

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.

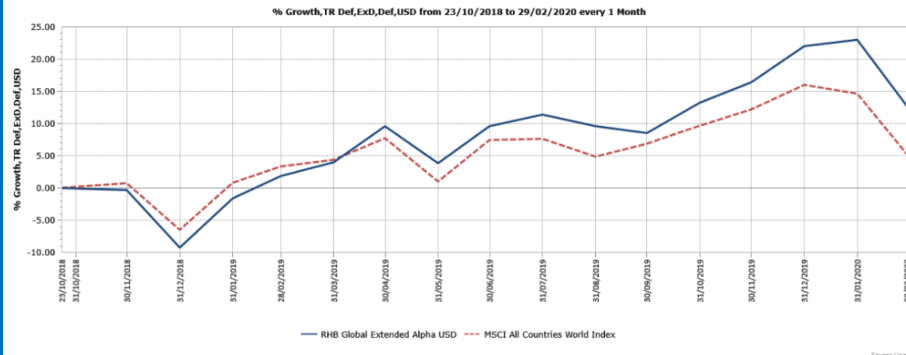
INVESTOR PROFILE

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	-8.34	-3.15	2.86	-7.59
Benchmark	-8.21	-6.21	0.37	-9.28

	1 Year	Since Launch
Fund	10.66	12.71
Benchmark	1.84	5.21

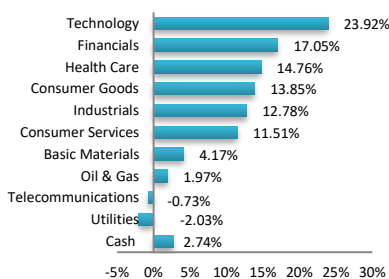
Calendar Year Performance (%)*

	2019
Fund	34.37
Benchmark	24.05

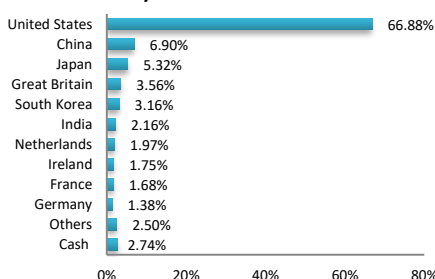
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALPHABET INC. CLASS A	6.44
AMAZON.COM, INC.	5.87
MICROSOFT CORPORATION	5.76
MASTERCARD INCORPORATED CLASS A	3.17
SAMSUNG ELECTRONICS CO., LTD.	3.16

*As percentage of NAV

*Source: Threadneedle, 29 February 2020. Exposure in Threadneedle Specialist Investment Funds

ICVC - Global Extended Alpha Fund - 94.62%

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 1.1271
Fund Size (million)	USD 5.08
Units In Circulation (million)	4.51
Financial Year End	30 November
MER (as at 30 Nov 2019)	0.90%
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 (USD)

	1 Month	12 Months	Since Launch
High	1.2744	1.2744	1.2744
Low	1.1271	1.0040	0.8791

Source: Lipper IM

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MANAGER'S COMMENTS
SUMMARY

- Global equities fell in local-currency terms in February.
- Gross of fees, the Target Fund materially outperformed its index over the month.
- The Target Fund Manager initiated a new position in Stryker.

MARKET BACKGROUND

Global equities endured a turbulent month in February, with the MSCI All Country World Index falling 7.6% in local-currency terms. The index rose initially – and hit a record high – on optimism that the Covid-19 coronavirus outbreak would be contained, despite urges for caution from officials. However, it subsequently gave back its gains from the previous four months as the virus spread further outside of China. This sparked expectations of tougher quarantine measures and attendant impacts on supply chains and consumer demand.

US stocks hit record highs mid-month as worries about the spread of the virus receded. However, as concerns re-escalated, projections of earnings shortfalls from an economic slowdown were priced in. Against this backdrop, the Federal Reserve signalled its readiness to support the economy and markets accounted for a half-point interest-rate cut in March. European stocks performed in line with the benchmark. While they were weighed by wider macroeconomic fears, some strong corporate earnings late in the month provided a welcome distraction. UK stocks underperformed on the government's uncompromising Brexit rhetoric, and as the country's economy saw no growth in the final three months of 2019.

Emerging markets held up best in February. Index heavyweight China posted a positive return as investors anticipated support for the market by the authorities. The central bank subsequently justified their expectations by cutting a range of interest rates. News that the government was encouraging citizens to return to work, and that it was halving additional tariffs on US imports, aided the country's shares further. Japanese stocks lagged, undermined by weak economic data. This reflected the impacts of typhoons, trade tensions and a hit to consumer spending from a rise in the consumption tax. Far Eastern markets outperformed, with Hong Kong helping most on signals for more economic stimulus.

All sectors fell during February, but cyclical spaces such as energy, materials and industrials struggled most on expectations of declining economic activity relating to the spread of the virus. Defensive sectors such as healthcare and utilities fared best as investors favoured their stable, more predictable growth profiles.

ACTIVITY

During the month, the Target Fund Manager established a new long position in Stryker, a developer of specialty surgical and medical products including joint replacement implants, surgical equipment and navigation systems, and communications systems. The Target Fund Manager believes that Stryker can sustainably grow revenue and earnings by drawing on its strong competitive position and leading market share across its product lines. The Target Fund Manager is also positive on management's execution of the diversification strategy. Stryker's outlook is supported by multiple drivers including new product launches, potential benefits from deals and continued momentum in core segments.

Additionally, the Target Fund Manager added to their position in Reckitt Benckiser, a consumer goods company which manufactures household, health and food products. Reckitt Benckiser is exposed to some of the faster-growing categories in the household personal-care sector and boasts strong brands with robust market positions. Following significant reinvestment, the Target Fund Manager is positive on the prospects of the company delivering improved operational performance. Additionally, the Target Fund Manager believes that rebounds in growth and margins could occur faster than expected. A new management team also brings prospects of a more clearly delineated strategy.

To help fund these purchases, the Target Fund Manager sold medical technology company Becton Dickinson. While the company has been reporting solid results and maintains a category-leading position across many product lines, the emergence of FDA-filing requirements for its pump-software upgrades has clouded the outlook. In the short term, projections for revenue and earnings for the rest of the year have been lowered. However, with limited visibility around the timing of the approval, the Target Fund Manager feels this could create a longer-term overhang for the stock.

Alongside Diamondback Energy, the Target Fund Manager also sold oilfield services provider Halliburton. The Target Fund Manager still believe that Halliburton, like Diamondback, has strong credentials relative to peers, including its global footprint and technological capabilities. However, with the economic fallout of the coronavirus likely to exert prolonged pressure on oil demand, the Target Fund Manager believes that there are currently more attractive opportunities elsewhere.

Meanwhile, the Target Fund Manager initiated a short in a distributor, while reducing the short in a capital equipment 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 the coronavirus outbreak 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.