

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:

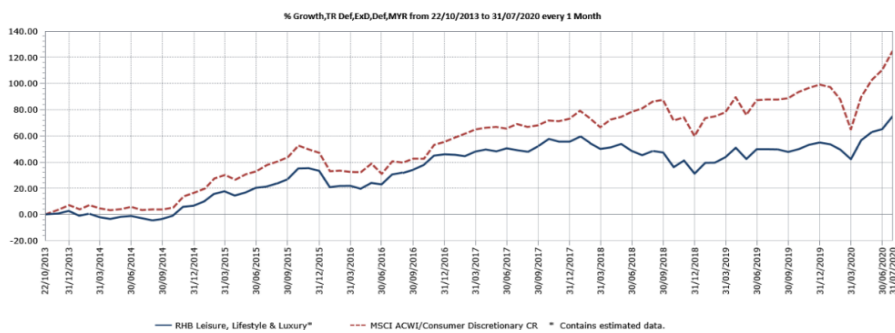
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

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	6.06	11.76	14.04	13.01
Benchmark	6.97	18.55	13.97	12.88

	1 Year	3 Years	5 Years	Since Launch
Fund	16.86	17.29	44.42	74.92
Benchmark	19.72	32.99	63.25	124.84

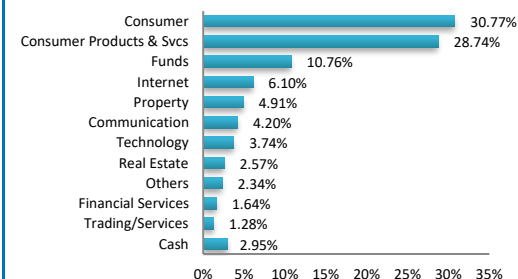
Calendar Year Performance (%)*

	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

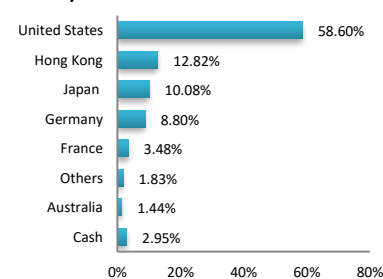
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM INC	11.60
ALIBABA GROUP HOLDING LTD	7.47
HOME DEPOT INC/THE	4.91
NETFLIX INC	4.42
MCDONALDS CORP	3.75

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8897	0.8897	0.8897
Low	0.8246	0.6502	0.4584

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

The global equity markets closed the month of July up by 3.0%, bringing the year to date loss to 2.4%. The top 3 sectors that outperformed in the month of July are consumer discretionary (8.1%), materials (+7.8%) and information technology (+7.0%), unchanged from the month of June. On the other side, only the energy (-2.3%) sector registered negative returns in July. Within regions, Asia ex-Japan (+7.6%) and US (+5.8%) outperformed global peers while the Europe (+3.6%), UK (+1.2%) and Japan (-1.6%) underperformed in USD terms.

The outlook for risk assets remains uncertain. Rising infections may force Hong Kong to delay its Legislative Council elections, while Tokyo numbers may lead to a declaration of emergency, as both countries have increased restrictions. The UK government reinstated stricter lockdown measures in select cities due to weak adherence to social distancing guidelines. On the other hand, big tech, such as Apple, had a better earnings season than expected.

The EU finalized its recovery package of the €750 billion (5.4% of GDP) in total. Compared to the original May 27 EC proposal, there was a shift in the composition of the €750bn recovery fund from €500bn in grants and €250bn in loans to a €390bn/€360bn split. About €390bn of this sum will be distributed in the form of grants, with the remainder coming in the form of loans to facilitate the recovery in member states. The European Central Bank extended its ban on dividend payouts and share buybacks through year-end. It also urged Eurozone banks to show some restraint on paying bonuses. The ECB said it will review its stance in Q4. Despite the improvement in the Eurozone outlook, it is clear that the ECB remains concerned and is requiring banks to be more prudent as well.

The Bank of Japan kept its key short-term interest rate at -0.1% and maintained the target for the 10-year Japanese government bond yield at around 0% during its July meeting, by an 8-1 vote. Governor Kuroda sounded a bit more optimistic, noting Japan was past the worst, but still warning that the recovery will be slow. Updated quarterly outlook report forecasts underscore the challenging path ahead. GDP is now expected to be at -4.7% for FY2020, 3.3% in FY2021, and 1.5% in FY2022. Core CPI (ex-fresh food) is forecasted at -0.5% in FY2020, 0.3% in FY2021, and 0.7% in FY2022, all well below the 2% target and suggests no tightening until FY2023 at the earliest. We believe the bank is on hold for now to see how past monetary and fiscal stimulus work their way through the economy.

China reported mixed official July PMI readings. Manufacturing rose to 51.1 vs. 50.8 expected and 50.9 in June, while non-manufacturing fell to 54.2 vs. 54.5 expected and 54.4 in June. This pushed the composite reading down a tick to 54.1. New export orders rose for the third consecutive month, which suggests a pickup in external demand. Government stimulus and construction activity continue to support the economy. Tensions with the US are likely to remain high after it ordered the closure of the US consulate in Chengdu.

MARKET OUTLOOK AND STRATEGY

A slower month as our high cash position led to an underperformance for the fund in the month of July. 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.

DISCLAIMER:

Based on the fund's portfolio returns as at 14 July 2020, the Volatility Factor (VF) for this fund is 13.0 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 12.8 but not more than 15.4 (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 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 contents of PHS and the contents of the Master Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("collectively known as the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Prospectus should not be taken to indicate that the SC has recommended the fund. 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 Fund 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.

This Fund Factsheet has not been reviewed by the SC.

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