

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:

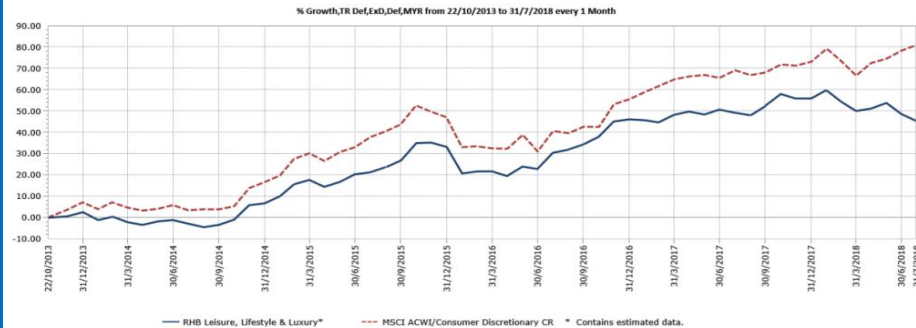
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

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	-2.25	-3.91	-8.99	-6.67
Benchmark	1.50	4.93	0.99	4.56

	1 Year	3 Years	Since Launch
Fund	-2.56	19.98	45.32
Benchmark	7.05	31.40	80.98

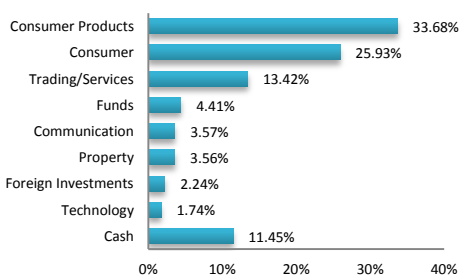
Calendar Year Performance (%)*

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

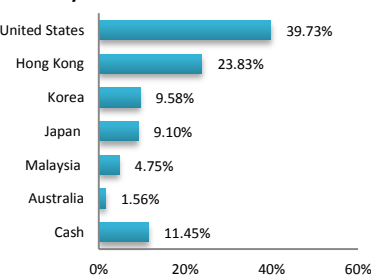
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM	7.37
COWAY CO LTD	5.00
AIRASIA GROUP BHD	4.75
TENCENT HOLDINGS LTD	3.76
HOME DEPOT	3.56

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7433	0.8175	0.8175
Low	0.7214	0.7214	0.4584

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

After a flattish equity return in June, the month of July saw MSCI World recovered with a positive gain of 2.9%. ASEAN (+4.0% USD terms), US (+3.5%), Europe (+3.2%) have closed the month in green and Japan (+0.4%) was flattish. HK/China (-3.1%) and Korea (-1.5%) got hurt by the looming trade war sentiment. Export oriented countries like HK, Singapore, South Korea, and Taiwan would be the hardest hit in Asia should a full-scale trade war break out. The Dollar Index (DXY) was relatively range bounded around 94.5.

On 1st August, Trump administration reported plans to announce more aggressive retaliation against China and has directed US trade representative to consider increasing the proposed level of the additional duty from 10% to 25% tariff on the US\$200bn Chinese products announced on 10th July. The news pushed Shanghai Composite down 2% on the 2nd August. Though more insulated from macro volatility, Asian consumer companies also took the heat this month.

Our position in one of the Korean consumer stock performed well for us this month. After a decent set of 2Q earnings, the company guided positive sales trend of its new products launches. Also, lending strength from the ASEAN market rebound, our position in one of the low cost domestic airline recovered from an oversold position.

However, the overweight position in Facebook detracted from fund's performance in July. Share price of Facebook corrected after it reported slowing growth in users and guided to weaker revenue growth and increase spending on security and privacy enhancement. This resulted in investors selling its shares on concerns of declining active user base on privacy concerns and structurally higher investment costs. We have since rotated into Amazon and beef up our weights in US consumer companies in light good earnings performance in that sector. Reading off its recent results, Amazon has been able to capitalize on its network and display efficiencies in its core business. We believe Amazon is well positioned as the market leader in eCommerce and gains market share in growing online market.

MARKET OUTLOOK AND STRATEGY

US consumption has been fundamentally supported by continued improvement in the labour market. Trend in job growth remains strong as unemployment rate has eased to 3.9% in July, a sharp improvement from an annual of 4.4% in 2017. The strong job market has also supported a gradual uptick in wages. The US hourly wage growth has been trending up to registered growth of 2.7% yoy in July, up from an average of 2.3% in 2017. While overall participation rate may seem to hold steady at 62.9% in July, a breakdown of the participation rate by age group suggested the cyclical portion of the labour market has been trending up. Indeed, participation rate for the working age population (age 25-54) has been trending up to 82% in July (from 81.6% in 2017).

Fundamental supports for housing remain sound, particularly rising household formation. Other supportive factors include solid income growth, plentiful jobs, reasonable healthy household balance sheets. As such, we are gradually shifting our weights into US post the 2Q result season.

We added a gaming stock in Australia into our portfolio. After detailed bottom up analysis, we expect the company to start a new product cycle and is likely to be in the mid –stages of gaining market share through rapidly growing installed base of games. Its raffle-linked games are popular with casinos, especially with US casinos. New growth driver will be digital games, which will position the company to take advantage in growth in digital gambling.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 July 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 8.7 but not more than 11.1 (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 2018 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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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