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

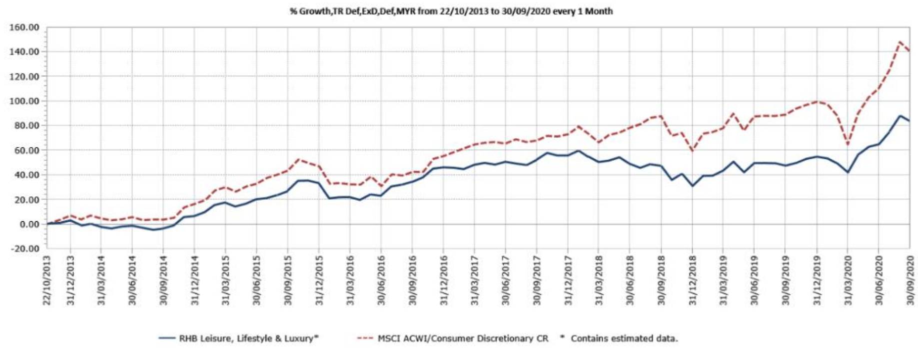
This Fund is suitable for Investors who:
• seek long term capital appreciation by investing in equities and equity related securities issued by companies that provide goods and services in the leisure, lifestyle and luxury market.

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	**-2.48**	**11.01**	**28.86**	**18.28**
Benchmark	-3.11	14.16	45.46	20.47

	1 Year	3 Years	5 Years	Since Launch
Fund	**24.05**	**20.23**	**44.48**	**83.08**
Benchmark	27.12	42.79	67.02	139.95

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

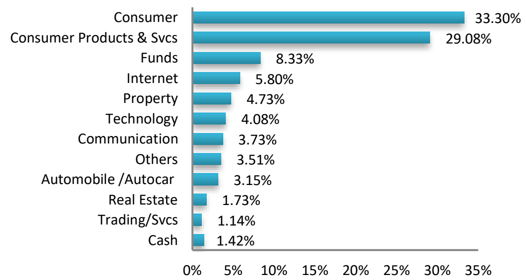
FUND DETAILS

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	RM0.9154
Fund Size (million)	RM13.86
Units In Circulation (million)	15.14
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

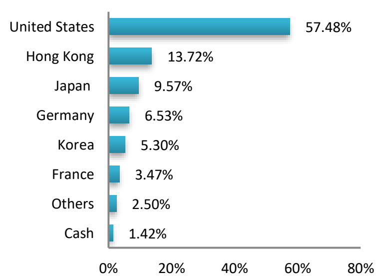
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

AMAZON.COM INC	8.97
ALIBABA GROUP HOLDING LTD	8.02
COSMAX INC	5.30
HOME DEPOT INC/THE	4.73
MCDONALDS CORP	3.88

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9523	0.9523	0.9523
Low	0.8856	0.6502	0.4584

Source: Lipper IM

3-year Fund Volatility
13.9
high
Lipper Analytics
10 SEP 2020

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MANAGER'S COMMENTS

MARKET REVIEW

Global equity markets retreated for the month of September, weighed down by building risk factors across the globe. These include rising cases in Europe, a spike in hospitalizations in Spain, new lockdown rules in UK and France, weaker PMIs across the globe, as well as US political uncertainty. The global equity markets fell by 3.4% in September, bringing the year to date return flat. No sector registered a positive return. Industrials (-0.9%), utilities (-1.1%) and materials fell the least in the month of September. Energy was the worst performing sector, as it fell -12.4% in the month. Within regions, Japan (+0.3%) registered positive return in USD terms. US (-3.9%), Europe (-3.5%), UK (-5.1%) and Asia ex Japan (-1.7%) positive negative return in USD terms.

US politics is coming in to focus as the election draws near, with current poll seeing support for Biden (Figure 2-4). The death of Supreme Court Justice Ginsburg has introduced a huge element of uncertainty and volatility into the situation. The most direct impact is likely to be further delays in the stimulus package, as markets believe that it is unlikely for a deal to come before the election, as the Republican-led Senate’s focus is to push through a replacement for Justice Ginsburg. The US Senate passed a bipartisan spending bill that will keep the government funded through December 11, averting a much-dreaded shutdown. The House of Representatives already passed the stopgap measure by a 359-57 vote. Separately, President Trump’s latest comments on the legitimacy of mail-in voting are not new, but reinforces concerns about possible unrest after elections, with VIX futures remain elevated into December.

The FOMC delivered no surprise (0.0-0.25%; USD 80 billion per month) and the overall message remain dovish. The FOMC committee gave its first forward guidance by the new principles agreed to at the end of its recent framework review (flexible average inflation targeting). Under this new framework, the Fed will have much more discretion to allow higher inflation and tighter labor markets, with an underlying message of lower for longer rates. The BOJ adopted an inflation-overshoot strategy back in 2016. According to the updated Summary of Economic Projections as the FOMC rolls forward the end of its forecast horizon by one year to 2023, rates remain low at least until 2023.

Markets are digesting the rising infection rates across Europe. France and the UK are seeing record daily infection rates, while the number of hospitalizations are increasing as well (especially in Spain). The good news is that deaths are nowhere near the first wave of the pandemic. The bad news is that limited lockdowns and self-imposed lockdowns will still have a chilling effect on economic activity, and September flash PMIs across Europe are already reflecting this. However, Europe successfully crushed the curve in the first wave and we are confident that it can be done for this second wave, albeit at the cost of slower growth in Q4. Indeed, business confidence in Italy saw a surprising strong reading, reinforcing that it is dealing with the second wave far better than it dealt with the first. US virus numbers are also rising again, but as the US has not crushed the “first” wave in the first place and so the US is starting from an already weakened position. With stimulus running out, the US economy may underperform in Q4.

The Bank of Japan left its policy settings unchanged but upgraded its economic assessment. The bank said the economy "has started to pick up with economic activity resuming gradually," though adding that conditions remain severe , compared to what it described as “extremely severe” previously. Despite recognizing the recovery, it’s pretty clear that the BOJ will keep on the current policy track until the 2% comes into sight. According to its July forecasts, that target won’t be reached until well after FY2022 (where it sees inflation at 0.7%). The bank will release updated macro forecasts at the next meeting October 29. The Liberal Democratic Party of Japan (LDP) held its presidential election on Monday to appoint a successor to current LDP leader (and Prime Minister) Shinzo Abe, who announced on August 28 that he will be stepping down due to deterioration in a pre-existing health condition. Chief Cabinet Secretary Yoshihide Suga won the LDP’s leadership election and is appointed as the Prime Minister during a special Diet session on September 16, with Mr. Suga forming his own cabinet. This suggests continuity in Japan’s post-Abe politics. Less uncertainty for asset prices given that the simulative fiscal and monetary policy will remain intact. Incoming Prime Minister Suga will look to shore up his credentials with another round of fiscal stimulus before year-end.

China left its Loan Prime Rates (LPR) unchanged, as markets expected. The 1-year rate remains at 3.85% and the 5-year at 4.65%. They are likely to remain for some time with the domestic economy still recovering at a good pace. A fallout in external demand might be the key variable that could prompt further action. The main risks to external demand are probably further economic restrictions from government reactions to a second virus wave, and a potential escalation of the US-China trading conflict. Separately, FTSE Russell said it would include China in its flagship World Government Bond Index (WGBI) from October 2021, with a 12-month staggered inclusion process. CGB is expected to eventually constitute 5.7% of the benchmark. As of now, all three major Global Bond Indices have announced their China inclusion, with Bloomberg-Barclays Global Aggregate Index and JP Morgan GBI-EM’s phase-in last till November this year. Malaysia continues to be included in the FTSE World Government Bond Index (WGBI), but will remain on the FTSE Russell Fixed Income Watch List for a potential downgrade. “This follows recent initiatives by Bank Negara Malaysia (BNM) to improve secondary market liquidity and to facilitate foreign exchange (FX) transactions”, according to FTSE statement.

MARKET OUTLOOK AND STRATEGY

This month’s outperformance can be attributed to selective underweight in the consumer discretionary sector. The underweight position in consumer discretionary helped the fund’s performance as consumer discretionary names (which were more related to E-commerce than brick & mortar) fizzled into October as the markets continue to have one eye on the presidential election in November. We continue to stay constructive on equities with a cautious optimism amidst the ongoing rhetoric surrounding the trade war and the containment of the COVID-19 pandemic

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 September 2020, the Volatility Factor (VF) for this fund is 13.9 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 Master 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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