

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:

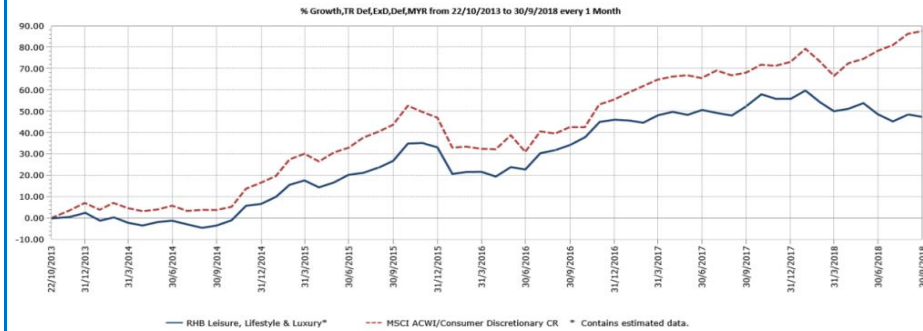
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

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	-0.79	-0.90	-1.85	-5.38
Benchmark	0.70	5.17	12.57	8.34

	1 Year	3 Years	Since Launch
Fund	-3.26	16.26	47.32
Benchmark	11.59	30.53	87.52

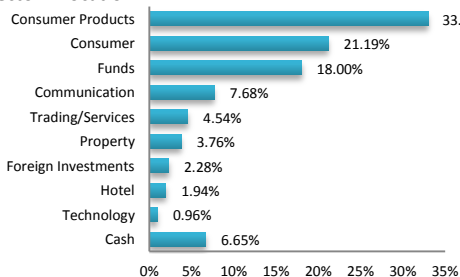
Calendar Year Performance (%)*

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

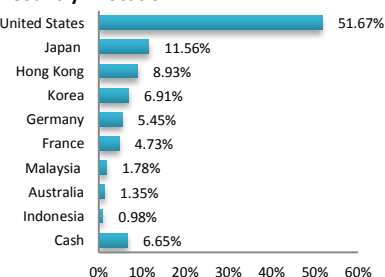
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM	8.37
NETFLIX	3.81
HOME DEPOT	3.76
DON QUIJOTE HOLDINGS	3.31
ISHARES GLOBAL HEALTHCARE ETF	3.29

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7425	0.8175	0.8175
Low	0.7254	0.7097	0.4584

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

Another flattish month in September, with MSCI World registering a positive gain of 0.3% after August's 0.6% gain. This bring the year to date return to 2.2%. Within individual sectors, energy (+2.7%), healthcare (1.8%) and telecom (+1.8%) outperformed, while real estate suffered (-2.7%). Within markets, Japan (+2.3%) outperformed United States (+0.3%) and Europe (+0.3%), while Asia ex Japan continued to detract another month (-1.6% USD terms).

Share buybacks, earning growth and fiscal policy has remained supportive to US equities. By sectors, health care and energy outperformed. As expected, the FOMC raised the target range for the policy rate to 2 - 2.25% and reiterated the case for gradual rate hikes in the September meeting. The dot plot confirmed a December rate hike in line market expectation. The UST 10 years closed the month of September at 3.06%, above the 3% threshold despite changes in US tax reform on pension funds. The 10 - 2 year spread included up to 24bps.

Japan retail sales were robust in September. Based on announcement, Uniqlo Japan's same-store and direct sales rose 6.0% yoy in September despite the adverse impact of typhoons and earthquakes. The company has launched its autumn range and, so far, we gather that it is well received by its customers. We continue to like Fast Retailing as our proxy to Japanese consumption.

Total retail sales in China were up +9.0% YoY in August, largely unchanged from the 8.8% growth seen in July. Daily goods +15.8% (July +11.3%), Jewellery +14.1% (+8.2%), and Furniture +9.5% (+11%) lead the growth in retail numbers according to China's National Bureau of Statistics. Online sales remains the key driver; aggregate sales grew +28.6% yoy from January – August 2018. From October 2018, China's monthly tax-free threshold increases to CNY5,000 from CNY3,500. The change in individual tax reduce the tax burden as a consequence, any knock-on effects on consumption should improve consumer confidence.

MARKET OUTLOOK AND STRATEGY

The U.S. economy remains supported by fiscal policy. As we approach the mid-terms election, there is reduced visibility on policy-making and increased uncertainty could lead to lower investment growth. According to some recent surveys, at this juncture, U.S. corporates are concerned about business conditions six months from now. That said, U.S. is performing reasonably well and earnings delivery has been positive. Following, September's interest rate hike and December's hike priced in, Fed is expected to hike 3 times next year according to projections.

In the U.S., we continue to slightly skew our portfolio towards companies with strong balance sheet and good cash flow generation. This has proved to allow us to better weather through market volatility. But at the same time, we are also picking up certain quality names slowly as valuation has come down quite substantially. Again, we will keep our overall position flexible so that we can catch any market opportunities.

Over in Asia, we are starting to add a small position in Chinese airlines, which we expect to benefit from the rising trend of domestic and international air-travel in China. Share price has already corrected by more than 30% from its peak as a reflection of RMB depreciation and rising fuel oil prices concerns. Chinese airlines can start passing through 70% of oil prices once oil prices goes above US\$70/bbl. Valuation is attractive around FY19E P/B of 1.22, one standard deviation above the average of its three year historical forward P/B band. The recent supportive policy mix on air-fare pricing reform, which airlines' management guided a positive yield growth of 4% for FY18 on a yoy basis. Passenger load factor improved on a yoy basis for 8M18, thanks to strong passenger improvement for its regional and international routes. Greater operating efficiency should be achieved by more contained supply growth going forward FY19-20E.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 September 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.

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