

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:

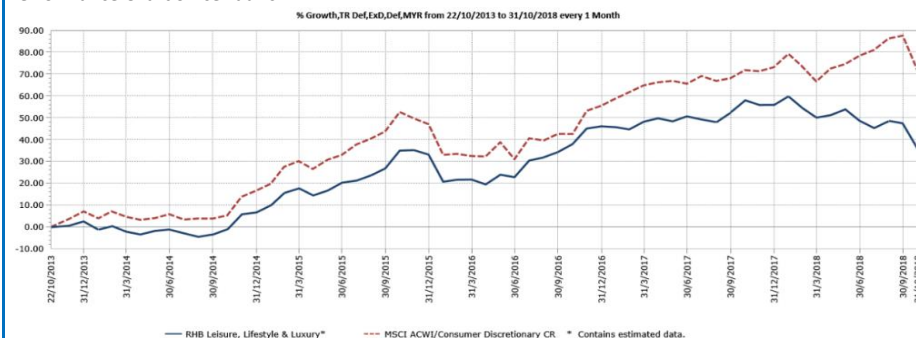
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

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	-7.71	-6.44	-10.10	-12.68
Benchmark	-8.38	-5.06	-0.38	-0.74

	1 Year	3 Years	5 Years	Since Launch
Fund	-13.84	0.76	35.96	35.96
Benchmark	0.03	12.60	72.78	71.81

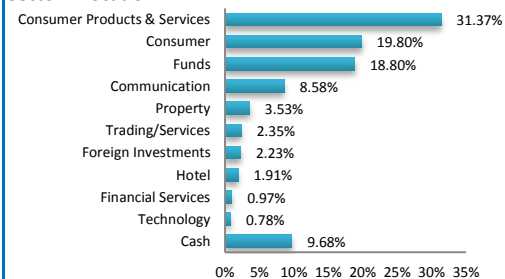
Calendar Year Performance (%)*

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

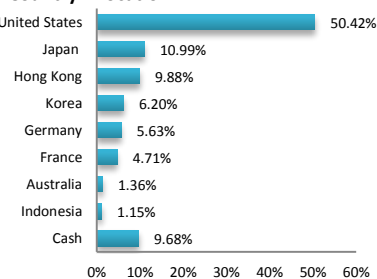
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM	7.37
MCDONALDS	3.76
COMCAST, CLASS A	3.59
HOME DEPOT	3.53
WALT DISNEY	3.41

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7367	0.8175	0.8175
Low	0.6638	0.6638	0.4584

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

The market experienced a sell-off in the month of October, with the MSCI Asia Pac ex Japan index falling 10.3%, bringing the year to date to a negative return of -17.2%. The market sell-off was broad-based across all the sectors. Relatively, defensives outperformed, with utilities (-5.9%) and telecom (-6.3%) being the best performers in October, whilst technology (-14.9%), consumer discretionary (-13.6%) and healthcare (-13.6%) sectors suffered. Within markets, the ASEAN markets outperformed (-5.0%) while Korea (-12%) and China (-11.3%) underperformed.

Japan came off -8.5% with the market melt-down. As quite widely expected, the policy board of the BoJ decided to leave its monetary operation directives unchanged, with the text of forward guidance untouched at the 31 October meeting. More importantly, the BoJ further revised down its inflation rate forecasts into FY2020, following major downgrades made at the end-July meeting. The Bank appears to have become even more cautious about the inflation outlook. Since the end-July meeting, it has stressed the importance of impacts of structural disinflationary forces such as technology innovation and changes in logistics structure.

Japan retail sales rose for an 11th consecutive month but the pace of gains slowed, showing signs that private consumption may not be strong enough to avoid a broader slowdown in economic growth. Our key gains for this month came from our exposure in Don Quijote. Shares for discount chain Don Quijote jumped nearly 10% to JPY6680 after the FamilyMart announced it would take a 20.17% stake worth JPY211.9bn on October 11. In return, Don Quijote will purchase the remaining 60% stake it does not own in Uny from FamilyMart at a value of JPY28.2bn, and the company is set to become the fourth-largest retailer in Japan by sales.

We are starting to nibble on consumer stocks in ASEAN after the market sell off, as we see value emerging. In Indonesia, the market current account deficit in 3Q is forecasted to be high, but we expect a recovery in 4Q. Parliament has approved the FY19 fiscal budget, which expects a 1.84% GDP budget deficit, inflation of 3.5%, RP/\$ at 15,000. The government has surprised the market by not hiking excise tax on cigarettes. This is an unprecedented move, as excise usually increases about 10% every year. The main reason for this measure is to combat illegal cigarettes and protect consumer confidence in 2019, given the weakening Indonesia Rupiah and also Presidential Elections taking place next year. The government also planned to lower VAT on services export from 10% to 0%. Against this supportive policy and upcoming election, we added cigarette and autos consumers stocks to our portfolio.

MARKET OUTLOOK AND STRATEGY

With the U.S midterm elections concluding as the market expected and a potential trade deal between the U.S. and China, we have seen a relief rally in the market. The U.S. economy remains supported by fiscal policy, and is performing reasonably well, where earnings delivery has been positive. Following, September's interest rate hike and December's hike priced in, the Fed is expected to hike 3 times next year according to projections. We are encouraged to see continued supportive policies put forward by the Chinese government, and will remain underweight in Europe amid looming political issues. Our portfolio towards companies with strong balance sheet and good cash flow generation has been effective in weathering through market volatility, as demonstrated by our outperformance against the index during the October market meltdown. We see value at these levels and we are picking up certain quality names slowly at attractive valuations. Overall, we will keep our position flexible so that we can catch any market opportunities.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 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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