

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.

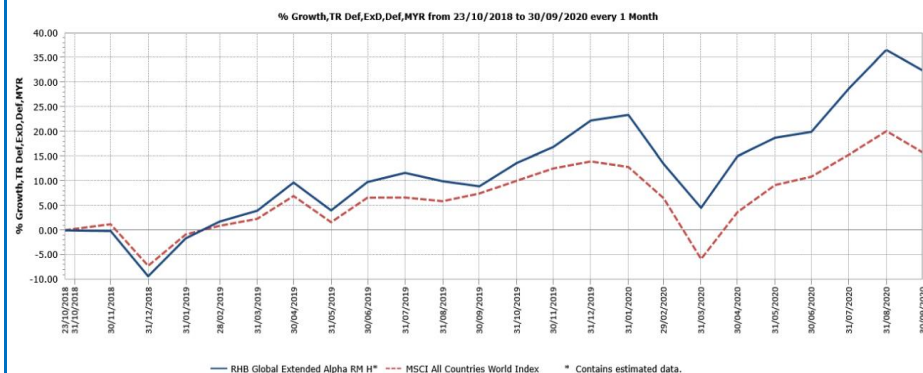
INVESTOR PROFILE

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	-3.08	10.33	26.52	8.26
Benchmark	-3.60	4.41	22.90	1.57

	1 Year	Since Launch
Fund	21.45	32.30
Benchmark	7.73	15.74

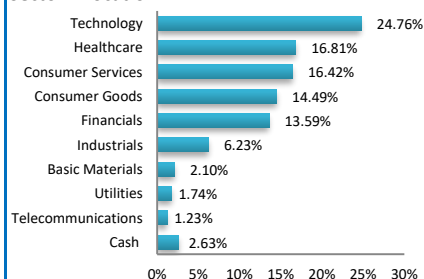
Calendar Year Performance (%)*

	2019
Fund	34.74
Benchmark	22.79

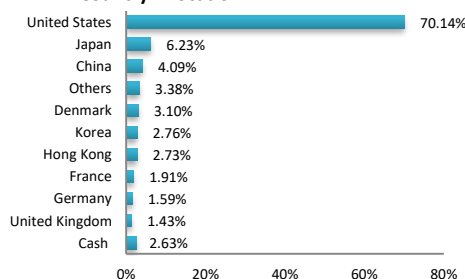
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM INC	7.75
ALPHABET INC CL A	6.09
MICROSOFT CORP	5.86
COMCAST CORP CLASS A	3.61
RECKITT BENCKISER GROUP PLC	3.34

*As percentage of NAV

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

ICVC - Global Extended Alpha Fund - 94.72%

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	RM1.3230
Fund Size (million)	RM115.59
Units In Circulation (million)	87.37
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	1.3983	1.3983	1.3983
Low	1.2803	0.8992	0.8803

Source: Lipper IM

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MANAGER'S COMMENTS
SUMMARY

- Global equities fell in local-currency terms in September;
- In the long book, the Target Fund Manager established a position in Intuit and added to Rohm.

MARKET BACKGROUND

Global stocks fell in September, ending a five-month run of gains amid a sell-off in the US technology sector. The ongoing Covid-19 pandemic also undermined equities as escalating virus infection rates prompted some countries to reimpose control measures and the global toll of fatalities rose. Continued political discord in the US was a further hurdle. The MSCI All-Country World index returned -2.7% in local-currency terms. Returns were negative across the principal equity regions aside from Japan, which registered a moderate advance.

US equities underperformed the global benchmark amid the sell-off in technology stocks. On the political front, the Trump administration and House Democrats disagreed over a new relief package to replace benefits that lapsed in July. Meanwhile, President Trump refused to commit to a peaceful transfer of power should he lose November's election, and his disorderly first debate with Democratic candidate Joe Biden added to the sense of unease. European equities proved more resilient, aided by the euro's weakness against the dollar and the yen. Also helpful was continued support from the European Central Bank, which temporarily eased capital rules for banks and later announced it was considering relaxing its stance on inflation. The UK market held up better than world stocks as the pound weakened, encouraging interest in shares of large-cap firms with overseas earnings. Sterling fell as prospects for a post-Brexit trade deal with the EU remained uncertain and the government moved to win approval of legislation that would unilaterally override parts of last year's Brexit withdrawal agreement.

Japanese stocks outperformed world equities as Yoshihide Suga was confirmed as prime minister, a step expected by analysts to bring general continuity of policy – including monetary stimulus by the Bank of Japan – after his predecessor resigned in August. On the economic front, industrial production expanded for a third straight month in August, and Japan unexpectedly posted a trade surplus. Emerging-market equities also outperformed world stocks, thanks to encouraging economic data from China.

All sectors generated negative returns over the month. Energy stocks fared worst, on concerns that a recovery in demand for oil might be delayed by a second wave of the virus. Financials also underperformed, amid allegations that major banks had been involved in money laundering. After a strong run in recent months, technology and communication-services stocks fell due to profit taking. Value stocks came into favour over the month, leading materials, industrials and utilities to outperform. Materials stocks further benefited from China's continued strong demand for iron ore, while utilities were supported by investors favouring more defensive assets in the risk-off environment.

ACTIVITY

In the long book, the Target Fund Manager established a position in Intuit. The company develops business and financial management software solutions and is well placed to monetise its growing customer base over time. Intuit is seeing heightened momentum across its business segments. Top-line growth should be strengthened by the increasing depth of offerings across products and geographies. The Target Fund Manager feels that this should lead to healthy earnings and cashflow growth, thanks to operational efficiencies and strong financial discipline.

The Target Fund Manager topped up their holding in Japanese semiconductor manufacturer Rohm, reflecting the company's recovery potential in the automotive sector. The Target Fund Manager favours the firm for its exposure to the growth in vehicle electrification. This is an area where product quality and reliability are paramount, and lead times and product cycles are long. The Target Fund Manager believes that this will increase the company's revenue growth and return on capital.

To help fund these purchases, the Target Fund Manager closed their positions in Amphenol and Ferguson following their recent strong returns. The Target Fund Manager also sold RELX, given the risks to the company's events business from the current environment, and longer-term concerns around its pricing power in the publishing business and growth rates in other divisions.

In the short book, the Target Fund Manager partially covered their position in the aforementioned provider of media services.

MARKET OUTLOOK

Indiscriminate market movements earlier in the year increased the relative attractiveness of the competitively advantaged companies in which the Target Fund Manager invests. While markets have since recovered, uncertainties around the coronavirus pandemic remain. The Target Fund Manager believes that the ongoing global responses to the virus have accelerated certain structural trends, and created an environment in which companies with a sustainable edge can thrive. The Target Fund Manager also feel that the market will increasingly come to recognise the long-term merits of these businesses.

The Target Fund Manager remains firmly of the view that companies with the ability to sustain above-average growth rates will be 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 delivering high returns and earnings growth across a range of market conditions. By contrast, the Target Fund Manager continues to seek businesses experiencing secular declines or deteriorations in their competitive positions 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 contents of the PHS and Information Memorandum dated 3 October 2018 and its supplementary(ies) (if any) (“collectively known as the Information Memorandum”) before investing. The Information Memorandum has been registered with the Securities Commission Malaysia (“SC”) who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Information Memorandum should not be taken to indicate that the SC has recommended 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 Fund 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.

This Fund Factsheet has not been reviewed by the SC.

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