

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.

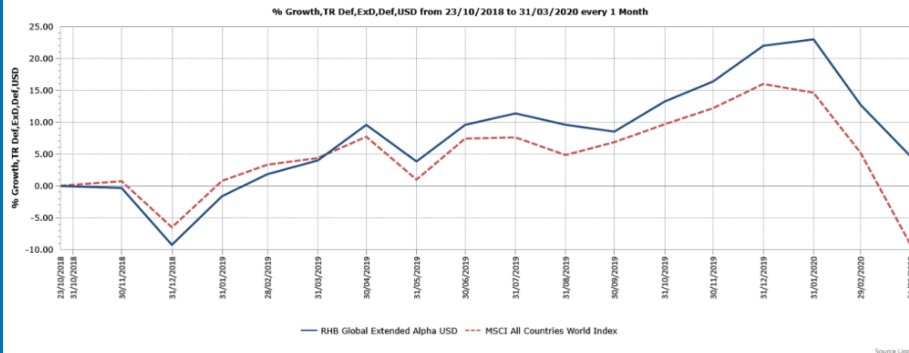
INVESTOR PROFILE

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	-7.19	-14.23	-3.59	-14.23
Benchmark	-13.73	-21.74	-15.04	-21.74

	1 Year	Since Launch
Fund	0.60	4.61
Benchmark	-13.02	-9.24

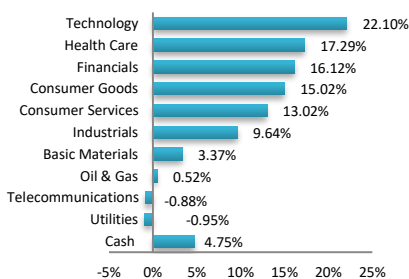
Calendar Year Performance (%)*

	2019
Fund	34.37
Benchmark	24.05

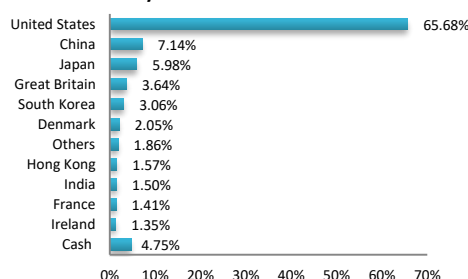
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALPHABET INC. CLASS A	6.71
AMAZON.COM, INC.	6.67
MICROSOFT CORPORATION	6.17
COMCAST CORPORATION CLASS A	3.37
SAMSUNG ELECTRONICS CO., LTD.	3.06

*As percentage of NAV

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

ICVC - Global Extended Alpha Fund - 98.21%

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 1.0461
Fund Size (million)	USD 4.55
Units In Circulation (million)	4.35
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	1.1832	1.2744	1.2744
Low	0.9024	0.9024	0.8791

Source: Lipper IM

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MANAGER'S COMMENTS

SUMMARY

- Global equities fell in local-currency terms in March.
- Gross of fees, the Target Fund materially outperformed its index over the month.
- The Target Fund Manager initiated new long positions in Danaher and Ørsted.

MARKET BACKGROUND

Global equity markets endured further turbulence in March as investors priced in more significant economic impacts from the COVID-19 pandemic. Against this backdrop, the MSCI All Country World index fell 12.8% in local terms. Equities were weakest mid-month as a sharp decline in oil prices unsettled sentiment further. However, they rallied into month end, boosted by the US government's announcement of a \$2 trillion fiscal stimulus package and a strong Chinese manufacturing PMI reading. This implied a sharp turnaround in business activity.

North American stocks mildly lagged the benchmark, despite the immensity of the accommodative measures from government and the Federal Reserve. The bank cut interest rates back to near zero and agreed a substantial stimulus package.

While broadly anticipated, a record number of unemployment claims caused a drag. European equities also underperformed, despite the European Central Bank's announcement of expanded asset purchases and widespread plans for fiscal stimulus among national governments. The fast spread of the virus across the continent unsettled investors. That said, early signs of stabilising infection rates in some of the region's worst-affected areas helped sentiment late on.

In the UK, stocks lagged their global peers in a month which saw sterling touch its lowest level against the dollar since 1985. The country's high exposure to energy and travel proved detrimental. Meanwhile, Japanese stocks held up significantly better than the benchmark as the Bank of Japan doubled its annual equity purchasing target and rolled out a new lending facility. Emerging markets were mixed, as the improving economic picture in China offset challenges in Brazil, where stocks were led lower by energy firms, miners and banks. All sectors fell during March, with energy struggling most as disagreements around production cuts caused significant downward pressure on the price of oil.

Financials also underperformed, reflecting the projected impacts of the coronavirus outbreak on global economic growth, and the attendant policy responses from central banks. Defensive sectors such as healthcare and consumer staples fared best as investors favoured their stable, more predictable growth profiles and relatively limited sensitivity to unfolding events.

ACTIVITY

During the month, the Target Fund Manager initiated a position in Danaher, a diversified life science tools company with a range of resilient businesses spanning scientific and technological areas. Its exposure to water quality and product identification provides further diversification. The Target Fund Manager believes that the company's growth trajectory and margins should meaningfully improve following its acquisition of General Electric's biopharmaceutical business, GE Biopharma, and the divestiture of its dental segment. With a high-quality management team and strong, sustainable spending levels in key markets, the company appears well positioned on a long-term view.

The Target Fund Manager also established a holding in renewable energy company Ørsted, which offers exposure to the secular opportunity in offshore wind as a developer and owner of farms. This is a rapidly, yet sustainably growing market - and the fastest growing within renewables generation. Ørsted exhibits relatively high barriers to entry and should benefit as climate-change policies drive renewable-energy targets higher and open up new markets. The Target Fund Manager views it as the clear leader in this sector. The company's scale drives cost leadership which, alongside its established track record and supply chains, should help it to continue winning project tenders.

To help fund these, the Target Fund Manager sold EOG Restheirces, a company engaged in the exploration and production of crude oil and natural gas. Recent challenges in the oil market bring into question EOG's ability to sustain its current levels of production. With structural factors also creating uncertainty around the shape of any recovery, the Target Fund Manager took advantage of the stock's mid-month rally to sell their holding. Additionally, the Target Fund Manager disposed of semiconductor manufacturer NXP. The Target Fund Manager's position was based on the company's position as a leading supplier in the auto and industrial internet-of-things (IoT) end markets, with over half of its sales attributable to these faster, structurally growing areas. Having first taken some profits in January, the Target Fund Manager elected to reallocate the remaining capital in March, given the limited visibility around when virus-related supply-chain disruption is likely to ease.

In the short book, the Target Fund Manager added to a position in a telecoms company while covering the short in a utility company.

MARKET OUTLOOK

These have been challenging times for equity markets, with the coronavirus sparking unprecedented reactions from governments, central banks, businesses and consumers globally. While many unknowns remain, the indiscriminate sell-offs have already created attractive opportunities to invest in companies with the ability to weather the current storm and win out over the long term. The Target Fund Manager's long-held belief is that there are structural factors driving a world which is 'lower for longer', including debt, demographics and technological disruption. The scale of recent economic interventions in response to the spread of the coronavirus only strengthens this argument. In this environment, the Target Fund Manager remains firmly of the view that companies which can sustain above-average growth rates should remain attractive for investors. The Target Fund Manager therefore retains their focus on companies with durable competitive advantages, as the Target Fund Manager believes these are best placed to continue delivering high returns and earnings growth across a range of market conditions. By contrast, the Target Fund Manager continues to seek businesses experiencing a secular decline or a deteriorating competitive position 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. 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 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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