RHB Asset Management

FUND FACTSHEET – JANUARY 2020

All data expressed as at 31 December 2019 unless otherwise stated

3-year Fund Volatility 7.8 high Lipper Analytics 10 DEC 2019

RHB GOLDENLIFE 2030

This Fund aims to provide investors planning to retire in the year 2030, 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 2030.

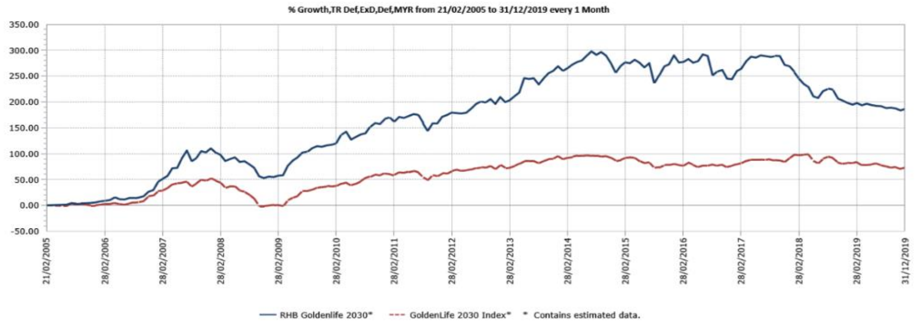
INVESTMENT STRATEGY

• Minimum of 70% and up to 100% of NAV: Investments in equities.

• Up to 30% 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	**1.11**	**-0.72**	**-1.93**	**-3.73**
Benchmark	1.52	0.37	-4.13	-4.84

	1 Year	3 Years	5 Years	Since Launch
Fund	**-3.73**	**-16.48**	**-19.39**	**187.40**
Benchmark	-4.84	-1.59	-6.80	73.41

Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	**-3.73**	**-18.96**	**7.06**	**-11.70**	**9.30**
Benchmark	-4.84	-4.81	8.66	-2.26	-3.10

Source: Lipper IM

FUND DETAILS

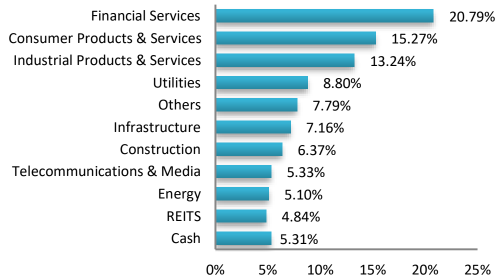
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Capital Growth Fund
Launch Date	21 February 2005
Maturity Date	28 February 2030
Unit NAV	RM0.5807
Fund Size (million)	RM3.38
Units In Circulation (million)	5.82
Financial Year End	28 / 29 February
MER (as at 28 Feb 2019)	1.93%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	85% FBM KLCI + 15% Maybank's 12 mths FD Rate
Sales Charge	Up to 6.00% of NAV per unit*
Redemption Charge	None
Annual Management Fee	Up to 1.50% p.a. of NAV*
Annual Trustee Fee	0.06% p.a. of NAV*
Switching Fee	None/ RM25.00 per switch* where applicable
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Incidental

**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*



Top Holdings (%)*

MALAYAN BANKING BHD	7.05
PETRONAS CHEMICALS GROUP BHD	6.64
TENAGA NASIONAL BHD	6.35
PUBLIC BANK BHD	5.35
DIALOG GROUP BHD	5.10

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5854	0.6137	1.0427
Low	0.5725	0.5725	0.4708

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
Feb 2019	-	-
21 Feb 2018	2.6500	3.33
20 Feb 2017	3.5000	4.33
25 Feb 2016	7.6000	8.48
15 Apr 2015	8.0000	8.13

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

EQUITY MARKET REVIEW

2019 was a good year for global equity market. Global equity markets rallied 24.0% in 2019, to cap off its best year since the Global Financial Crisis in 2009. The performance was primarily driven by Developed Markets (+25.2%). The US (+29.1%) led from the front in Developed Markets, closely followed by Europe (+20.0%) and Japan (+17.1%). Although 2019 predominantly circled around US-China trade tensions, an abundance of liquidity made available by the capitulation of central banks globally played an equally important role. Federal Reserve (Fed) seem to have engineered a soft landing through balance sheet expansion and numerous rate cuts. Markets closed the year on a high as two imminent bottlenecks inched slightly closer to resolution with the progress on the US-China Phase 1 trade deal and the emphatic victory of the Conservatives in the UK elections paving the way to a potential breakthrough in the Brexit impasse. Asia Ex Japan equities advanced 15.4% in 2019, primarily driven by index heavyweights China (+20.9%) and Taiwan (+31.5%), as the markets moved largely in tandem with the progress on the US-China trade talks.

Commodities ended 2019 on a positive note as well. Brent Crude rose 19.0%, driven by the supply cuts by The Organization of the Petroleum Exporting Countries (OPEC) and the US decision to end waivers on Iranian oil imports in April 2019. On 16 September 2019, a drone attack shut down about 5.7 million barrels per day (b/d) of crude production in Saudi Arabia in the single biggest supply disruption ever, but softened subsequently as output was restored and the global growth slowdown weighed in. Similarly, Crude Palm Oil prices shot up to above RM3,000 pmt due to lower production, drought season and B30 bio diesel mandate in Indonesia.

The FBM KLCI rose 1.7% MoM (or 27 points) to close at 1,588 points at end December 2019. As a result, the benchmark index narrowed its 2019 losses to 6%. The FBM KLCI rose steadily in December 2019 and peaked at 1,615 points on 30 December. However, it succumbed to profit-taking and lost 26.9 points on the last trading day to close at 1,588.7 points. Against regional/global peers, Malaysia was the worst-performing Asian market. Through 2019, heavyweights Public Bank and PChem accounted for the decline while MISC was the top performer by far. Foreigners net sold RM1.22bn worth of equities in December 2019, bringing 2019 net sell to RM11.14bn.

EQUITY MARKET OUTLOOK AND STRATEGY

On the local front, the key events to watch out for are how the new minimum wage and smoking ban will impact consumption patterns, Monetary Policy Committee (MPC) meeting on 22 January to decide on OPR rate and update on government plans to acquire highway concessionaires and toll roads. On the external front, investors will be following up on the Fed policy meeting on 29 January 2020, signing of US-China Phase one trade deal on 15 January 2020 and Brexit day on 31 January 2020.

Malaysian equities are set for a better year in 2020 with the resumption of earnings growth after a 2-year hiatus thanks firstly, to subsiding external risks; secondly, to recovering commodity prices; thirdly, to the anticipated revival of mega infrastructure projects and finally, to the positive impact of trade diversion on investments and exports.

We are overweight on oil & gas and plantation sectors as we believe these two sectors will continue to offer growth and are still in early stage. The latter being that CPO prices rose to above RM3000 pmt and this will help drive earnings growth for 2020 among the planters.

FIXED INCOME MARKET REVIEW

US Treasuries

US Treasury (UST) 10-year yields started out the month of December 2019 at 1.82% and rose steadily through the month to close at 1.92%, after the initial market fears about the Phase 1 deal postponement was offset by the US pushing through a Phase 1 deal at the 11th hour, and indefinitely suspending further planned tariffs which were set to be announced and effected on 15 December 2019 on nearly $160 billion worth of Chinese goods, including cell phones, laptop computers, toys and clothing.

Malaysian Ringgit Sovereign Bond

On the local rates, both Malaysia's sovereign papers ie; Malaysia Government Securities (MGS) and Government Investment Issues (GII) yield curve flattened during the first half of the month as the 5-year yield rose 6 bps and the 10-year was flat at around 3.42% to 3.45% level. Local government bonds were less affected by news of a US-China phase one trade deal in comparison to the Malaysian Ringgit as USD/MYR fell to around 4.14 from 4.16 at the start of the month.

Malaysian Ringgit Corporate Bond

In the Malaysian Ringgit corporate bond/sukuk space, overall monthly trading volumes were surprisingly higher compared to previous month despite being a seasonally illiquid month going into year-end. As a result of recent upward movement in yields, investors seen to be selectively buying and switching for next year positioning, given further support to the corporate bond yields.

FIXED INCOME MARKET OUTLOOK AND STRATEGY

In the local fixed income market, we sense that local factors are still looking supportive given the easing bias towards monetary policy, a neutral supply profile and resilient domestic demand for bonds given surplus liquidity in the domestic space. With 1st Quarter usually a seasonally strong quarter for domestic bond market, we think the curve will be supportive particularly if there is an explicit dovish shift in the MPC language and OPR cut materialises during the period on the back of slower economic activities and optimistic growth forecast. Nonetheless, we remain vigilant on external factors as the Fed's mid-cycle easing could prolong US expansion mode while the US-China partial deal may revive global growth outlook hence may pose upside risk to yields. Additionally, the upcoming decision of FTSE Russell index may result in additional volatility to the market, and hence will also be another risk factor to eye by 1Q2020.

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