

### RHB GOLDENLIFE 2020

This Fund aims to provide investors planning to retire in the year 2020, a wealth accumulation vehicle for meeting their financial needs upon retirement.

#### INVESTOR PROFILE

This Fund is suitable for Investors who:

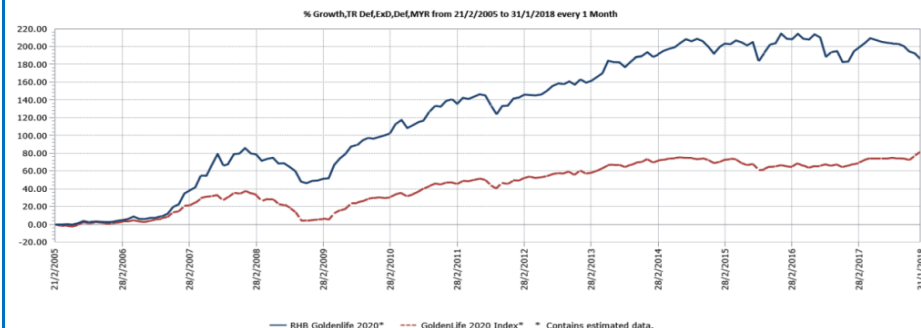
- are planning to retire around the year 2020.

#### INVESTMENT STRATEGY

- Minimum of 40% and up to 60% of NAV: Investments in equities.
- Minimum of 40% and up to 60% of NAV: Investments in fixed income securities and/or liquid assets.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



##### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	-2.22	-4.89	-6.02	-2.22
Benchmark	2.56	4.52	4.40	2.56

	1 Year	3 Years	5 Years	Since Launch
Fund	-2.98	-4.48	10.13	185.91
Benchmark	8.38	6.74	15.64	81.72

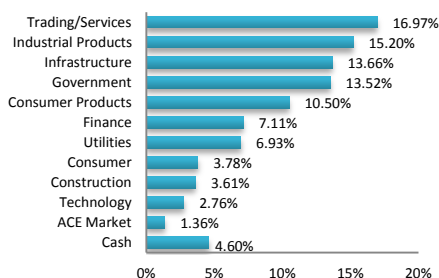
##### Calendar Year Performance (%)\*

	2017	2016	2015	2014	2013
Fund	3.27	-9.96	7.76	-0.60	11.46
Benchmark	6.93	-0.61	-1.26	-2.59	7.87

Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



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

MAJU EXPRESSWAY SDN BHD (AA-)	8.59
PERBDN TABUNG PENDIDIKAN TINGGI (GG)	6.32
UNITED U-LI CORPORATION BHD	5.59
ANIH BHD (AA)	5.07
AQUASAR CAPITAL SDN BHD (AAA)	4.83

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6111	0.6830	0.8341
Low	0.5936	0.5936	0.4576

Source: Lipper IM

##### Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
20 Feb 2017	6.0000	8.77
25 Feb 2016	5.6150	7.48
15 Apr 2015	5.6000	7.06
25 Feb 2014	5.3000	6.65
28 Feb 2013	4.9003	-

Source: RHB Asset Management Sdn. Bhd.

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**MANAGER'S COMMENTS**
**MARKET REVIEW**
**Equity**

For the month of January 2018, global equity did well despite 10-year US treasury yields climbing sharply from 2.4% to 2.7% in January 2018. Global equity markets started the year in 2018 rising 5.6% during the month. Rising 2018 EPS growth expectations and synchronized growth are driving a strong risk-on sentiment across the world. Meanwhile, Asia Ex-Japan equities (+7.5%) were primarily driven by the surge in Chinese equities (+12.5%) as Q4 GDP growth of 6.8% YoY as well as the trade surplus beat estimates. Semiconductor foundries, led by index heavyweight TSMC (+13.0%), propelled Taiwan (+7.6%) on anticipation of strong demand for high-end chips FROM cryptocurrency market players.

The FBMKLCI started the year strong up +3.99% on the back of heightened foreign interest in the market. Foreign investors were net buyers and bought RM3.4bn worth of shares in January 2018. Average market volume for the month surged to RM4b.5n shares/day vs last year's average daily of 2.5bn shares. BNM announced a 25bps OPR hike on January 25, 2018 and banking sector were viewed as the beneficiaries from rising interest rate. Meanwhile, the ringgit hit a new high since April 2016 at 3.8890 while the FBMKLCI reached a near 3-year high of 1870 points on 29TH January 2018. The local bourse rallied in tandem with regional markets which all ended on a strong positive note at month end.

**Fixed Income**

US Treasury ("UST") yields elevated higher during the month of January 2018 as major economic data were stronger than anticipated and these have somewhat resulted in the market reevaluating the risks ahead by adjusting higher rates as shown in UST yields action. Market is currently pricing in more than 90% probability of the first rate hike of the year in this upcoming Federal Open Market Committee ("FOMC") meeting in March 2018. With inflation expectations adjusting higher, UST yields curve bear-steepened with the longer curve of 10-year and 30-year UST grinding higher at about 30 basis points and 20 basis points accordingly compared to previous month's closing. At the end of January close, the 2-, 5-, 10- and 30-year UST were last traded at 2.141% (December-2017: 1.883%), 2.514% (2.206%), 2.705% (2.405%) and 2.935 (2.739%) respectively.

Malaysian Ringgit ("MYR") has continued to strengthen against United States Dollar ("USD") amid anticipation for the rate hike by Bank Negara Malaysia ("BNM") on its recent Monetary Policy Committee ("MPC") meeting held in January. While the sell-off has been exhibited in UST yields curve together with other global government bonds during the month, there has not been much of a follow through impact to the local bond markets. Instead, the 10-year and 15-year Malaysia Government Securities ("MGS") yield curve were well bid up on several occasions which seemed contrasting to what we have seen in UST yield. On top of that, the auctions were well received during the month. MGS curve bear-flattened but this is more apparent on the shorter-end of the curve as BNM delivered its 25 basis points hike. At closed, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were reported at 3.398% (December-2017: 3.338%), 3.638% (3.531%), 3.929% (3.876%), 3.948% (3.905%), 4.408% (4.401%), 4.615% (4.580%) and 4.860% (4.850%) respectively. The Government Investment Issues ("GII") – Shariah compliant version of MGS exhibited the same pattern with its MGS counterpart which saw the higher yield more pronounced on the shorter-end part of the curve. However, we noted that the 15-year GII rallied more than 10 basis points month-over-month. At closed, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 3.568% (December-2017: 3.469%), 3.884% (3.791%), 4.080% (4.097%), 4.174% (4.187%), 4.555% (4.685%), 4.780% (4.771%) and 4.937% (4.945%) respectively.

**MARKET OUTLOOK AND STRATEGY**
**Equity**

The synchronised growth in the major developed countries will continue to support global growth, which will eventually flows to Asia as well, in the form of export growth. Monetary policy will remain in accommodative mode to support growth amidst the unsynchronised monetary policy stance by the developed economies. The United States of America ("U.S.") economy continued to show strength, with growing employment and wages. The sharp increase in the 10-year US Treasury yield created fear among investors on the pace and quantum of the US interest rate hike. European Union economic growth has been broad based, with low unemployment rate, while its monetary policies remains accommodative. Japan's growth continued to be supported by financial stimulus, while China's growth remains resilient.

Domestically, Malaysia's economic growth will remain robust supported by improving global growth and domestic demands. The positive economic backdrop will provide support for the equity market going forward, in addition to its undemanding valuation. In addition, the improvement of corporate earnings from its last two years of negative growth, strong domestic liquidity, stable Ringgit and an impending general election would continue to be supportive of the equity market.

We are of the view that Malaysia's corporate earnings growth of 6% is achievable in 2018 due to strong economy. However, the negative sentiment in the US is also expected to drag the index lower. The index touched the low of 1792 level on 4 February 2018 which was also close to the mean valuation of KLCI. We believe the KLCI performance will be volatile in the short term. We would expect the index to be well supported above 1790 level. We would take the opportunity to accumulate strong fundamental blue chip stocks on market weakness. We believe the index would go back to 1,870 level once the US stock market's volatility starts to disappear as investors would have priced in higher interest rate expectations.

**Fixed Income**

In Malaysia, BNM's 25 basis points increment in OPR to 3.25% in the last MPC meeting in January was widely expected by economists and market participants. The MPC suggests it acknowledged a more entrenched and synchronized global growth which appears to be more balanced compared to the previous MPC meeting. In term of inflation assessment, BNM is expecting the headline to average lower in 2018 from 3.70% recorded in year 2017. A stronger MYR will lend support to mitigate import costs and hence imported inflation. Overall, we believe the MPC's decision to hike a 25 basis points as accommodative and more in tune of normalizing monetary conditions rather than a start of tightening interest rates. Therefore, future policy action will broadly depending on the incoming data as well as trajectory of global monetary conditions as MPC continue to assess the balance of risks of growth and inflation. In term of strategy, we are neutral on duration with mildly bullish on domestic space with the expectation that local demand dynamics tend to prevail in 1Q 2018. As part of asset allocation strategy, we continue to overweight credit over government bonds for yield pick-up despite higher risk free rates as corporate credits should have better credit strength given better GDP rates. Nonetheless, we will continue to advocate on dip buying of government securities should the opportunity arises.

**DISCLAIMER:**

Based on the fund's portfolio returns as at 15 January 2018, the Volatility Factor (VF) for this fund is 8.5 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 8.0 but not more than 10.6 (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 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2018.

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 15 July 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 allocation risks, stock market risk, interest rate risk, individual stock risk, credit / default risk, liquidity risk, issuer risk and inflation / purchasing power 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.

**RHB Asset Management Sdn Bhd (174588-x)**
**Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur**
**General Line: 603-9205 8000**