

RHB LEISURE, LIFESTYLE & LUXURY FUND

The Fund aims to achieve long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

INVESTOR PROFILE

This Fund is suitable for Investors who:

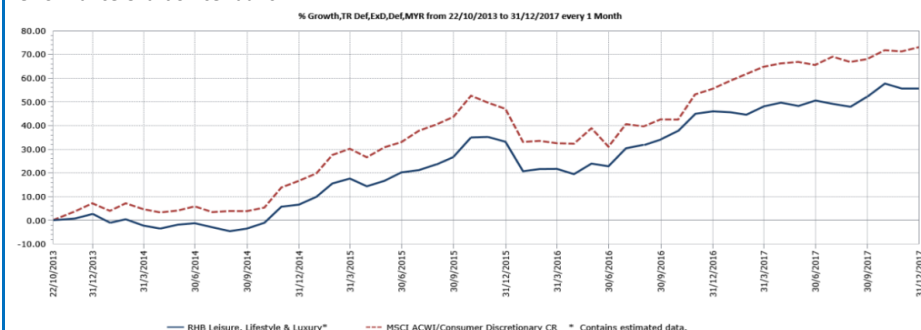
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

INVESTMENT STRATEGY

- At least 70% of NAV: Investments in equities and equity related securities.
- Up to 30% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.01	2.25	3.40	6.63
Benchmark	1.07	3.00	4.56	11.31

	1 Year	3 Years	Since Launch
Fund	6.63	46.11	55.70
Benchmark	11.31	48.41	73.09

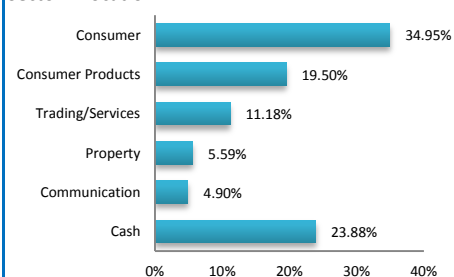
Calendar Year Performance (%)*

	2017	2016	2015	2014
Fund	6.63	9.67	24.94	3.80
Benchmark	11.31	5.76	26.06	8.85

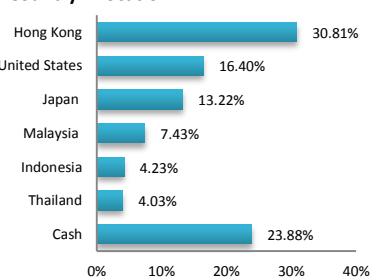
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ALIBABA GROUP HOLDINGS-SP ADR	6.17
CHINA LITERATURE LIMITED	5.19
FAST RETAILING CO LTD	5.17
DON QUIJOTE HOLDINGS	5.09
TENCENT HOLDINGS LTD	5.06

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7785	0.8016	0.8016
Low	0.7541	0.7226	0.4584

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

For the month of December 2017, RHB Leisure, Lifestyle and Luxury Fund return were flat while the benchmark scaled 1.36%. The fund underperformed the benchmark for the month of December 17. The underperformance was due to asset allocation.

Generally, the consumer sector has underperformed the cyclical sector for the month under review. Rising commodities prices continued to steal the limelight. ASEAN countries had a strong run in December 2017 given the strength in commodities. Indonesia (+8.5%) benefitted from a sovereign ratings upgrade by Fitch. Singapore added 0.6%, Thailand 4.9%, and the Philippines 5.0%.

The University of Michigan's consumer sentiment for the United States fell to 95.9 in December of 2017 from 98.5 in November 2017 and below the preliminary estimate of 96.8. It was the lowest reading in three months, mainly due to a decline in consumer expectations. Housing starts in the United States went up 3.3% mom to an annualized rate of 1,297 thousand in November of 2017, the highest since October of 2016 and beating market expectations of a 3.2% fall to 1,230 thousand. The December 2017 employment report was a bit weaker than expected. Nonfarm payrolls increased by 148,000 in December 2017. Wage growth accelerated, increasing by 0.3% month-on-month. The labor market continues to expand with wages staying steady and on trend with the lackluster inflation and productivity gains seen recently. Over the tech sector, lukewarm demand of iPhone X on Apple's supply chain explain the relative underperformance of Greater China.

Japanese industrial activity remains on solid expansion path. For instance, Japanese retail sales grew by 2.2%yoy, higher than market estimates of 1.2%yoy. The improvement in retail sales among others due to year-end sales, tourism activity and sanguine consumer confidence. Japan's consumer confidence index up to 44.9 points in November 2017, highest since September 2013. Moving forward, we foresee Japan's macroeconomic performance for 2018 will maintain growing at sustainable pace, thanks to factors such as political stability, steady global demand, stable income growth and low inflation.

MARKET OUTLOOK AND STRATEGY

As 2018 begins, the activity picture remains strong. Business is confident and leading indicators signal robust growth ahead. Most economists have upgraded global growth forecasts in November 2017, but activity since then has proved to be even stronger than expected. Retail sales in the US have been very firm following a buoyant Black Friday and Cyber Monday, no doubt helped by sales of the new iPhone X. The Atlanta Federal Reserve estimate that US GDP is on track for 2.8% growth in the final quarter of 2017. Business confidence in Germany is close to all time highs according to the Ifo institute survey and Japanese surveys (both Tankan and Shoko Chukin) are strong. The picture is less robust in the emerging markets where China's growth is moderate rather than booming, but overall the synchronised global recovery lives on.

The buoyant equity markets couple with strong GDP growth will lead to wealth creation and transfer into better consumption stories. Rising commodities prices will also assist resource based countries which means higher wages and income for the rural areas. All of these, will improved domestic consumption and even the high end segment or luxury sector will stand to benefit from better economic numbers. We have already seen the luxury segment sales improved over the last few quarters.

Coming into 2018, the fund will continue to focus on stock selection with strong fundamentals and earnings growth story. E-Commerce, tourism, luxury brand and entertainment will continue to be our focus.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 December 2017, the Volatility Factor (VF) for this fund is 10.0 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.2 but not more than 10.7 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2017.

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 Master Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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 Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The manager wishes to highlight the specific risks of the Fund are market risk, country risk, currency risk, equity risk, regulatory risk, liquidity risk and equity related securities risk. These risks and other general risks are elaborated in the Master Prospectus.

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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