RHB ◆ Asset Management

FUND FACTSHEET - NOVEMBER 2020
All data expressed as at 31 October 2020
unless otherwise stated

RHB GLOBAL ARTIFICIAL INTELLIGENCE 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 denominated class AT^^ units of the Target Fund;
• The balance of the NAV: Investments in liquid assets including money market instruments, deposits that are not embedded with or linked to financial derivative instruments ("Deposits") and collective investment schemes investing in money market instruments and Deposits.
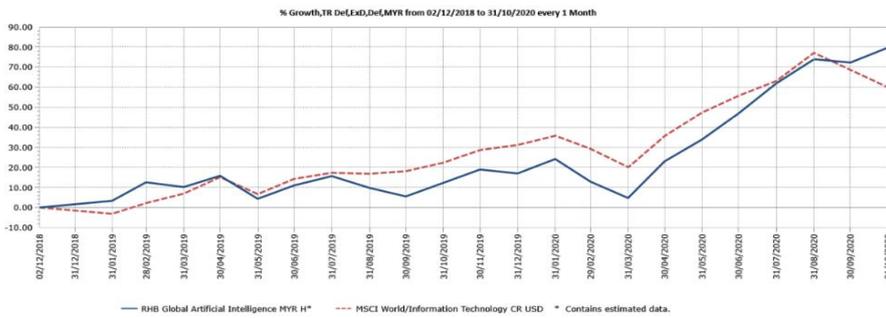^^ Class "AT" refers to retail accumulation units of the Target Fund.

INVESTOR PROFILE

This Fund is suitable for:
• 'Sophisticated Investor(s)' as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*

% Growth,TR Def,ExD,Def,MYR from 02/12/2018 to 31/10/2020 every 1 Month

— RHB Global Artificial Intelligence MYR H*   --- MSCI World/Information Technology CR USD   * Contains estimated data.

Source Lipper

Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	4.35	10.99	46.09	53.56
Benchmark	-5.19	-1.98	17.89	21.91

	1 Year	Since Launch
Fund	59.90	79.62
Benchmark	30.71	59.87

Calendar Year Performance (%)*

	2019
Fund	26.10
Benchmark	44.52

Source: Lipper IM

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	SCBMB Trustee Berhad
Fund Category	Feeder Fund
Launch Date	12 November 2018
Base Currency	USD
Unit NAV	RM1.7962
Fund Size (million)	RM296.39
Units In Circulation (million)	164.99
Financial Year End	30 September
MER (as at 30 Sept 2019)	0.19%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM500.00
Benchmark	MSCI World Information Technology Index
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*

Semicond.&Semicond.Equipm.	19.00%
Software	17.90%
Interactive Media & Services	15.10%
Entertainment	8.90%
IT Services	8.60%
Others	8.20%
Automobiles	5.70%
Hotels Restaurants/ Leisure	3.60%
Internet & Direct Mktg Retail	2.90%
Industrial Conglomerates	2.60%
Airlines	2.30%
Liquidity	5.20%

Country Allocation*

United States	89.80%
Taiwan	1.10%
Japan	1.00%
Australia	1.00%
France	0.80%
Netherlands	0.70%
Korea	0.40%
Liquidity	5.20%
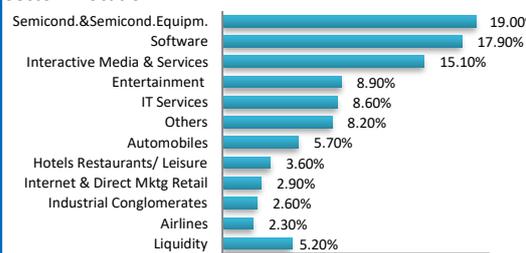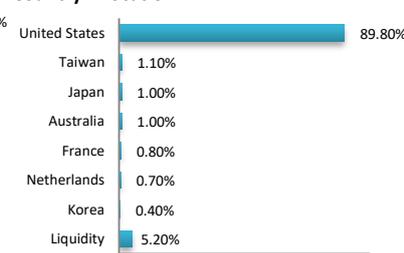
Top Holdings (%)*

TESLA MTRS INC (US)	5.70
ROKU INC (US)	5.60
SNAP INC (US)	5.30
SPLUNK INC (US)	3.70
SQUARE INC (US)	3.50

*As percentage of NAV
*Source: Allianz Global Investors, 31 October 2020. Exposure in Allianz Global Investors Fund - Allianz Global Artificial Intelligence - 94.63%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.8960	1.8960	1.8960
Low	1.7214	0.8447	0.8447

Source: Lipper IM

www.rhbgroup.com
 RHB Group @RHBGroup RHB Group RHBGroup

RHB Asset Management Sdn Bhd (174588-X)

RHB ◆

RHB ◆ Asset Management

FUND FACTSHEET - NOVEMBER 2020
All data expressed as at 31 October 2020
unless otherwise stated

RHB GLOBAL ARTIFICIAL INTELLIGENCE 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.

MANAGER'S COMMENTS

WHAT HAPPENED

Global equities initially strengthened, boosted by rising optimism that the US Congress would agree on a new support package. However, sentiment deteriorated sharply towards the month-end as a sharp rise in COVID-19 cases led to the re-imposition of lockdown measures in several European countries. New infections also surged in the US, with the upcoming presidential election also causing uncertainty: while Joe Biden has maintained an overall lead, the race remains close in several key states. At a sector level, almost all sectors declined, with Utilities and Communication Services the only sectors to deliver positive returns.

Information Technology and related stocks underperformed the broader market during the period. Strong Q3 earnings reports from the FAANG stocks along with other year-to-date outperformers were unable to offset the prevailing risk-off sentiment of the market. Software companies were more acutely impacted by an European software giant warning of delayed purchase decisions on large-scale transformation projects. Digital advertising companies outperformed as quarterly results confirmed a bounce-back in online budgets. Semiconductors saw mixed performance amid another wave of M&A and good earnings results.

MARKET OUTLOOK

Looking into the remainder of 2020, the Target Fund Manager sees economies opening to varied degrees and timelines. While flare-ups in the virus are persisting and expected, they believe individuals and companies are learning to navigate these situations and see a gradual recovery underway. Company management teams sound optimistic that demand is returning but remain cautious on the magnitude of the recovery and the trajectory (ie, V-shaped versus. W-shaped, etc.). In the Target Fund Manager's view, it is the former point on demand stabilisation and recovery that has driven US equity markets back to pre-pandemic levels. However, with the remaining uncertainties around the shape of the recovery, the Target Fund Manager has seen a relatively narrow recovery led by smaller secular growth companies along with mega-cap technology shares that have demonstrated resilient business models through this period.

The Artificial Intelligence strategy has performed well through this period with exposures to many of the secular growth companies finding strong markets for their solutions as new modes of work and consumption take shape. Over the past months, the Target Fund Manager has selectively added new opportunities in different industries where they noted dislocations and attractive valuations. Some of these positions face headwinds to the extent there is more uncertainty regarding the path of recovery. Nonetheless, the Target Fund Manager believes that through a combination of improved health care system preparedness, better individual education of social distancing, and progress towards therapies and vaccines, the trend toward normalcy is inevitable. Over time, the Target Fund Manager expects equity market performance to broaden and benefit some of the newer positions in the portfolio. This speaks to the Target Fund Manager's constructiveness on the overall equity market as significant segments carry attractive long-term risk-rewards for patient investors. In times of elevated volatility, risk management and staying active is critical to take advantage of opportunities as the market recovers.

AI Infrastructure

The Target Fund Manager expects healthy demand for the ongoing build-out of AI infrastructure in the coming years. As AI training progresses past the pilot stage, the next phase will be about the new types of processing and storage needed to deploy AI from the cloud to billions of edge devices. The Target Fund Manager continues to believe the global rollout of 5G will accelerate in 2020, and the resulting higher bandwidth will enable the collection of more data from billions of mobile and internet of things (IoT) devices.

Within AI Infrastructure, the Target Fund Manager has become more constructive on semiconductors (after previously reducing exposure in late 2019 and early 2020) as they believe the impacts from the coronavirus on the supply chain are more reflected in stock prices. In addition, there have been signs of improvement in China where the disruption from the virus initially began. While news flow will likely remain mixed in the very near-term, the Target Fund Manager believes investors have begun to look forward to the recovery in the coming year given the historical cyclicality of the group.

AI Applications

The Target Fund Manager is seeing AI get embedded into an increasing number of software applications and systems to help make more intelligent decisions. AI is helping to drive higher levels of automation, better recommendations, faster decision-making, and significant cost savings. As AI continues to advance, 2020 should see software and apps offer even more personalised services, made possible through an increased understanding of user behavior and search patterns, allowing companies to deliver more human-centric experiences in real-time. Smart assistants will begin to move from passive to proactive interactions by anticipating the user's needs rather than simply waiting for instructions. AI and machine learning will continue to automate mundane tasks and complicated analyses to free up employees to focus more time and attention on creative and strategic tasks. The recent introduction of quantum cloud computing could lead to significant breakthroughs in AI and machine learning in the coming years as researchers design new algorithms to exploit the exponentially faster computing power. The Target Fund Manager is just beginning to see AI become a part of more applications, which could potentially create an even bigger market opportunity than past IT transformation eras.

AI-enabled Industries

The Target Fund Manager is seeing more companies begin to leverage AI to drive innovation. Many of the Target Fund Manager's portfolio holdings in the Automotive, Consumer, Health Care, and Finance sectors are already seeing the early benefits from AI, which is allowing them to introduce unique products and services enabling them to outperform their industry peers. The Target Fund Manager expects to see more industries roll out AI projects across more of their operations to accelerate their digital transformation. The Target Fund Manager believes companies will continue to adopt AI technologies such as facial recognition for identification and fraud detection, autonomous vehicles and robots for transportation and logistics, robotic process automation (RPA) and virtual digital workers to automate repetitive office tasks, predictive maintenance powered by IoT to minimize maintenance costs and equipment down time, and augmented and virtual reality (augmented reality/virtual reality) to create engaging experiences and entertainment.

Overall, the Target Fund Manager continues to believe they are at the very early stages of massive disruptive change brought about by advancement in AI and its deployment. The Target Fund Manager believes that these changes will drive meaningful growth for companies that are able to take advantage and drive disruption within their respective industries. While it is expected at times that markets may question the underpinnings of this growth, the Target Fund Manager believes the compounding effect from AI disruption will create long-term shareholder value. The Target Fund Manager believes that stockpicking will be imperative to capturing the benefits of this opportunity, especially in an environment characterised by disruption and change.

RHB Asset Management Sdn Bhd (174588-x)   Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur   General Line: 603-9205 8000

www.rhbgroup.com
RHB Group   @RHBGroup   RHB Group   RHBGroup

RHB Asset Management Sdn Bhd (174588-X)

RHB ◆