

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.

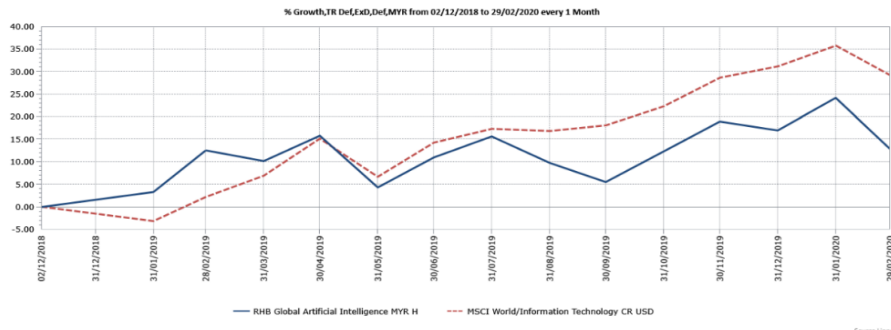
INVESTOR PROFILE

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	-9.08	-5.08	2.82	-3.49
Benchmark	-4.83	0.43	10.61	-1.50

	1 Year	Since Launch
Fund	0.29	12.89
Benchmark	26.44	29.17

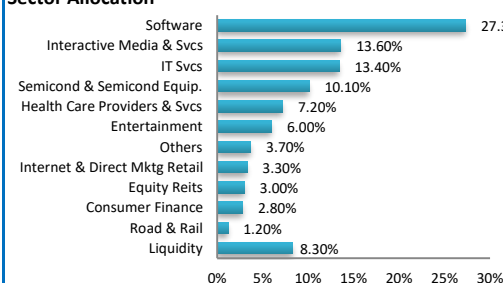
Calendar Year Performance (%)*

	2019
Fund	26.10
Benchmark	44.52

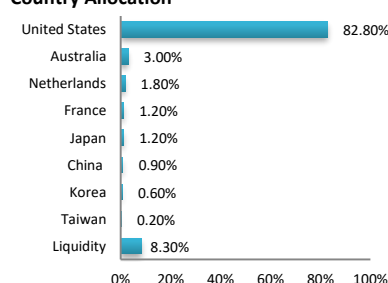
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ROKU INC	5.10
CROWDSTRIKE HLDGS INC	4.50
TWILIO INC	4.20
SLACK TECHNOLOGIES INC	4.10
FACEBOOK INC	4.00

*As percentage of NAV

*Source: Allianz Global Investors, 29 February 2020. Exposure in Allianz Global Investors Fund

- Allianz Global Artificial Intelligence - 97.61%

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	RM1.1289
Fund Size (million)	RM113.44
Units In Circulation (million)	100.46
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	1.3001	1.3001	1.3001
Low	1.1289	1.0253	0.9002

Source: Lipper IM

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.

MANAGER'S COMMENTS
WHAT HAPPENED

Global equities started February on a strong footing, but plunged in the latter half of the month amid growing evidence that the coronavirus outbreak (now officially called COVID-19) was spreading beyond China. With the sell-off gathering pace in the closing days of the month, many markets entered an official “correction”, having fallen at least 10% from their recent highs due to fears that a pandemic is inevitable. The extended Chinese factory shutdown, combined with restrictions on travel, started to impact the global supply chain, particularly for technology companies and carmakers. Airlines and other travel-related stocks also came under pressure as significant COVID-19 outbreaks were seen in South Korea, Italy and Iran. All sectors fell, with Energy stocks the weakest performers due to a sharp decline in oil prices.

Information Technology stocks slightly outperformed the rest of the market in this volatile month. First impressions of the coronavirus impact suggested a near-term disruption to global tech supply chains but a sharp bounce-back with normalisation of production rates. An American multinational technology company’s warning that supply was coming online more slowly than expected and further spread of the virus outside China sent semiconductors and hardware stocks into a tailspin. Services and Software stocks were somewhat more immune to the selling given lower exposures to China but were still down significantly from highs reached earlier in the month.

MARKET OUTLOOK AND STRATEGY

Global equity markets have corrected over the past weeks as investors attempt to grapple with the evolving coronavirus situation. While policymakers are responding aggressively to limit the spread of the coronavirus, these efforts do come with short-term economic impact.

Quarantine procedures in China have disrupted the global supply chain causing a shortage of workers as factories re-opened after the Chinese New Year. Global logistics have also been impacted as dock workers have had difficulty returning to work given travel restrictions within China. Local demand in China has also been impacted as consumers have been either restricted or have been reluctant to go out. Healthcare systems have been strained by the increase in cases. Overall, it is clear there is an economic cost from the coronavirus.

The Target Fund had been reducing exposure to the global supply chain and semiconductors prior to the coronavirus outbreak. The Target Fund’s exposure to Semiconductors & Semiconductor Equipment industry group has been reduced from 25% in December 2019 to 18% in January 2020 to about 10% in February 2020. The Target Fund Manager had reduced positioning in this area as these stocks had moved up strongly in late 2019 to early 2020 and had left less near-term upside to their target prices.

At the same time, the Target Fund Manager has been increasing exposure to Artificial Intelligence (AI) Applications companies where stock valuations had compressed in H2 2019, leaving a better reward-to-risk ratio. Software & Services industry group exposure is a little over 40% of the Target Fund now, up from 36% in December. Health Care exposure is now over 7%, up from 4% in December. The Target Fund Manager believes these companies are relatively more insulated to the coronavirus impacts as they tend to have greater US exposure and are not impacted by supply chains.

The Target Fund Manager had also increased cash levels to about 8% in late January as the Target Fund Manager had believed markets could see a modest pullback after a robust 2019 and a strong start to the year. Given the underlying portfolio positioning, the Target Fund Manager has been able to insulate some of the downside relative to the recent correction in the market.

The Target Fund Manager believes the current volatility will likely continue until coronavirus fears subside and progress is made on containment. Estimates for global growth and corporate earnings have been quickly coming down in recent weeks. Central banks are also closely monitoring developments and their economic impact and have responded with additional stimulus. While the Target Fund Manager has been more defensive in February with the higher cash levels, the Target Fund Manager is assembling a list of companies that the Target Fund Manager wants to increase their positions in if valuations come in more over the coming weeks.

Overall, the Target Fund Manager continues to believe the Target Fund Manager is at the very early stages of massive disruptive change brought about by advancement in AI and its deployment. The Target Fund Manager believes that these changes will drive meaningful growth for companies that are able to take advantage and drive disruption within their respective industries. While it is expected at times that markets may question the underpinnings of this growth, the Target Fund Manager believes the compounding effect from AI disruption will create long-term shareholder value. The Target Fund Manager believes that stockpicking will be imperative to capturing the benefits of this opportunity, especially in an environment characterised by disruption and change.

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 cumulative 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.