RHB Asset Management

FUND FACTSHEET – JULY 2020

All data expressed as at 30 June 2020
unless otherwise stated

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.

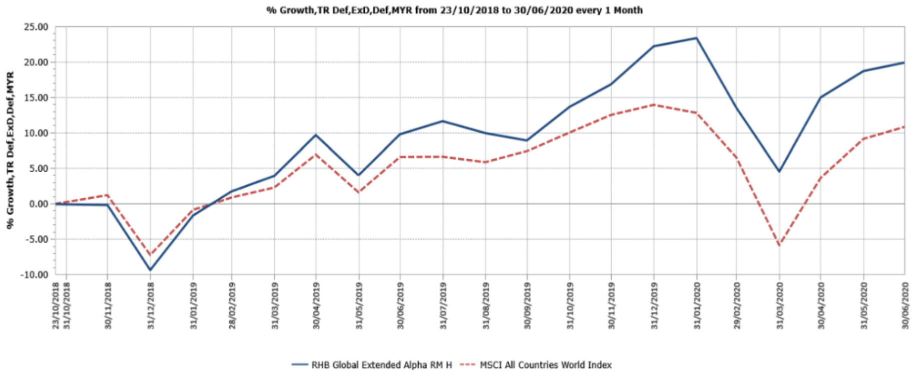
INVESTOR PROFILE

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	**1.01**	**14.67**	**-1.88**	**-1.88**
Benchmark	1.55	17.70	-2.72	-2.72

	1 Year	Since Launch
Fund	**9.21**	**19.91**
Benchmark	3.98	10.85

Calendar Year Performance (%)*

	2019
Fund	**34.74**
Benchmark	22.79

Source: Lipper IM

FUND DETAILS

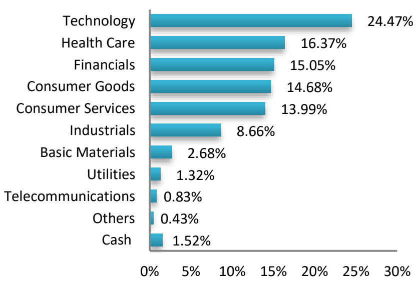
Manager	RHB Asset Management Sdn. Bhd.
Trustee	SCBMB Trustee Berhad
Fund Category	Feeder Fund
Launch Date	03 October 2018
Base Currency	USD
Unit NAV	RM1.1991
Fund Size (million)	RM105.50
Units In Circulation (million)	87.98
Financial Year End	30 November
MER (as at 30 Nov 2019)	0.90%
Min. Initial Investment	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.*

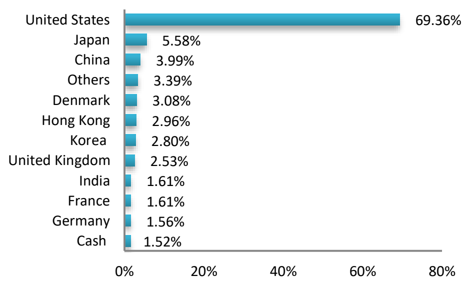
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM, INC.	7.91
ALPHABET INC. CLASS A	6.78
MICROSOFT CORPORATION	6.53
COMCAST CORPORATION CLASS A	3.26
RECKITT BENCKISER GROUP PLC	3.09

*As percentage of NAV

**Source: Threadneedle, 30 June 2020. Exposure in Threadneedle Specialist Investment Funds ICVC - Global Extended Alpha Fund - 95.85%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.2362	1.2822	1.2822
Low	1.1709	0.8992	0.8803

Source: Lipper IM

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MANAGER'S COMMENTS

SUMMARY

- Global equities advanced further in June.
- New long positions included Bank Rakyat and Schneider Electric.

MARKET BACKGROUND

Global equities delivered a third consecutive monthly gain in June, with the MSCI All Country World index returning 2.9% in local-currency terms. Gains were largely driven by optimism about an economic recovery as developed nations relaxed lockdowns. However, equities came under pressure as virus infection rates rose in some countries, including China, Iran and the US. By late June, some governments had suspended or even reversed the easing of control measures.

North American stocks lagged the world benchmark. June got off to a strong start, helped by an unexpectedly robust monthly jobs report. Talk of a possible $1 trillion infrastructure programme was supportive too, but shares were impacted as several states delayed reopening plans and the Federal Reserve gave a downbeat view of the economy. European equities outstripped the global benchmark, driven by strong gains in Germany and Italy. In the UK, shares trailed global stocks amid lingering uncertainty about prospects for reaching a post-Brexit trade deal with the EU. Meanwhile, the Bank of England increased its monetary stimulus programme by £100 billion as data showed that the economy contracted in April.

In Japan, shares were close to flat over the month as the economic backdrop remained subdued. The Bank of Japan increased its pandemic lending programme and signalled that rates are unlikely to rise before 2023. Emerging markets outperformed, supported by a favourable macro background as the dollar weakened and commodities showed a positive return, both for the second straight month.

At the sector level, technology stocks led the rally, continuing to benefit from the pandemic-driven shift to online services. As part of the same trend, a double-digit return from index heavyweight Amazon meant that consumer discretionary was the next-strongest sector. Materials stocks also fared well, as prices of industrial metals continued to rebound. However, defensive sectors underperformed; healthcare stocks suffered losses as investors took profits after recent gains, while utilities also fell during June.

ACTIVITY

In the long book, the Target Fund Manager initiated new positions in Bank Rakyat and Schneider Electric.

Indonesia's Bank Rakyat is one of the country's leading full-service bank providers with an extensive network. The company's competitive advantage is supported by its scale and dominant position within transaction banking, which enables it to benefit from a lower cost of funding than smaller players. Additionally, Bank Rakyat's robust business model, unrivalled market position in microfinance and growing focus on digitalisation provide it with strong competitive advantages, which should enable it to capitalise on the underpenetrated Indonesian banking industry.

Energy and digital solution company Schneider Electric is a global leader in electrical distribution, automation and energy-management products to improve efficiency and sustainability. Schneider enjoys a significant market position and holds one of the top two positions in many of the industries in which it operates. The Target Fund Manager believes that the company offers strong cash generation and growth prospects, while also improving sustainability by conserving energy usage for its clients.

To help fund these purchases, the Target Fund Manager trimmed their positions in LyondellBasell and Vertex.

Chemical company LyondellBasell boasts cost advantages and a disciplined approach to capital allocation, as well as healthy diversification. Despite this, the Target Fund Manager reduced their position, as the outlook for the company is clouded by the weakening demand for ethylene and polyethene.

Vertex Pharmaceuticals has shown resilience in the recent market downturn, with the business facing very few adverse impacts from the coronavirus outbreak on the demand or supply side. The Target Fund Manager favour Vertex for its value and dominance in its cystic fibrosis franchise, while diversification into new treatments bodes well for longer-term prospects. The Target Fund Manager decided to reallocate some of this capital elsewhere following recent strong performance.

In the short book, the Target Fund Manager established positions in a provider of electronic components and a consultancy firm. The Target Fund Manager closed their positions in an insurance company and a home-improvement retailer.

MARKET OUTLOOK

Investors continued to focus on the recovery from the pandemic in June, as the reopening of economies continued to help boost sentiment. While unknowns remain, the indiscriminate market sell-offs have created opportunities to invest in companies with the ability to weather the current storm, and win out over the long-term, at attractive 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 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.

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