

RHB GLOBAL EXTENDED ALPHA 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 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.

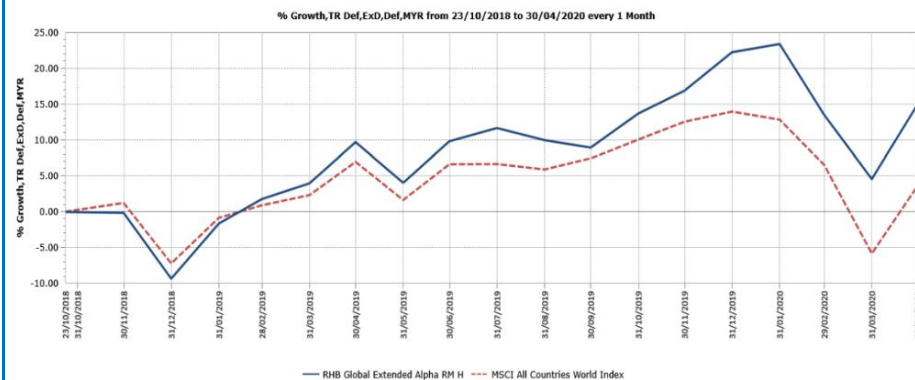
INVESTOR PROFILE

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	9.97	-6.77	1.17	-5.90
Benchmark	10.07	-8.12	-5.80	-9.03

	1 Year	Since Launch
Fund	4.84	15.00
Benchmark	-3.06	3.66

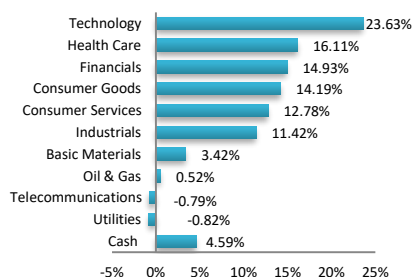
Calendar Year Performance (%)*

	2019
Fund	34.74
Benchmark	22.79

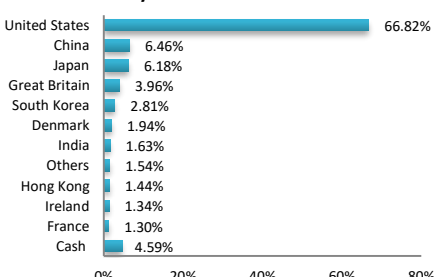
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM, INC.	7.56
ALPHABET INC. CLASS A	6.85
MICROSOFT CORPORATION	6.17
COMCAST CORPORATION CLASS A	3.49
MASTERCARD INCORPORATED CLASS A	2.90

*As percentage of NAV

*Source: Threadneedle, 30 April 2020. Exposure in Threadneedle Specialist Investment Funds

ICVC - Global Extended Alpha Fund - 96.48%

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	RM1.1500
Fund Size (million)	RM97.76
Units In Circulation (million)	85.01
Financial Year End	30 November
MER (as at 30 Nov 2019)	0.90%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM500.00
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	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	1.1501	1.2822	1.2822
Low	1.0114	0.8992	0.8803

Source: Lipper IM

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MANAGER'S COMMENTS

SUMMARY

- Global equities rose in local-currency terms in April.
- The Target Fund Manager initiated new long positions in Taiwan Semiconductor Manufacturing and Walt Disney.

MARKET BACKGROUND

Global equities rose in April, after a turbulent start to the year. The MSCI All Country World Index returned 10.4% in local-currency terms. A strong US market drove the gains, as optimism that the COVID-19 pandemic was past its peak, and continued support from the Federal Reserve helped to restore investor confidence. Meanwhile, data showed that lockdowns were having an immediate impact on countries' economic growth in the first quarter, prompting expectations of some meaningful contractions in the second quarter.

North American stocks outpaced the benchmark, amid growing optimism around a COVID-19 vaccine. This outperformance was also helped by the Federal Reserve unveiling a \$2.3tn loan programme for municipalities and small businesses, along with new measures to support corporate-bond markets. The economic backdrop was less positive, with weak reports on consumer spending, unemployment and the initial reading of GDP for the first quarter. European equities underperformed, despite the European Central Bank announcing that it would offer funding to commercial banks at rates as low as -1% to spur lending and support the regional economy. In the UK, shares also lagged their global peers as sterling strengthened, curbing the appeal of companies with overseas earnings.

After outperforming the global benchmark year to date, Japanese equities lagged in April. The Bank of Japan pledged to provide monetary stimulus by buying government bonds in unlimited amounts and purchasing more corporate debt but concerns around the spread of the coronavirus in the country spiked over the month. Emerging markets underperformed as index heavyweight China lost ground, announcing its first quarterly GDP contraction in reported history.

All sectors posted positive returns in April, with those hit by the recent sell-off – energy, consumer discretionary and materials – rebounding strongly amid the resurgence in risk appetite. Technology and healthcare stocks remained in favour. However, financials underperformed, owing to underwhelming earnings and expectations that interest rates will remain “lower for longer”. The more defensive utilities and consumer staples sectors brought up the rear amid investor appetite for economically sensitive companies.

ACTIVITY

During the month, the Target Fund Manager initiated a long position in Taiwan Semiconductor Manufacturing (TSMC). TSMC is the first and largest dedicated silicon foundry in the world, making chips for fabless semiconductor companies. With its scale and reputation, the company has won big customers in recent years, and has a broad range of designs to offer. As such, TSMC is well placed to continue benefiting from widespread electrification in structurally growing industries, including artificial intelligence, 5G, electric vehicles and gaming.

Elsewhere, the Target Fund Manager established a new position in entertainment company Walt Disney. With operations spanning media, consumer products, theme parks and studio entertainment, the company boasts one of the most recognisable brands globally and maintains a vast customer base as a result. The Target Fund Manager believes Walt Disney now offers the prospect of attractive, sustainable growth as it commits to a direct-to-consumer model.

To help fund these purchases, the Target Fund Manager sold their position in financial services company ING. The Target Fund Manager's conviction was based on the company's positioning relative to its regional peers, given ING's diversification by geography and lending type. However, the Target Fund Manager feels that capital is now better allocated elsewhere, given the drawn-out recovery from the coronavirus pandemic that the company will likely endure. The Target Fund Manager also disposed of their holding in global fashion retailer Inditex. While the Target Fund Manager retains conviction in the company's strong portfolio of brands, as well as its scale and robust balance sheet, the Target Fund Manager prefers the outlook of other names in the current environment.

In the short book, the Target Fund Manager established a position in a retailer.

MARKET OUTLOOK

April showed a willingness by investors to look beyond the coronavirus outbreak to the recovery from the pandemic. While unknowns remain, the indiscriminate sell-offs have already created opportunities to invest in companies with the ability to weather the current storm, and win out over the long term, at compelling valuations. 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 that can sustain above-average growth rates should remain attractive for investors. The Target Fund Manager therefore retain their focus on companies with durable competitive advantages, as they believe these are best placed to sustain 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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