

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.

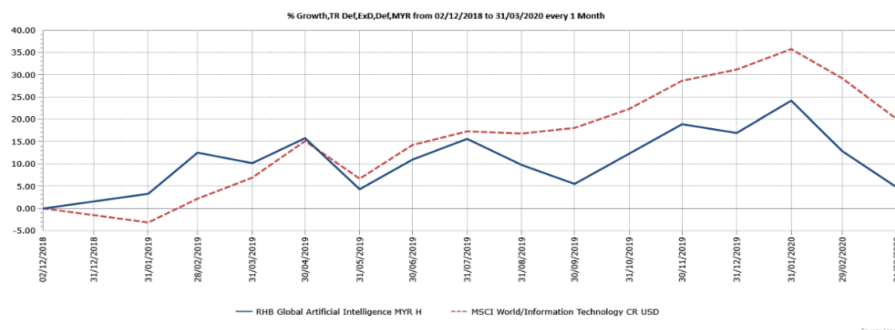
INVESTOR PROFILE

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	-7.22	-10.46	-0.76	-10.46
Benchmark	-7.09	-8.48	1.68	-8.48

	1 Year	Since Launch
Fund	-4.95	4.74
Benchmark	12.30	20.02

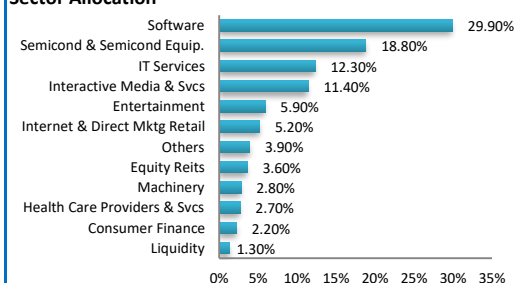
Calendar Year Performance (%)*

	2019
Fund	26.10
Benchmark	44.52

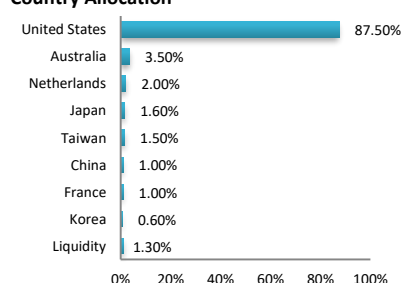
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

CROWDSTRIKE HLDGS INC	4.90
SLACK TECHNOLOGIES INC	4.90
ROKU INC	4.70
AMAZON COM INC	4.50
FACEBOOK INC	4.30

*As percentage of NAV

*Source: Allianz Global Investors, 31 March 2020. Exposure in Allianz Global Investors Fund

- Allianz Global Artificial Intelligence - 100.97%

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	RM1.0474
Fund Size (million)	RM112.56
Units In Circulation (million)	107.45
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	1.1875	1.3001	1.3001
Low	0.8447	0.8447	0.8447

Source: Lipper IM

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MANAGER'S COMMENTS

WHAT HAPPENED

Global equities plummeted over March. Despite a late-month bounce, most markets entered an official bear market, defined as a decline of at least 20% from a recent peak. With coronavirus cases spreading across continents, the World Health Organization declared the COVID-19 outbreak a pandemic. Information Technology and related stocks outperformed the broader market during this period. Around the globe, companies were forced to quickly enact work-from-home policies while workers and consumers adapted to the new reality. In this context, networking infrastructure and software companies enabling communication for work and personal purposes as well as online leisure and commerce activities were beneficiaries.

Semiconductors performed roughly in-line with technology as China supply chains ramped their activity back up and demand for PCs and servers remains strong. Online media and those reliant on ad spend were relative laggards anticipating substantial pull-backs in marketing spend. Services and processing companies also struggled as major categories like travel and leisure have seen significant declines in activity.

MARKET OUTLOOK AND STRATEGY

The global macroeconomic environment has deteriorated at an unprecedented rate amid the spread of the COVID-19 pandemic. Financial markets have reacted violently with declines on the order of 23% across global equities since their 19 February peak through the end of March. Governments and central banks have moved aggressively to stem the economic fallout providing liquidity and financial support for consumers and affected industries. While there are elevated and evolving risks in the global macro and market environment, the Target Fund Manager believes the market has discounted a good amount of these risks with measures of volatility peaking near all-time highs and showing a recent trend toward normalisation.

The Target Fund Manager has begun to redeploy some of their excess cash back into the market in areas where the Target Fund Manager felt the reward to risk ratios has become more attractive or where the Target Fund Manager believes fundamentals are more insulated. While further market downside is possible near-term and earnings estimates will likely come down over the next few months, the Target Fund Manager believes the long-term reward to risk ratio is now more attractive for patient investors. In times of elevated volatility, risk management and staying active is critical to take advantage of opportunities as the market recovers.

AI Infrastructure

The Target Fund Manager expects healthy demand for the ongoing build-out of Artificial Intelligence (AI) infrastructure in the coming years. As AI training progresses past the pilot stage, the next phase will be about the new types of processing and storage needed to deploy AI from the cloud to billions of edge devices. The Target Fund Manager continues to believe the global rollout of 5G will accelerate in 2020, and the resulting higher bandwidth will enable the collection of more data from billions of mobile and IoT devices.

Within AI Infrastructure, the Target Fund Manager has become more constructive on semiconductors (after previously reducing exposure in late 2019 and early 2020) as the Target Fund Manager believes the impacts from the coronavirus on the supply chain are more reflected in stock prices. In addition, there have been some signs of improvement in China where the disruption from the virus initially began. While news flow is likely to remain negative in the near-term, the Target Fund Manager believes investors will begin to look through this given the historical cyclical nature of the group.

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.

AI-enabled Industries

The Target Fund Manager is seeing more companies begin to leverage AI to drive innovation. Many of the Target Fund Manager's underlying 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 outperform 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. The Target Fund Manager believes companies will continue to adopt AI technologies such as facial recognition for identification and fraud detection, autonomous vehicles and robots for transportation and logistics, robotic process automation (RPA) and virtual digital workers to automate repetitive office tasks, predictive maintenance powered by IoT to minimise maintenance costs and equipment down time, and augmented and virtual reality (AR/VR) to create engaging experiences and entertainment.

Overall, the Target Fund Manager continues to believe they are 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 stock picking 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. This update does not amount to indicate that the SC has recommended or endorsed the Fund. 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.

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 Group
  @RHBGroup
  RHB Group
  RHBGroup

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