

### 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:

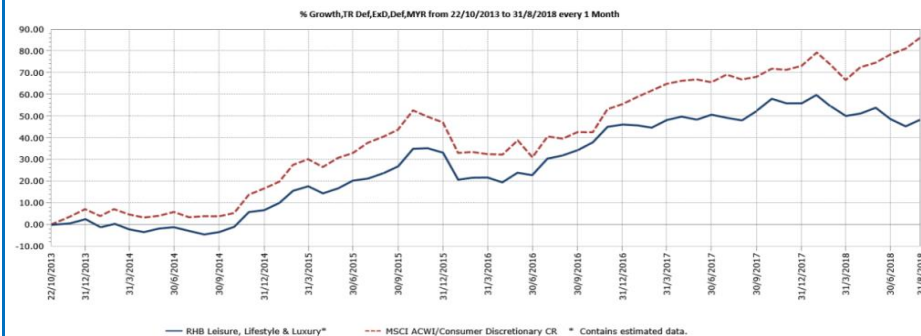
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

#### 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      | 2.19    | -3.50    | -3.96    | -4.62 |
| Benchmark | 2.90    | 6.71     | 7.23     | 7.59  |

|           | 1 Year | 3 Years | Since Launch |
|-----------|--------|---------|--------------|
| Fund      | 0.38   | 20.18   | 48.50        |
| Benchmark | 11.64  | 32.58   | 86.22        |

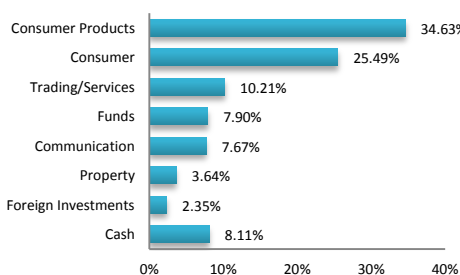
##### Calendar Year Performance (%)\*

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

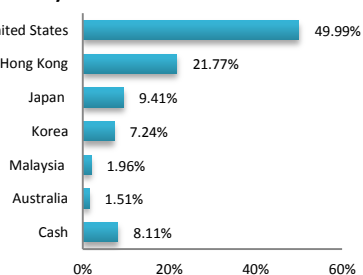
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

|                      |      |
|----------------------|------|
| AMAZON.COM           | 8.42 |
| TENCENT HOLDINGS LTD | 3.82 |
| NETFLIX              | 3.80 |
| HOME DEPOT           | 3.64 |
| NIKE                 | 3.42 |

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

|      | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 0.7455  | 0.8175    | 0.8175       |
| Low  | 0.7097  | 0.7097    | 0.4584       |

Source: Lipper IM

## 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.

### MANAGER'S COMMENTS

#### MARKET REVIEW

The month of August saw flattish returns for the MSCI World Index, registering a positive gain of 0.6%, bringing its year to date return to 1.9%. United States (+3.1%) outperformed Asia ex Japan (-1.2% USD terms) and Europe (-3.2% USD terms), while ASEAN (-0.0% USD terms) and Japan (+0.2%) closed the month flattish. China (-3.9%) got hurt by the looming trade war sentiment, as the second tranche of the USD50bn import list amounted USD16bn was implemented from August 23. The proposed additional tariff duties from 10% to 25% on the US\$200bn Chinese products could be implemented on 6 September after the end of the public comment period.

The UST 10 years closed the month of August at 2.86%, easing 9.9bps with the 10-2 year spread flattening to 23bps. The FOMC minutes released in August confirmed that a September rate hike is likely, in line with expectations (implied probabilities of 94.6%) as of end August. The Dollar Index (DXY) surged to a high of 96.7 as August 14 before closing the month up by 0.6%.

JGB 10 year hovered around 0.1% in the month of August after the Bank of Japan introduced forward guidance, raising the ceiling on their 10-year interest target band from 0.1% to 0.2% to allow more flexibility for purchases while sustaining its rate low-for-long guidance.

In Europe, the German IFO expectations have moved back to the highest levels since March, while the labour market continued to improve. ECB has announced that it expects key ECB interest rates to remain at their present levels until the summer of 2019, as well as ending its bond buying programme in December.

In August, Markit Manufacturing PMI remained in expansionary territory, slowing down in both US and Europe, while improving in Japan and China. The US Markit Manufacturing PMI eased by 0.8pts to 54.5, while the Eurozone manufacturing PMI eased -0.5pts to 54.6 in August. In Asia, China's Caixin PMI improved by 0.1pts at 51.3, and Japan improved by 0.2pts to 52.5.

Fast Retailing had a good run for the Fund in August. We like the company's strategy of boosting its global footprint into South East Asia and embracing e-commerce to accelerate its sales further. Their flagship brand – Uniqlo accounts for 42% of sales and slightly less than half its operating profit. As the overseas business ramps further and progress in turning around its US business, we do expect the stock to emerge as one of top brands in fast fashion.

Anta delivered a good set of results and continue to fly the flag high in August. It's revenue increased by 44% to RMB10,554mn, driven by a 21% yoy growth in footwear and 65% yoy in apparel. Gross margin expanded by 3.7ppts to 54.3% across all its product lines. However, the increased in selling and distribution expenses depressed operating margin slightly. We remain positive on the company growth, but took some profit as it is nearing our target price.

#### MARKET OUTLOOK AND STRATEGY

We continue to see diverging performances between US and Asian internet consumer stocks. Since the trade war erupted in June, Amazon ran +22% compared to an average of -12% return by Asia's new economy poster boys - Baba, Baidu and Tencent. US equities are supported by record high buybacks and strong earning growths, and by sectors supported by IT and consumer discretionary. At the same time, we see limited risk of a hawkish Fed surprise. Hence, we are optimistic on the US consumption story. On top of that, job growth remains well supported for this consumption trend to remain.

China's internet sector continued to experience a tough month, with profit-taking activity post earnings release. On August 30th, one of the watchdogs (GAAP) for the online gaming industry stated in notice that it will limit the number of new online games released, and to take measures to restrict minors' time spent on playing games. This resulted in numerous major Asian gaming companies taking a hit. We see this as an opportunity to buy good quality gaming companies, as they will be the winner in the market consolidation. The structural long term trend remains intact.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 15 August 2018, the Volatility Factor (VF) for this fund is 10.3 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.

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](http://www.rhbgroup.com)

 RHB Group
  @RHBGroup
  RHB Group
  RHBGroup

RHB Asset Management Sdn Bhd (174588-X)

