

### 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:

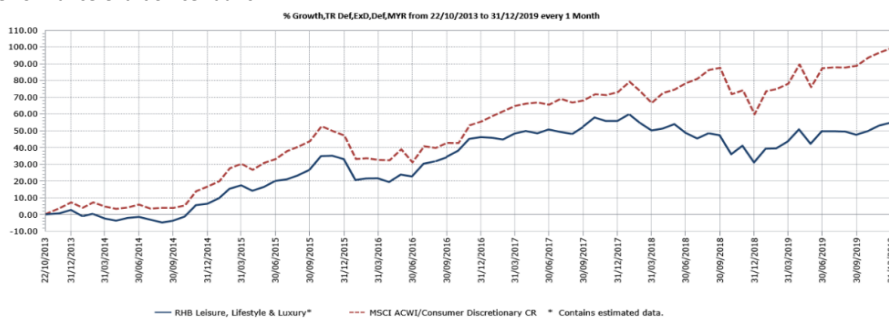
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

#### 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
<b>Fund</b>	<b>1.12</b>	<b>4.88</b>	<b>3.42</b>	<b>18.10</b>
Benchmark	1.28	5.52	6.35	24.63

	1 Year	3 Years	5 Years	Since Launch
<b>Fund</b>	<b>18.10</b>	<b>6.00</b>	<b>45.25</b>	<b>54.78</b>
Benchmark	24.63	28.09	70.78	99.18

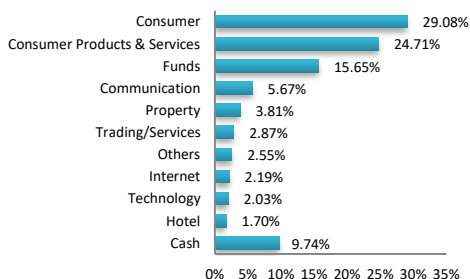
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016	2015
<b>Fund</b>	<b>18.10</b>	<b>-15.83</b>	<b>6.63</b>	<b>9.67</b>	<b>24.94</b>
Benchmark	24.63	-7.67	11.31	5.76	26.06

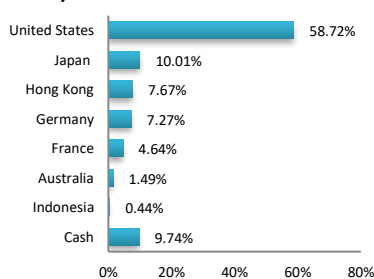
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

AMAZON.COM INC	8.83
ALIBABA GROUP HOLDING LTD	6.73
STARBUCKS CORP	4.16
HOME DEPOT INC/THE	3.81
WALT DISNEY CO/THE	3.73

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7848	0.7848	0.8175
Low	0.7590	0.6485	0.4584

Source: Lipper IM

## RHB LEISURE, LIFESTYLE & LUXURY FUND

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### MANAGER'S COMMENTS

#### MARKET REVIEW

The global equities market surged in the month of December as the US and China confirmed that the 'phase one' trade deal has been reached with signing of the deal in January 2020. The positive development on the US-China trade war front, alongside positive macro data releases, helped support investors' sentiment hence leading to the rally. The MSCI AC World Discretionary Index registered a positive growth +3.4%, in line with the MSCI AC World Index at +3.4%. It outperformed Consumer Services (+2.8%) and Consumer Staples (+2.0%), but underperformed Energy (+5.1%), Materials (+5.0%) and information technology (+4.8%).

The Federal Reserve began the purchase of Treasury bills at the rate of USD60 billion per month in mid-October and will look to purchase bills at least into the second quarter of 2020. In addition, repo operations - term operations of at least USD35 billion twice per week and overnight operations of at least USD75 billion - will continue at least until January. The FOMC kept the target range unchanged at 1.5% - 1.75% at its December meeting. The meeting went largely as expected, as the Committee expressed less concerns over "uncertainties" and indicated that the current stance of monetary policy is appropriate. The dot plot signals a rate hold through 2020, and one hike in each of 2021 and 2022, and an unchanged neutral rate of 2.5%. Fed Chair Powell remained dovish during his press conference. The FOMC is scheduled to conclude its policy framework review around mid-2020, where the adoption of some form of average inflation targeting the most likely outcome points to a more dovish stance.

The European Central Bank (ECB) also resumed its QE program with net purchases of government and corporate debt at a monthly pace of EUR20 billion since 1 November set a footing for Christine Lagarde, who took up her duties as the president of the ECB on the same day. European growth is expected to pick up gradually in 2020, driven by stabilization in the manufacturing sector, modest fiscal impulse, and a resolution of Brexit uncertainties.

On trade war front, the "Phase 1" agreement - where China would increase purchase of US agricultural products, strengthen intellectual property provisions, and issue new guidelines on how it manages its currency - is scheduled for signing on 15 January. In December, the trade ministers of China, Japan and South Korea agreed to work towards a regional trade pact and putting a positive front to the Japan-Korea tensions. Other receded external tension include the final iterations of the USMCA ratification, as well as the outcome of a Brexit deal in its January deadline after the UK election.

The Bank of Japan is likely to keep its monetary policy unchanged after the recently announced fiscal stimulus package and the receding external risk factors. The Japanese government approved a large economic package on 5 December, with total fiscal spending of JPY9.4 trillion included in its FY2019 supplementary budget and FY2020 budget. The December Tankan survey also showed non-manufacturing sectors holding in, even as manufacturers' sentiment slipped. China's interest rate reform took another solid step forward, as the PBOC guided commercial banks to convert old benchmark lending rates into LPR for the existing and new loan books, along with the well expected 50bp RRR cut.

#### MARKET OUTLOOK AND STRATEGY

In the month of December, positive value add was able to offset value deduction. The fund's positive value mainly came from our overweight positions in the Chinese communication services space, Chinese insurance, European hospitality name, and selected Chinese consumer discretionary names. In the US consumer discretionary space, we saw positive add from cruise-related names, which share prices rose on strong booking volume, as well as online travel agency agents on its strong direct channel sales. In the China space, we saw share price rose for Chinese ecommerce names on the back of its constructive international expansion strategy and sales event during the month, and selected Chinese property developer surging on the property mid-upcycle and growing sales volume. Separately, our overweight position to one of the Chinese consumer names selling washing machines and water heater added value as well on privatisation by its major shareholder.

On the other hand, we saw value deductions from our exposure to selected US mass media and entertainment conglomerate which saw profit-taking post the strong share price performance during the month. However, we continue to like the stock amid strong movie releases that heat up the box office. Further value deductions came from our exposure to specific Japanese retail company which saw share price fell on expectations of a potential weaker sales volume amid the warmer winter trend.

Our strategy remains intact where the fund will be strategically exposed to companies that will benefit from the burgeoning growth of middle-income consumers in the long-run. We also prefer companies with healthy balance sheet and visible earnings growth.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 December 2019, the Volatility Factor (VF) for this fund is 11.0 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are more than 11.2 (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 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2019.

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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