RHB Asset Management

FUND FACTSHEET – MARCH 2020

All data expressed as at 29 February 2020
unless otherwise stated

3-year Fund Volatility 11.0 high
Lipper Analytics 11 FEB 2020

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

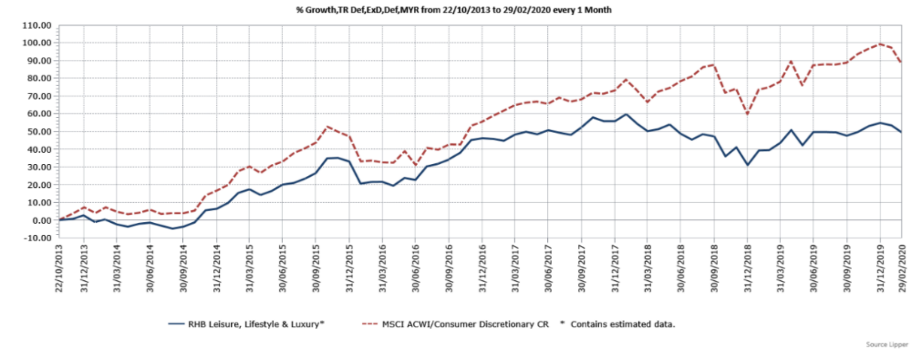
This Fund is suitable for Investors who:
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

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	**-2.63**	**-2.43**	**-0.11**	**-3.51**
Benchmark	-4.75	-4.45	0.10	-5.66

	1 Year	3 Years	5 Years	Since Launch
Fund	**7.12**	**3.28**	**29.32**	**49.34**
Benchmark	7.44	16.22	47.36	87.90

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**18.10**	**-15.83**	**6.63**	**9.67**	**24.94**
Benchmark	24.63	-7.67	11.31	5.76	26.06

Source: Lipper IM

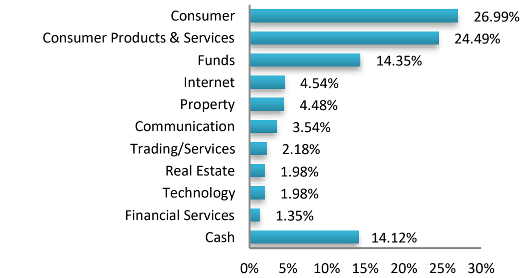
FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	22 October 2013
Unit NAV	RM0.7466
Fund Size (million)	RM11.64
Units In Circulation (million)	15.59
Financial Year End	30 November
MER (as at 30 Nov 2019)	2.22%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI ACWI Consumer Discretionary Index
Sales Charge	Up to 5.00% of investment amount*
Redemption Charge	None
Annual Management Fee	Up to 1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.06% p.a. of NAV, subject to a min of RM18,000 p.a.*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	None

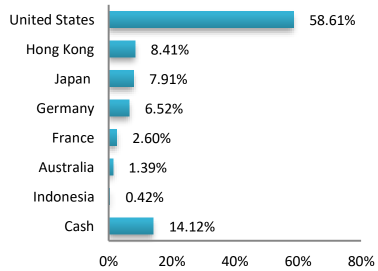
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM	9.82
ALIBABA GROUP HOLDING LTD	6.85
HOME DEPOT INC/THE	4.48
STARBUCKS	3.85
NETFLIX	3.74

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8095	0.8095	0.8175
Low	0.7467	0.6945	0.4584

Source: Lipper IM

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
RHB Group @RHBGroup RHB Group RHBGroup

RHB Asset Management Sdn Bhd (174588-X)

3-year Fund Volatility 11.0 high Lipper Analytics 11 FEB 2020

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 global market started the month strongly as it recovered from the decline in January amid the outbreak and the "Phase I" trade deal. However, the market broke and saw a steep correction in the last week of February as the CoVID-19 situation intensify where more outbreaks were seen across the world. The MSCI AC World Discretionary recorded a decline of -7.4% for the month of February, outperforming the MSCI AC World Index at -8.2%. It outperformed the energy (-14.3%), materials (-9.8%) and industrials (-9.5%) sectors, but underperformed communication services (-5.7%), real estate (-6.6%) and healthcare (-6.8%) sectors.

Confirmed cases across the globe for the novel coronavirus (Covid-19) continue to surge, as the number of infected patients outside of China have exceeded 9,000. While positive signs are present in China, with the number of new cases in China starting to plateau, indicating a level of success in containing the spread, the rapid increase in numbers in Europe, South Korea and Iran is causing significant worry. Cases in Italy and Iran have doubled over the weekend to 1,694 and 978 respectively at the time of writing, while South Korea now has 4,212 cases. In the United States, health officials in the State of Washington have confirmed that a second patient has died from the virus, and the number of confirmed cases have jumped to 84.

While the virus should negatively impact China's growth, Chinese authorities has been providing both monetary as well as fiscal stimulus to cushion the impact on growth. With the new confirmed cases declining steadily in China, along with the support from government, the MSCI China rose 1.0% in the month of February. As the new confirmed cases fall, focus began to shift on resuming activities as domestic consumption especially transport, tourism, retail, lodging and catering have been hit while industrial and construction activities have also been affected. As China's economy is now far larger as compared to 2003 SARS (Nominal GDP of about USD14 trillion vs USD1.5 trillion in 2003) and more connected to the rest of the world, there would be higher impact on global growth as compared to SARS.

Over in the US, the 10-year bond yield has fallen to a historical low of 1.15% as at end February and the 2-year bond yield has broken the 1% level to close the month at 0.91%. Seeing this, the Federal Reserve Chairman Joy Powell signaled in an unscheduled statement saying the Federal Reserve is monitoring the COVID-19 and will act as appropriate to cut rate if necessary despite claiming that fundamentals for the US economy were still intact. The market is pricing expectation for a rate cut in the 18th March meeting and estimates at least 2-3 cut for the year 2020. The FOMC is also scheduled to conclude its policy framework review around mid-2020. There is a dovish shift to the statement language suggesting more resolution toward the transition to an average inflation target. Super Tuesday comes this week and fourteen states hold primaries with 1338 total pledged delegates up for grabs.

Political uncertainty is picking up in Germany as Chancellor Merkel's successor as head of the CDU Angel Kramp-Karrenbauer (AKK) announced she would step down and will not run as her party's candidate for Chancellor. She has had trouble since taking over for Merkel as leader back in December 2018. The hope for fiscal stimulus from Germany may have to wait longer.). ECB easing expectations have picked up, as futures pricing suggest over 40% odds of a cut at the next meeting March 12, up from around 5% in mid-February.

Similar to Powell, BOJ Governor Kuroda released an emergency statement and said that the bank "will strive to provide ample liquidity and ensure stability in financial markets through appropriate market operations and asset purchases." It immediately offered to purchase JPY500 billion of government bonds in repo operations.

MARKET OUTLOOK AND STRATEGY

During the month, positive value add was able to offset the value detractions for the fund. Positive value-add mainly came from strong selection effects in the US space, as well as from China. In the US, our overweight position in selected tv shows/movies subscription service company added value to the firm on strong global net subscriber additions and stronger content outlook, and further supported by improving cash flow into 2020. Our slight underweight position to particular e-commerce company added value as well amid some profit taking weakening the share price. Separately, our overweight position in China added positive value to the fund. In particular, we were overweight in the Chinese internet space, which continue to see resilience in share prices despite the outbreak, as well as our position in the online education segment which is a key beneficiary where more students shifted and adopted online classes, away from offline classes. The incremental penetration into online education continues to bode well for this sector. We also held high cash level during the month which contributed positively to the fund's performance.

Conversely, value detractions mainly came from our weak positioning in the communication services space in the US, and slight overweight position in selected luxury and leisure-related names. Specifically, our overweight position to selected entertainment company in the US which suffered from closure of theme parks and theatre in China, as well as earlier than expected change in management. Separately, our overweight position to selected US company specializes in internet-related services detracted value on some profit-taking activities as revenue missed slightly on weaker hardware sales due to lesser product rollouts in 4Q2019, as well as slight missed in the cloud revenue and heavier investments in 2020. Nonetheless, fundamentals remain strong for these companies. In terms of additions and in view of our high cash levels, we have opportunistically added to selected US companies which are backed by strong fundamentals and yet saw share prices declined on profit-taking activities, in particular to internet-related services names and home improvement-related company.

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. However, we have adopted a more defensive and cautious stance since January 2020 amid the CoVID-19 outbreak. We remain opportunistic and prefer stocks that have healthy balance sheet, visible earnings growth, and valuations support.

DISCLAIMER: