RHB Asset Management

FUND FACTSHEET – JULY 2020

All data expressed as at 30 June 2020 unless otherwise stated

3-year Fund Volatility 13.0 high Lipper Analytics 10 JUN 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.

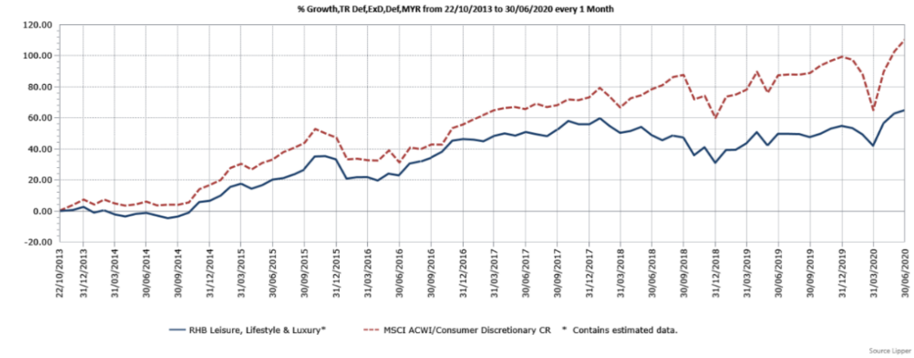
INVESTMENT STRATEGY

• 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	**1.31**	**16.08**	**6.55**	**6.55**
Benchmark	3.71	27.42	5.53	5.53

	1 Year	3 Years	5 Years	Since Launch
Fund	**10.20**	**9.52**	**37.25**	**64.92**
Benchmark	12.23	26.98	58.10	110.19

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

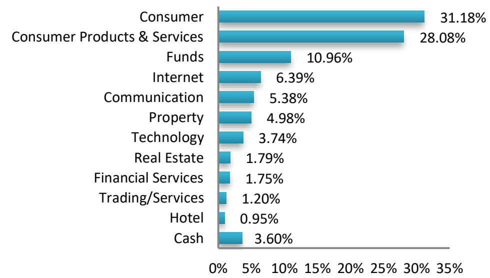
FUND DETAILS

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	RM0.8246
Fund Size (million)	RM12.22
Units In Circulation (million)	14.82
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

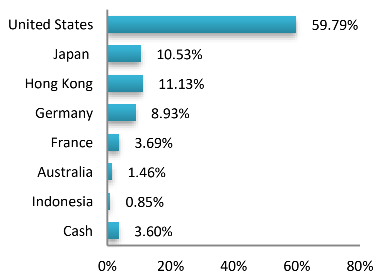
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM INC	11.31
ALIBABA GROUP HOLDING LTD	6.88
HOME DEPOT INC/THE	4.98
NETFLIX INC	4.46
MCDONALDS CORP	3.81

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8431	0.8431	0.8431
Low	0.8022	0.6502	0.4584

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

The global equity markets went from risk-on to risk-off and closed the month of June up by 3.0%, bringing the year to date loss to 7.1%. Sectors that outperformed are information technology (+7.5%), consumer discretionary (5.2%) and materials (+3.8%). On the other side, utilities (-1.5%), healthcare (-0.8%) and energy (-0.5%) registered negative return in June. Within regions, Asia ex Japan (+7.9%), and Europe (+3.7%) outperformed global peers while US (+2.1%), UK (+1.3%) and Japan (-0.1%) underperformed in USD terms.

US's top health official, Dr Anthony Fauci, sounded cautious as numbers worsen in several states – specifically Arizona, Texas, California, and Florida. These 4 states accounted for 30% of US GDP. As the US hits new record for daily coronavirus, the White House Coronavirus Task Force held its first public briefing since April 27 and the governors of Texas and Florida hit pause on their opening plans.

Closer to us, many countries in the Asia region look to have successfully contained the spread, at least for now. While a few local outbreaks – e.g. at a food market in Beijing, Itaewon district in Seoul, or in Australia's Victoria state – have prompted re-tightening or delayed easing of restrictions in specific cities or provinces, national-level measures are generally steady or easing. However, the situation is starkly different in India, where new cases have accelerated since the country began reopening.

The IMF projected deeper global recession on growing virus threat. The agency now sees a global contraction of -4.9% in 2020, 1.9 percentage points below April's forecast. The pandemic has had a more negative impact on activity in the 1H of 2020 than anticipated and the recovery is projected to be more gradual than previously forecast. Global growth for 2021 is also revised down by 0.4 percentage points to 5.4%. This is closer to the OECD, which sees -6.0% global contraction this year and 5.2% growth next year. IMF Chief Economist Gopinath stressed there is a high degree of uncertainty in both directions and one of fund's key message was that "in the absence of a medical solution, the strength of the recovery is highly uncertain and the impact on sectors and countries uneven."

Growth in the advanced economy group is projected at –8.0% in 2020, 1.9 percentage points lower than in the April's forecast and recover at 4.8% in 2021. The US is forecast to have a shallower decline this year (-8.0%) compared to the UK (-10.2%) and euro area (-10.2%). Growth in the group of emerging market and developing economies is forecast at –3.0% in 2020, 2 percentage points below the April's forecast. Within which, emerging and developing Asia fare better both in 2020 with a smaller contraction of 0.8% and in 2021 with a higher expansion of 7.4%.

China is forecast to grow at 1.0% this year and 8.2% next year. Economic performance within Asia has not been uniform and the variations in country performance are due to a few key factors. The first relates to success in reducing the COVID-19 outbreak and the effectiveness of limiting its reemergence through "contact, trace, and quarantine" policies. The second relates to the large sectoral demand shifts that have resulted from the crisis. Broadly speaking, ecommerce and technology businesses should do better. Thirdly, countries that depend heavily on cross-border services trade—tourism and remittances in particular—likely will underperform. Finally, it is the variation in policy impulses by sizes, approaches and timeliness. Indeed, Korea and Taiwan have benefited significantly from their tech sectors and ample policy supports, India faces challenges with virus containment and limited fiscal space. The key role of tourism and remittances will also hold back performance in South East Asia.

According to IMF, the G20 economies provided sizable fiscal support through revenue and spending measures of 5.8% of GDP on average, as of June 12 (up from 3.5% as of April 8, 2020) in response to the pandemic. This amount is also higher than the stimulus during the GFC that began in 2008. Another round of fiscal stimulus in the US is in the works as Treasury Secretary Mnuchin said the next package could be passed in July. The UK government is also reportedly discussion another round of counter-cyclical stimulus. A temporary cut to VAT (20% currently) seems to be one of the main measures being considered amongst other tax cut measures.

MARKET OUTLOOK AND STRATEGY

A slower month as our high cash position led to an underperformance for the fund in the month of May. The underweight position in consumer discretionary was detrimental to the fund's performance as consumer discretionary names continued its rally into June as market shrugged off the rising cases of COVID-19. Jobs data surprised on the upside and boosted equity markets, which suggests that job figures are picking up the pace faster than expected. We continue to stay constructive on equities with a cautious optimism amidst the ongoing rhetoric surrounding the trade war.

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. We are also turning more positive and have reduced our cash positions that was held since the COVID-19 outbreak. We remain opportunistic and prefer stocks that have healthy balance sheet, visible earnings growth, and valuations support.