

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:

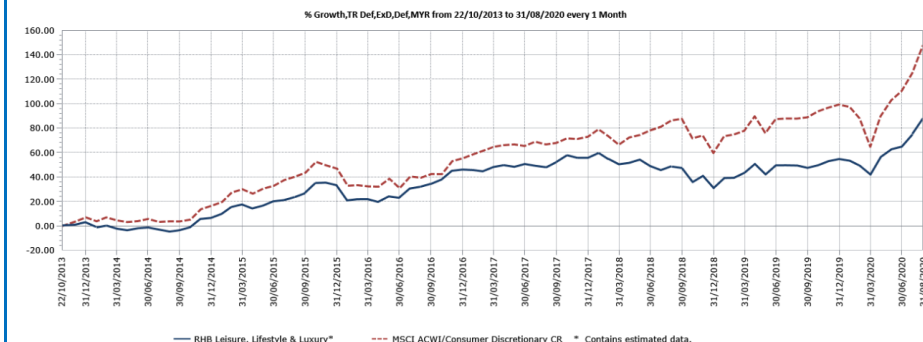
- seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

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	7.33	15.33	25.71	21.29
Benchmark	10.14	22.19	31.79	24.33

	1 Year	3 Years	5 Years	Since Launch
Fund	25.58	26.90	51.94	87.74
Benchmark	31.93	48.46	76.31	147.64

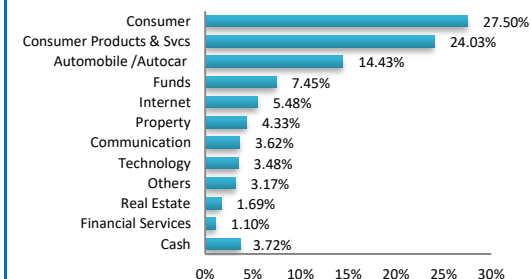
Calendar Year Performance (%)*

	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

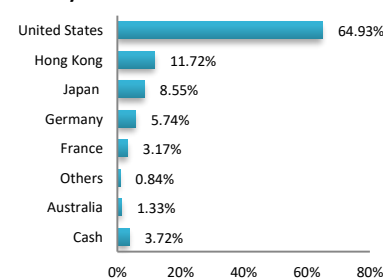
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TSLA_US	14.43
AMAZON.COM INC	8.60
ALIBABA GROUP HOLDING LTD	7.00
HOME DEPOT INC/THE	4.33
NETFLIX INC	3.90

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9401	0.9401	0.9401
Low	0.8735	0.6502	0.4584

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

The global equity markets gained a strong 6.0% in August, bringing the year to date loss back to a positive return of 3.5%. The top 3 performing sectors in the month of August are. Stocks climbed, led by consumer discretionary (12.1%), information technology (+9.1%) and industrial (+8.1%), after economic data bolstered optimism that a recovery from a pandemic-induced recession is on track. On the other side, only the utilities sector (-2.0%) sector registered negative returns in August. Within regions, Japan (+7.6%) and US (+7.3%) outperformed global peers while the Europe (+3.8%), UK (+2.8%) and Asia ex Japan (3.4%) underperformed in USD terms.

Governments around the world are still balancing between easing coronavirus lockdowns to revive economic growth and controlling any resurgence of new cases. Cases reached 25 million worldwide with numbers in India and Brazil still concerning. As long as infections don't escalate to the point in which countries start considering national-level measures, economy should be fine. But with no medical solution yet, the improvement in mobility data may be limited and PMI normalization is largely completed. Globally, seven vaccines are now in phase 3 clinical stage according to WHO. Evidence so far suggests that the Covid-19 "Second Wave" has been far more benign comparing infections rates and deaths rates. Countries where the infections had troughed around June and are now increasing have not seen a corresponding increase in deaths. There are several reasons for this, including more widespread testing that catches less severe case, better treatments, preparedness of national health systems, and protection for the most vulnerable population.

In US, attention was focused on Chairman Jay Powell's speech at Jackson Hole Symposium on August 27th 2020 on "Navigating the Decade Ahead: Implications for Monetary Policy". The new approach of the Fed's Policy Framework could be viewed as a flexible form of average inflation targeting, allowing inflation to run moderately above or below the Fed's 2% target for some time. This means that interest rates could be left lower for a longer period despite a rise in inflation. Regarding employment, the revised statement reflects the Fed's view that a robust job market can be sustained without causing an outbreak of inflation and the maximum level of employment is a broad-based and inclusive goal. If the FOMC changes its communications tools (say, in September) to reinforce these changes, it may be an "enhanced guidance" that refers to an inflation goal that is higher than it otherwise would be, or an unemployment goal that is lower than it otherwise would be. In turn, that would imply "lower for longer" policy rates. That said, recent moves in the market (i.e., higher inflation breakeven) suggest that part of the new framework and the new 'tools' are largely priced in.

Angela Merkel's coalition agreed to support an extension of Germany's Kurzarbeit subsidies through end-2021. Those subsidies are used to pay the bulk of wages to workers who would otherwise be laid off during an economic shock, allowing firms keep them on payroll (i.e., paid furlough) for the duration. On a firm-by-firm basis, Kurzarbeit would normally expire after 12 months. The August Ifo business climate index climbed to 92.6 points from 90.4 pts in July. - a 21-month high, although the expectations sub-index stayed below the consensus projection. That helped reverse the worries from the poorer August flash PMIs.

In Japan, what surprise the market was the news of Prime Minister Shinzo Abe's, the nation's longest consecutive prime minister, unexpectedly announced his intention to resign at a press conference ton Friday. He has battled a disease for years, and wanted to avoid causing problems for the government due to his condition. Since the outbreak of COVID-19 in March, the Abe administration's approval rating continued to fall, to near the lowest level since Abe took office. The election to choose the next prime minister will be held probably in September, followed by the general resignation of the current cabinet. Abe will continue his role as prime minister until the new prime minister is decided. The term of the next prime minister is the same as Abe's term, which is until the end of September, 2021. Along with the BoJ, Abe was the promulgator of a weak-JPY and 'easy-money' policy, starting in 2012. As the term of office of the BoJ's Haruhiko Kuroda is through April 2023, and so it is unlikely that the BoJ will shift monetary policy upon Abe's resignation.

China's industrial profit growth rose to 19.6% y-y in July from 11.5% in June, taking its year-to-date growth to -8.1% y-y in July from -12.8% in June (2019: -3.3%). This improvement was likely driven by a rise in PPI inflation to -2.4% y-y in July from -3.0% in June, as industrial production growth was unchanged at 4.8% y-y in July. In the first seven months of 2020, profit growth at state-owned and private enterprises dropped to -23.5% y-y and -5.3%, respectively, from -12.0% and 2.2% in 2019; while profit growth at foreign enterprises over the same period inched up to -3.4% from -3.6% in 2019. Tensions with the US are likely to remain high as US November election draw nearer.

MARKET OUTLOOK AND STRATEGY

A slower month as strong performance from certain sleeve in consumer discretionary led to an underperformance for the fund in the month of August. The underweight position in consumer discretionary was detrimental to the fund's performance as consumer discretionary names (which were more related to E-commerce than brick & mortar) continued its rally into August as markets continued to be flushed with liquidity. 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 10 August 2020, the Volatility Factor (VF) for this fund is 13.4 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 the PHS and 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 ("SC") 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.