavirus. Sentiment was helped by favourable trade developments and healthy economic data, which included positive employment and consumer-spending reports. Europe ex UK mildly lagged the index. The region's airlines, miners and luxury-goods companies were weighed down by concerns around the business impact of the coronavirus. However, containment efforts, healthy earnings and boosts to consumer sentiment in Germany and France provided support. UK equities underperformed, losing most ground mid-month when sterling strengthened, and corporate results underwhelmed. A fall in inflation to a three-year low stoked expectations of an interest-rate cut.

Japanese stocks also lagged the index, as the virus outbreak escalated in China, a principal Japanese trade partner. That said, the IMF upgraded the country's growth forecast for this year and the government nominated a dovish economist to the Bank of Japan's board. This was viewed as a signal that the country's unprecedented monetary stimulus will continue. Emerging markets struggled, again weighed down by concerns around the impacts of the coronavirus on economic growth. Far Eastern equities led returns as Australian stocks hit fresh record highs, despite lingering concerns around the impacts of the country's bushfires.

At the sector level, defensive sources of growth such as utilities and consumer staples led returns in the risk-off environment. Technology also outperformed, helped by the trade détente between Washington and Beijing, and strong earnings from major US companies. Energy and materials lagged as the prices of oil and industrial metals fell amid fears of slowing demand from China, a key consumer of commodities. Financials also underperformed as bond yields fell.

ACTIVITY

During the month, the Target Fund Manager established a long position in diversified financial services provider Wells Fargo. The company is one of the largest banks in the US, boasting a substantial branch network and low cost of funding compared to peers. Recent meetings with management have strengthened the Target Fund Manager's conviction in the company's prospects, due to its significant opportunities to cut expenses, and an undemanding valuation relative to both history and peers. Easing pressures from the company's consent order with the Federal Reserve could also improve sentiment towards the stock and drive operational efficiencies.

Additionally, the Target Fund Manager initiated a long holding in coffee-shop chain Luckin Coffee. The company is increasing the density of its retail network, extending its product categories and experiencing healthy growth in traffic owing to its high product quality, affordability and convenience. In the Target Fund Manager's view, this transforms the investment case from one of coffee penetration into one of an ecosystem, which should widen the company's competitive moat. Luckin Coffee also boasts strong execution and technological capabilities. The Target Fund Manager feels that Luckin Tea represents the next leg of growth as the company approaches break-even point and grows its store numbers.

To help fund these purchases, the Target Fund Manager trimmed their position in Wells Fargo's financial-services peer JPMorgan to reflect the stock's solid run of performance. The Target Fund Manager retains a holding for the company's long-term growth prospects, strong balance sheet and diversified business mix, which promotes through-the-cycle profitability. The Target Fund Manager also trimmed NVIDIA, a leader in artificial-intelligence computing. This move was again made following a strong rally. A recent catalyst for the stock was the announcement of its partnership with Tencent to bring cloud gaming to China, which materially boosts NVIDIA's addressable market. NVIDIA's technological capabilities and installed developer base represent significant barriers to entry for aspiring competitors.

In the short book, the Target Fund Manager initiated a position in a media services provider, while covering the shorts in a real-estate investment trust and an information security business.

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 secular declines 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.

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