

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.

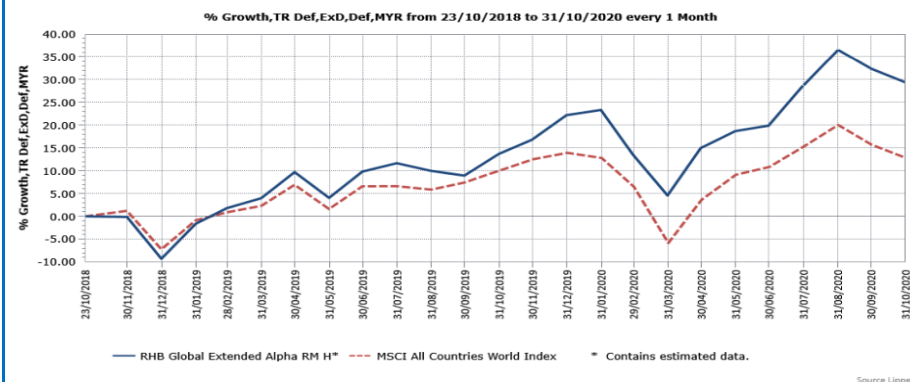
INVESTOR PROFILE

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	-2.28	0.46	12.42	5.79
Benchmark	-2.52	-2.16	8.84	-0.98

	1 Year	Since Launch
Fund	13.73	29.28
Benchmark	2.52	12.82

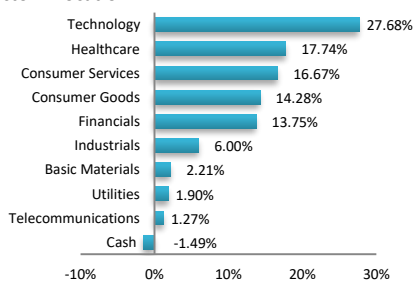
Calendar Year Performance (%)*

	2019
Fund	34.74
Benchmark	22.79

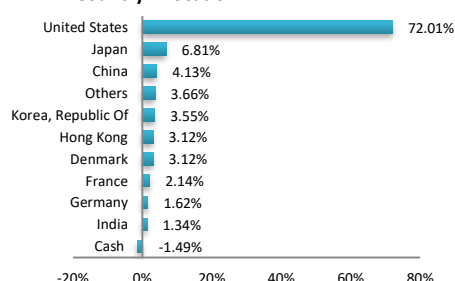
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM INC	8.05
ALPHABET INC-CL A	7.23
MICROSOFT CORP	6.08
COMCAST CORP-CLASS A	3.56
FACEBOOK INC-CLASS A	3.04

*As percentage of NAV

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

ICVC - Global Extended Alpha Fund - 93.67%

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	RM1.2928
Fund Size (million)	RM104.47
Units In Circulation (million)	80.81
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	1.3927	1.3983	1.3983
Low	1.2928	0.8992	0.8803

Source: Lipper IM

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MANAGER'S COMMENTS

SUMMARY

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

MARKET BACKGROUND

Global equities fell in October. Investors were concerned by the increase in Covid-19 infection rates across Europe, which triggered new control measures including nationwide lockdowns in Germany and France. Stocks were also held back by uncertainty around the outcome of the US presidential election. The MSCI All Country World index had a local-currency return of -2.5%. Returns were negative across developed markets, but emerging markets were stronger overall, particularly in Asia.

In the US, stocks trailed the world benchmark modestly at the end of a volatile month. Optimism that Congress might approve new fiscal stimulus before the election helped to drive early gains. These hopes later faded, but Joe Biden's growing lead in the presidential election polls gave rise to prospects of a larger stimulus package in the event of the Democrats winning the presidency and gaining both houses of Congress. President Trump maintained his rhetoric questioning the reliability of postal voting, feeding concern about possible civil unrest after the election.

UK stocks underperformed global equities. The market's heavy exposure to energy stocks proved a headwind as oil prices fell. Brexit-related fears were a further factor. European equities also lagged the world benchmark. The backdrop remained gloomy even before new lockdowns were announced, as the widely watched ZEW index of German investor sentiment weakened in October and the composite purchasing managers' index (PMI) for the eurozone slipped back into contractionary ground. The European Central Bank kept interest rates unchanged, but suggested that further easing measures were likely in December. The Japanese market performed in line with the world benchmark, as strong domestic corporate earnings results proved supportive. Emerging markets were well ahead of world stocks, led by index heavyweight China, where economic data including record monthly imports into the country (in dollar terms) indicated a strong recovery from the pandemic.

At a sector level, utilities and communication services generated positive returns in October. The former rallied on hopes of Joe Biden winning the US presidential election and bringing in new green-energy proposals. By contrast, healthcare lagged, amid concerns about Biden's proposals for reforming the prices of prescription drugs and the broader healthcare sector. Energy stocks also underperformed, owing to concerns about the decline in demand for fuel.

ACTIVITY

In the long book, the Target Fund Manager established a new position in Samsung SDI, the world's largest manufacturer of lithium-ion (rechargeable) batteries. The demand for rechargeable batteries and the need for greater storage is increasing as they play a critical role in decarbonisation, particularly in powering transportation such as electronic vehicles. Samsung SDI's scale and expertise are key barriers to entry, which the Target Fund Manager believes place the company in a strong position to benefit from increasing demand.

The Target Fund Manager also topped up their holding in Japanese semiconductor manufacturer Rohm, as they believe the company shows strong recovery potential. 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 trimmed their positions in NVIDIA and Trane Technologies following both stocks' recent strong performance. The Target Fund Manager remains positive on NVIDIA's prospects owing to its strong exposure to semiconductor growth, as well as competitive edges within gaming, cryptocurrencies and artificial intelligence. The Target Fund Manager continues to favour Trane for its longstanding track record of top-line and operational improvement, despite cyclical and capital-intensity challenges.

In the short book, the Target Fund Manager increased their position in a financial-services firm and covered their position in a software company.

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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