

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:

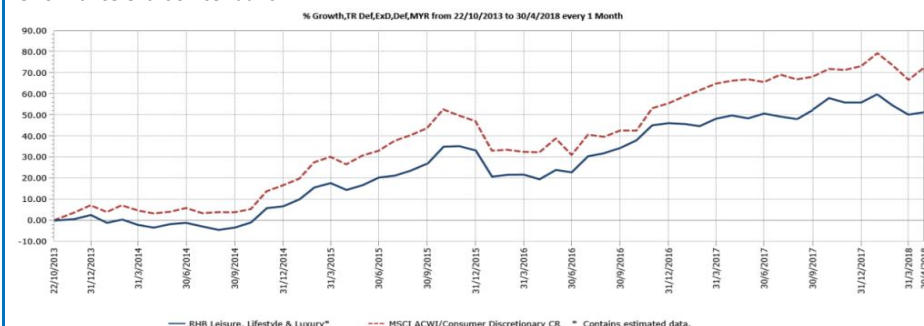
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

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	0.76	-5.29	-4.16	-2.86
Benchmark	3.54	-3.76	0.41	-0.36

	1 Year	3 Years	Since Launch
Fund	1.04	32.32	51.24
Benchmark	3.78	36.30	72.47

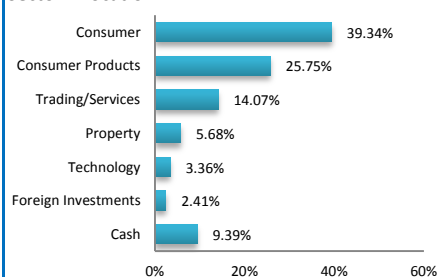
Calendar Year Performance (%)*

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

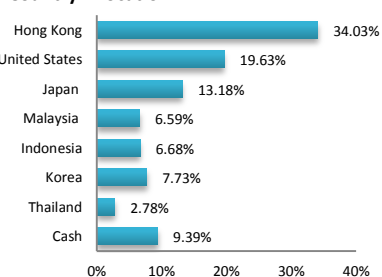
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

RAMAYANA LESTARI	6.68
PRADA S.P.A	6.58
ALIBABA GROUP HOLDINGS	6.39
FAST RETAILING CO LTD	5.73
SANDS CHINA LTD	5.68

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7636	0.8175	0.8175
Low	0.7407	0.7335	0.4584

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

Global equities were propelled by Developed Markets (+1.0%) to edge up 0.8% in April 2018, lifting YTD returns to -0.6%. Among the developed markets, US added 0.3%, Europe 2.2% and Japan 0.7%. Futures markets participants are anticipating three more rate hikes in 2018, driving 10-year Treasury yields to scale 3.0% for the first time since 2014. The consequent strengthening of the USD (+2.1%) caused further downside in Emerging Markets (EMs) (-0.6% in April 2018, +0.5% YTD). A basket of EM currencies slid 1.6% vs. the USD as all EM currencies barring the Philippine Peso (+0.8%) and the pegged currencies depreciated against the greenback. Commodities performed strongly in April 2018 - energy prices sustained their rally from March 2018 (Brent Crude: +8.5%, Gasoline: +5.2%), industrial metals rose sharply (Aluminum: +12.5%, Copper: +1.4%), while precious metals (Gold: -0.8%, Silver: -0.2%, Platinum: -2.9%) fell marginally and soft commodities were mixed.

Asia Ex Japan equities rose 0.6% in April 2018 after a roller coaster ride during the month. China and Hong Kong fell sharply in the first week on rising trade war concerns as China retaliated to the US tariffs on Chinese imports announced in March 2018, leading to consideration of additional tariffs by the US. However, markets recovered during the second half as tensions diffused with the continued opening up of the economy by China. A 100bp RRR cut by the PBoC provided comfort for investors. India (+4.1%) staged a mild recovery during the month after substantial underperformance in the first quarter, driven by the strong performance of software sector (+7.2%). Korea (+2.7%) was the cynosure in April 2018 with the historical Summit with North Korea paving the way for a peaceful, nuclear-free Korean Peninsula. Taiwan (-4.6%) was dragged down by the tech sector (-7.8%), which was suffering from the muted demand for iPhones as well as softer guidance from analysts for the next fiscal year.

In U.S, April 2018 payrolls surprised to the downside with a firm 164,000 added over the month (versus consensus expectations of 193,000). However, this disappointment was offset a bit by a 30,000 upward revision for the last two months. Still, job growth over the past three months stands at a 208,000 average – well above the estimated break-even rate needed to hold the unemployment rate flat (near the 100,000 mark) and indicative of a still strong labor market. Goods sector hiring rebounded to 49,000 jobs added for the month, still below its recent averages due to slowing construction hiring after recent outsized gains. Manufacturing hiring remained solid, adding 24,000 jobs, in line with recent moving averages and well above its hiring pace last year. Service sector hiring came in at 119,000 jobs added, below its 150,000 three-month average. Professional and business services and healthcare hiring remained resilient.

The University of Michigan consumer sentiment survey for Apr-18 fell to 97.8% from 12-year high of 101.4 registered in the preceding month. The figure missed market expectations of 100.5 and also the lowest in 3 months. The pullback was mainly attributed to concerns over the potential impact of Trump's trade policies on the domestic economy. The decline was widely shared by all age and income subgroups and across all regions of the nation. However, the decline was still perceived as small and inconsistent which caused by ambiguity surrounding the progressing trade policy. Tilt-for-that responses in US-China trade tension this month has casted a doubt about the near term outlook of the country. Nevertheless, the conditions is expected to improve as other factors such as low unemployment, tax cuts and signs of rising wages still favors the US consumers.

UK retail trade increased by 1.1% yoy in Mar-18 however fell by 1.2% on monthly basis compared to a 0.8% gain in the preceding month. The monthly figure dropped by more than market expectations of a smaller decline at 0.5%. The fall was largely due to snow storms which daunted shoppers. Large fall was observed in petrol sales at -7.4%, the largest decline since Apr-12, likely a result of the adverse weather conditions which impacted travel. In contrast, department stores were the only sector to grow in Mar-18 at 0.8% mainly boosted by internet sales following online offers in conjunction with Mothering Sunday and Easter. Meanwhile, other factors such as slowing inflation, rising wage, falling unemployment and strengthening pound are expected to boost consumer spending in upcoming months.

Key retailers in HK/Macau have staged a revival and achieved double-digit y-o-y same-store sales growth (“SSSG”) in 1Q18. Aside from supportive local demand, we have seen better PRC tourist arrival numbers and a stronger consumption ahead of major infrastructural improvements (e.g. Express Rail Link, HK-Zhuhai-Macau Bridge).

MARKET OUTLOOK AND STRATEGY

In US, business investment, employment and sentiment indicators are still strong. We expect capex recovery in developed economies to continue, supporting industrial and trade growth this year.

In China, robust 1Q18 growth was supported by consumption and trade. Leading indicators point to some moderation in Chinese industrial growth as supply curbs resumed after Chinese New Year.

We have turned more positive on cosmetics and hard luxury given its higher correlation to tourist consumption as affordable cosmetics more easily prompt impulse buying. We have also become more confident on the performance of hard luxuries retailers, particularly for jewellery plays with mass-market positioning that could book additional gains from gold product sales along with an uptrend in gold prices.

The recent sell down in the equities market provides opportunities for the fund to accumulate on weaknesses. As the portfolio is not highly invested, we are looking for opportunities to buy stocks that were beaten down but still showing earnings growth. The fund will continue to focus on stock selection with strong fundamentals and earnings growth story.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 April 2018, the Volatility Factor (VF) for this fund is 10.2 and is classified as “High”. (source: Lipper) “High” includes funds with VF that are above 8.0 but not more than 10.6 (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 31 December 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2018.

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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