

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.

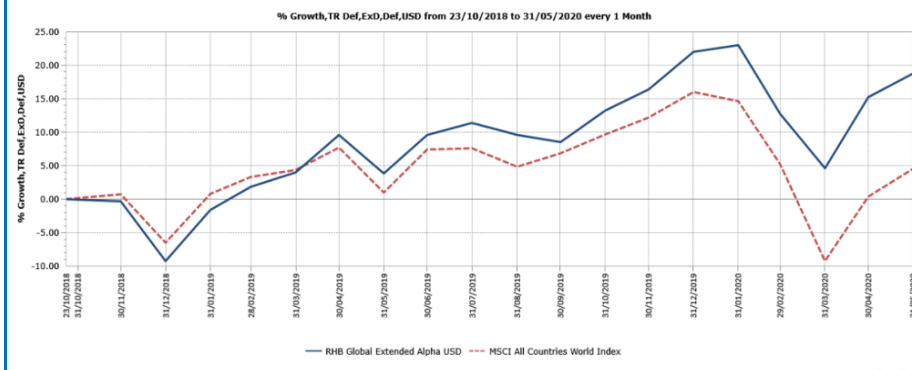
INVESTOR PROFILE

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	3.06	5.36	2.05	-2.64
Benchmark	4.15	-0.64	-6.81	-9.87

	1 Year	Since Launch
Fund	14.36	18.75
Benchmark	3.53	4.53

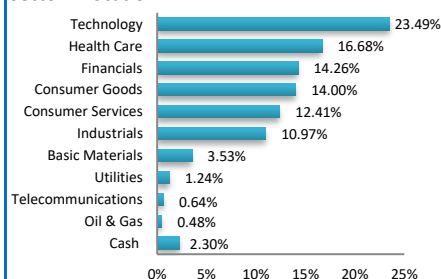
Calendar Year Performance (%)*

	2019
Fund	34.37
Benchmark	24.05

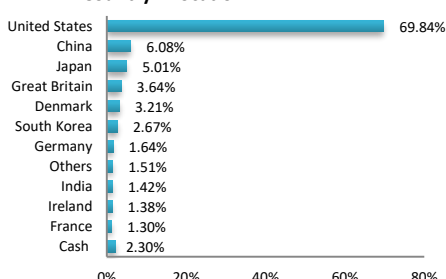
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM, INC.	7.11
ALPHABET INC. CLASS A	6.94
MICROSOFT CORPORATION	6.02
COMCAST CORPORATION CLASS A	3.51
MASTERCARD INCORPORATED CLASS A	3.03

*As percentage of NAV

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

ICVC - Global Extended Alpha Fund - 96.98%

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 1.1875
Fund Size (million)	USD 5.13
Units In Circulation (million)	4.32
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	1.1875	1.2744	1.2744
Low	1.1112	0.9024	0.8791

Source: Lipper IM

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MANAGER'S COMMENTS

SUMMARY

- Global equities advanced further in May.
- New long positions included T-Mobile and NextEra Energy.

MARKET BACKGROUND

Global equities advanced further in May, with the MSCI ACWI returning 4.3% in local-currency terms. Sentiment was buoyed by further indications that the Covid-19 pandemic was peaking in the developed world, which led more countries to ease lockdowns and prompted hopes of a rebound in economic activity. However, gains were moderated by escalating Sino-American tensions. Washington and Beijing traded barbs over each other's handling of Covid-19, as well as China's imposition of a harsh new security law in Hong Kong.

Returns remained positive across the major equity regions. In local-currency terms, North American stocks outperformed, with many states easing lockdown restrictions by the end of the month. European equities performed broadly in line with the global benchmark. As calls continued for a joint economic response by European countries to mitigate the impact of the pandemic, the European Commission proposed a €750 billion recovery fund, though the measure needs approval by all EU member states, some of which oppose mutualised borrowing. UK stocks underperformed. Concerns persisted that the UK and the EU might fail to agree on a trade deal before the transition period expires at the end of this year. This weighed on the pound, as did speculation that the Bank of England may consider cutting its key lending rate below zero to help revive growth. Japanese stocks outperformed as a state of emergency was relaxed across the country. The cabinet approved an additional \$1.1 trillion fiscal-stimulus package, complementing a measure of similar size announced in April. Emerging markets lagged. Chinese stocks saw a small decline amid rising tensions with the US.

All sectors posted positive returns in May, led by cyclicals such as technology, materials, industrials and consumer discretionary amid hopes of a pick-up in economic activity. Healthcare stocks continued to rally, strengthened by further developments in the race to control the coronavirus. However, other defensive areas such as consumer staples and utilities lagged, following their earlier outperformance. Financials underperformed too; low interest rates are a headwind for these stocks.

ACTIVITY

In the long book, the Target Fund Manager initiated new positions in T-Mobile US and NextEra Energy.

Telecoms company T-Mobile is the leading challenger brand in US wireless. The spread of Covid-19 and continuing lockdown restrictions have led to many store closures, but have also accelerated the company's subscriber momentum, as well as potential M&A activity. T-Mobile is in a strong position to benefit and grow over the longer term, as it capitalises on global trends including the increasing demand for cloud computing and the development of 5G.

Energy company NextEra is the largest owner of renewable assets in the US. In the Target Fund Manager's view, the firm is well placed to benefit from attractive trends within electricity generation. The Target Fund Manager believes that high returns at NextEra's Florida utility properties and a record backlog at its renewables unit should enable it to sustain healthy earnings and dividend growth. M&A remains an additional catalyst for growth following recent deals.

To help fund these purchases, the Target Fund Manager profitably sold Gilead Sciences and Trex; both performed well amid the turbulent market conditions this year. Gilead Sciences benefits from positive pipeline developments, its sizeable balance sheet, and the sustainable growth potential of its franchises. Trex's strong branding, affordable prices and use of recycled materials also place the company in a strong market position. However, the Target Fund Manager felt that in each case, capital could be better allocated elsewhere.

The Target Fund Manager did not make any meaningful changes in the short book.

MARKET OUTLOOK

Investors continued to focus on the recovery from the pandemic in May, with optimism over the gradual reopening of economies helping to boost sentiment. While unknowns remain, the indiscriminate market sell-offs have already created opportunities to invest at attractive valuations in companies that have 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 able to sustain above-average growth rates should remain attractive for investors. In the long book, 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 continue to deliver 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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