

### 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:

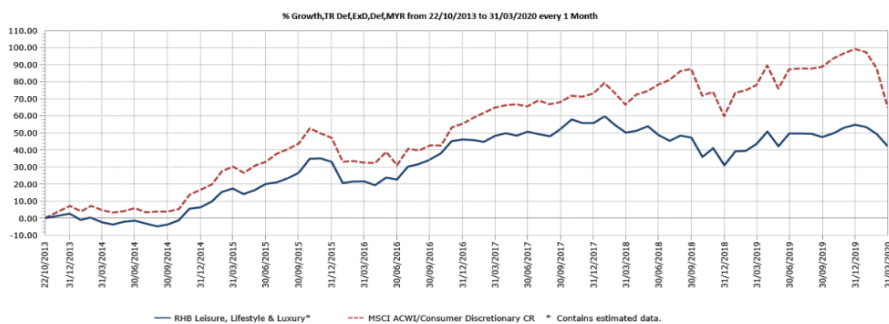
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

#### 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	-4.86	-8.21	-3.73	-8.21
Benchmark	-12.21	-17.18	-12.60	-17.18

	1 Year	3 Years	5 Years	Since Launch
Fund	-1.04	-4.08	20.86	42.08
Benchmark	-7.35	0.09	26.74	64.96

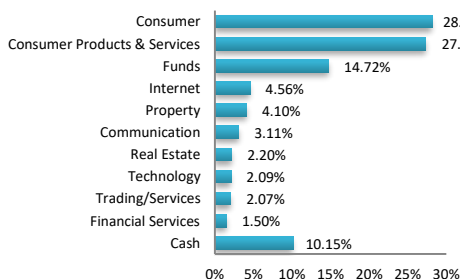
##### Calendar Year Performance (%)\*

	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

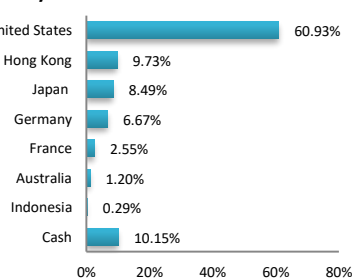
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

AMAZON.COM INC	10.85
ALIBABA GROUP HOLDING LTD	6.84
HOME DEPOT INC/THE	4.10
NETFLIX INC	4.06
MCDONALDS CORP	3.77

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7718	0.8095	0.8175
Low	0.6502	0.6502	0.4584

Source: Lipper IM

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### MANAGER'S COMMENTS

#### MARKET REVIEW

The global market fell sharply by 13.7% in the month of March, bringing the market to close the quarter down by 21.7%. Energy (-28.8%) sector continued to be under pressured with WTI oil price sinking close to USD 20 per barrel. All sectors registered a drop in March, with cyclical sectors such as financials (-22.4%), materials (-15.0%) and industrials (-18.0%) underperforming. On the other side, consumer staples (-5.7%) and healthcare (-4.0%) outperformed. Within regions, United States (-12.8%), Asia ex Japan (-12.2%) and Japan (-8.1%) outperformed while UK (-16.4%) and Europe (-15.0%) underperformed.

Confirmed cases across the globe for the novel coronavirus (Covid-19) continue to surge with the World Health Organization declared the outbreak a pandemic on 11th of March and urged countries and administration to take 'urgent and aggressive' action. As of then, the total confirmed cases for COVID-19 has exceeded 126,000 and this number has further increased by six-folds to 860,000 at the time of writing. While lockdown, quarantining and social distancing is the right prescription to combat COVID-19, its impact on the global economy is unprecedented. The COVID-19 outbreak is disrupting both demand as well as supply chain and poses risks to corporate earnings. Under any scenario, International Monetary Fund declared a global economic recession as IMF Managing Director Kristalina Georgieva said on 27th March, "It is now clear that we have entered a recession – as bad as or worse than in 2009,"

Action areas to support global economy includes fiscal stimulus to prevent long-lasting economic damage, monetary policy to ease financial conditions and ensure flow of credit and regulatory response to safeguarding financial stability. The case for a coordinated and synchronized global effort is needed to stabilise the global economy and we are seeing various stimulus and measures from all around the world. While these measures should be deployed, the first and foremost important is the health security policies and control. Indeed, how far it will fall, and for how long, is difficult to predict, and would depend on the pandemic, but also on the timeliness and effectiveness of government actions.

Over in the US, in an emergency move on Sunday, the US Federal Reserve announced that it is dropping its benchmark interest rate by 100bps to a range between 0% - 0.25%, bringing a total of 150bps cut this year. In addition, Federal Reserve will do whatever it takes to provide liquidity and ensure financial stability in the financial system and these include (i) Commercial Paper Funding Facility; (ii) Primary Dealer Credit Facility; (iii) Money Market Mutual Fund Liquidity Facility (iv) Primary Market Corporate Credit Facility; (v) Secondary Market Corporate Credit Facility; (vi) Term Asset-Backed Securities Loan Facility (TALF). USD 8.3 billion Coronavirus Preparedness and Response Supplemental Appropriations Act and USD 104 billion Families First Coronavirus Response Act which together provide 0.5% of GDP for health care, sick leave, small business loans, and international assistance were the first two phases of fiscal response. In its 3rd phases, the CARE Act which amounted to USD 2 trillion (around 10% GDP) was passed.

The ECB decided to provide monetary policy support through (i) additional asset purchases of €120 billion until end-2020 under the existing program (APP), and (ii) providing temporarily additional auctions of the full-allotment, fixed rate temporary liquidity facility at the deposit facility rate and more favorable terms on existing targeted longer-term refinancing operations (TLTRO-III) starting between June 2020 and June 2021. Further measures included an additional €750 billion asset purchase program of private and public sector securities (Pandemic Emergency Purchase Program, PEPP) until end-2020, an expanded range of eligible assets under the corporate sector purchase program (CSPP), and relaxation of collateral standards for Eurosystem refinancing operations (MROs, LTROs, TLTROs). The European Commission also activated the general escape clause in the EU fiscal rules, which suspends the fiscal adjustment requirements for countries not at their medium-term objective and allow countries to run deficits in excess of 3 percent of GDP.

#### MARKET OUTLOOK AND STRATEGY

Our relatively high cash position has helped us weather through one of the worst months in the history of global equities. Our decision to go underweight on consumer discretionary globally (ex-China) has bode well for the fund as the destruction of demand as a result of COVID-19 have led to the demise of the sector globally. Conversely, we were overweight China because as we felt China was far ahead of other countries globally in terms of the COVID-19 infection curve; in other words, China has started to recover while the rest of world are just starting to work around the pandemic. The result was slightly negative to the fund's performance but we continue to hold the view that China is going to recover in the months to come and as a result, we continue to have greater positions in China relative to other parts of the world.

Our strategy remains intact where the fund will continue to invest in quality companies with excellent balance sheet that are trading at a deep discount as a result of COVID-19. 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:

Based on the fund's portfolio returns as at 10 March 2020, the Volatility Factor (VF) for this fund is 11.1 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.8 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 31 December 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2020.

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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