

RHB ISLAMIC CASH MANAGEMENT FUND

This Fund aims to provide liquidity and a regular stream of income by investing in Shariah-compliant money market instruments.

INVESTMENT STRATEGY

- At least 90% of NAV: Investments into Islamic money market instruments and Islamic deposits with licensed financial institutions that are not more than 365 days maturity.
- Up to 10% of NAV: Investments in Islamic money market instruments and Islamic deposits with licensed financial institutions that is more than 365 days but fewer than 732 days maturity.

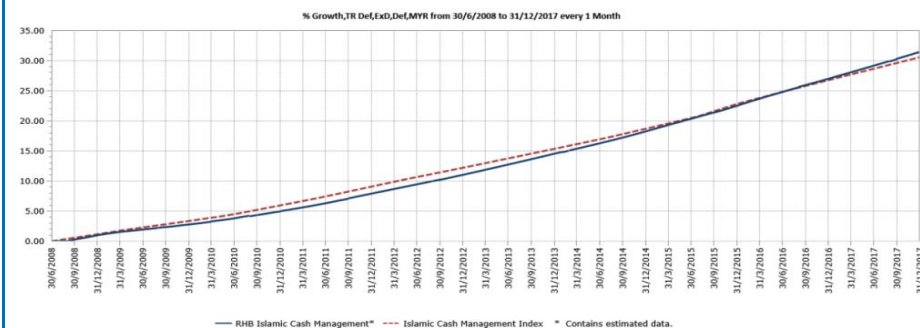
INVESTOR PROFILE

This Fund is suitable for Investors who:

- want to earn returns higher than savings deposits while maintaining a high degree of liquidity.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.30	0.89	1.76	3.50
Benchmark	0.25	0.75	1.50	3.01

	1 Year	3 Years	5 Years	Since Launch
Fund	3.50	11.14	18.37	31.41
Benchmark	3.01	10.01	16.35	30.55

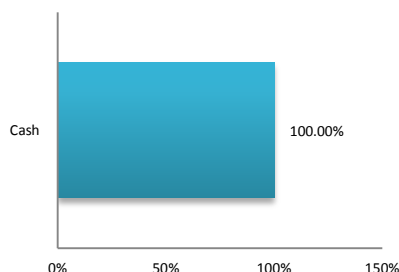
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	3.50	3.61	3.63	3.25	3.15
Benchmark	3.01	3.22	3.47	2.89	2.78

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Asset Allocation*



*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0000	1.0000	1.0027
Low	1.0000	1.0000	0.9998

Source: Lipper IM

Historical Distributions (Last 6 Months) (Net)

	Distribution (sen)	Yield (%)
31 Dec 2017	0.3010	3.54
30 Nov 2017	0.2900	3.52
31 Oct 2017	0.2963	3.49
29 Sep 2017	0.2830	3.44
31 Aug 2017	0.2925	3.44
31 Jul 2017	0.2917	3.43

Source: RHB Asset Management Sdn. Bhd.

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Money market (Shariah-compliant) fund
Fund Type	Income Fund
Launch Date	30 June 2008
Unit NAV	RM1.0000
Fund Size (million)	RM5,596.76
Units In Circulation (million)	5596.75
Financial Year End	30 November
MER (as at 30 Nov 2016)	0.34%
Min. Initial Investment	Institutional - RM100,000.00 Retail - RM50,000.00
Min. Additional Investment	Institutional - RM50,000.00 Retail - RM25,000.00
Benchmark	MIB 1 mths Islamic FD-i
Sales Charge	None
Redemption Charge	None
Annual Management Fee	Up to 0.30% p.a. of NAV*
Annual Trustee Fee	0.025% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 1 days after receipt the request to repurchase
Distribution Policy	Monthly, if any

*The implementation of GST will be effective from 1 April 2015 at the rate of 6% and the fees or charges payable is exclusive of GST.

*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.

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MANAGER'S COMMENTS

MARKET REVIEW

The Federal Reserve (“Fed”) delivered the third hike for 2017 by raising 25bps to 1.25%-1.50% in December 2017 Federal Open Market Committee (“FOMC”) meeting as widely expected on the back of positive economic growth. Although the decision was well telegraphed in advance by various FOMC members and the Republicans’ tax reform plans being passed in Congress, USD fell c.1% M-o-M on US fiscal concerns, “sell-the-news” momentum alongside thin liquidity conditions during year-end trading. The current Fed median forecasts now suggesting another 3 rate hikes in 2018, but the pace of consolidation is expected to draw the attention of market participants given the slow pickup in inflation level. In summary US Treasuries (“UST”) 2-, 5-, 10- and 30-year closed the year 2017 at 1.88% (November 2017: 1.78%), 2.21% (2.14%), 2.41% (2.41%) and 2.74% (2.83%) respectively.

Over in Malaysia, the Malaysian Ringgit (“MYR”) climbed more than 1% against the United States Dollar (“USD”) while Malaysian Government Securities (“MGS”) yields fell M-o-M as foreign and trading sentiment surrounding Malaysian assets continue to improve. MYR closed the year 2017 at 4.0465 to trading below 4.0000 handle in January 2018 (high of 3.9975) on suspected sustained foreign demand. Oil prices also sustained steady recovery for the fifth consecutive month, reaching USD66.9/bbl (+5.2% M-o-M).

On economic data releases, the Nikkei Malaysia manufacturing Purchasing Managers Index (“PMI”) was recorded at 52.0 in November 2017 from 48.6 in October 2017. This was the highest PMI number seen since April 2014 and saw it recorded above the 50 level for the first time since August 2017. This increased expectation in the manufacturing sector should bode well for the performance of the sector in the first quarter of 2018. Exports and imports expanded by 18.9% and 20.9% YoY in October 2017 with inflation continued to ease for a second consecutive month to 3.4% in November 2017 YoY from 3.7% in October 2017. Foreigners added RM7.7 billion worth of MGS and GII for the month of November 2017, bringing the total foreign holdings higher by 1.2% to 28.8%. We reckon that foreigners remain net buyer in December 2017 but with a smaller amount amid thinner liquidity heading into year-end.

Malaysia government bonds improved along with MYR post Bank Negara Malaysia (“BNM”) Monetary Policy Meeting (“MPC”) in November 2017 despite the falls in UST. The 3y Malaysian Government Securities (“MGS”) rallied 8bps to 3.32%, with yields rallying -16bps year-to-date (“YTD”) 2017. The 10y benchmark MGS remained unchanged at 3.91% with yields rallying -29bps YTD 2017. The Malaysian bond market saw the year-end return at 4.66% better than 4.25% recoded the year before. At close, the 3-, 5-, 7-, 10-,15-, 20- and 30-years MGS last traded at 3.32% (November 2017: 3.40%), 3.53% (3.60%), 3.88% (3.91%), 3.91% (3.91%), 4.39% (4.46%), 4.54% (4.60%) and 4.86% (4.86%) respectively. Government Investment Issue (“GII”) also improved in performance mirroring MGS with the 3-, 5-, 7-, 10-, 15-, 20- and 30 years closed at 3.43% (November 2017: 3.50%), 3.79% (3.89%), 4.10% (4.06%), 4.19% (4.27%), 4.65% (4.71%), 4.77% (4.79%) and 4.98% (4.98%) respectively.

2017 ended with a month of strong primaries. We saw a combined RM13.45 billion of primaries for the month, bringing total issuances for the year to RM121.8 billion. Government Guaranteed (“GG”) issuers made up 33.35% (RM37.6 billion) of YTD issuances. Among the names that tapped the market in December 2017 is Sarawak Energy Berhad (AA1) issuing RM1 billion of 15 year sukuk with a coupon of 5.32%, 90 bps over the corresponding benchmark MGS. Northport (Malaysia) Berhad (AA-) printed RM100 million of 5 year bond at 5%, 141 bps over 5 year MGS. UEM Sunrise Berhad (AA-) issued RM600 million IMTN in 3 tranches of 3-, 5- and 7- years with coupons of 4.80%, 5.06% and 5.32% respectively. Lafarge Cement Sdn Bhd (AA2) printed RM100 million 3 year sukuk at 5.00%, 161.7 bps above benchmark. Westports Malaysia Sdn Bhd (AA+) issued RM150 million sukuk in 3 tranches of 4-, 5- and 10 year with profit rates of 4.53%, 4.58% and 4.90% respectively. Fortune Premier Sdn Bhd (AA) came to market with RM100 million issuances from its RM3 billion IMTN Programme guaranteed by IOI Properties Group Berhad. The 5 year sukuk were issued at 4.65%, 104.5 bps above the 5 year MGS benchmark at issuance. In the GG space, Prasarana Malaysia Berhad issued an additional RM4.0 billion bringing total issuance for 2017 at RM6.0 billion. The sukuks were issued in 3 tranches of 4-, 10- and 15- year at profit rates of 4.05%, 4.53% and 4.93% with spreads of 52-72 bps over the corresponding MGS at issuance

KLIBOR 1-,3-,6-, and 12-months closed mostly unchanged at 3.18% (November 2017: 3.18%), 3.44% (3.43%), 3.56% (3.56%) and 3.64% (3.63%) as liquidity remained ample.

MARKET OUTLOOK AND STRATEGY

We reckon that MYR bonds will be still remain supported in the near term as foreign demand coming back to our shore on the back of stronger Ringgit. But ahead of a rising interest rate environment both local and the global front, we stay vigilant and remain defensive hence positioning an overall neutral duration portfolio strategy for Money Market and Sukuk.

DISCLAIMER:

Based on the fund’s portfolio returns as at 15 December 2017, the Volatility Factor (VF) for this fund is 0.1 and is classified as “Very Low”. (source: Lipper) “Very Low” includes funds with VF that are above 0.0 but not more than 1.9 (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 2017 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2017.

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 interest rate risk, credit / default risk, inflation risk and shariah specific 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.