

### RHB ISLAMIC CASH MANAGEMENT FUND

This Fund aims to provide liquidity and a regular stream of income by investing in Islamic 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.

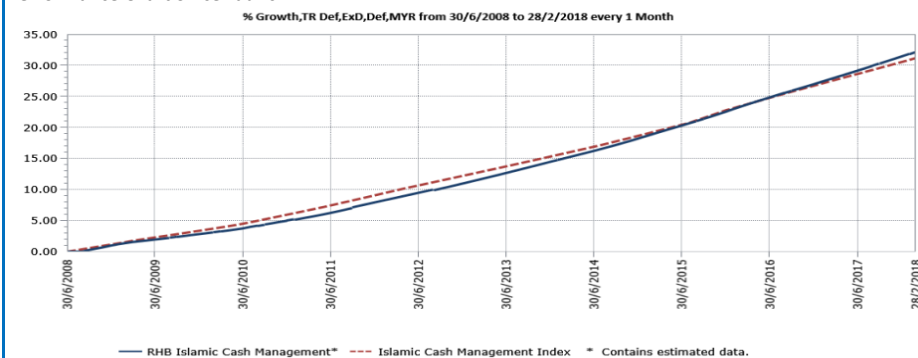
#### INVESTOR PROFILE

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	0.27	0.88	1.75	0.57
Benchmark	0.24	0.75	1.49	0.49

	1 Year	3 Years	5 Years	Since Launch
Fund	3.52	11.12	18.47	32.16
Benchmark	3.01	10.02	16.40	31.19

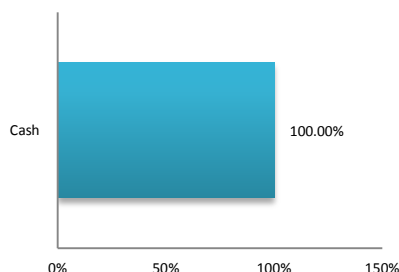
##### Calendar Year Performance (%)\*

	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 (%)
28 Feb 2018	0.2700	3.53
30 Jan 2018	0.3000	3.55
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

Source: RHB Asset Management Sdn. Bhd.

#### FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Money market fund (Shariah-compliant)
Fund Type	Income Fund
Launch Date	30 June 2008
Unit NAV	RM1.0000
Fund Size (million)	RM4,954.90
Units In Circulation (million)	4954.89
Financial Year End	30 November
MER (as at 30 Nov 2017)	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.

## RHB ISLAMIC CASH MANAGEMENT FUND

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### MANAGER'S COMMENTS

#### MARKET REVIEW

United States (“US”) government passed a budget deal to increase spending by United States Dollar (“USD”) 300 billion over two years, which ended the short lived shutdown but raised worries of increasing government debt and spending. This has lifted bond yields which closed weaker across the curve. US Treasuries (“UST”) 2-, 5-, 10- and 30-year closed the month at 2.25% (January 2018: 2.14%), 2.64% (2.51%), 2.86% (2.71%) and 3.12% (2.93%) respectively. New Fed Chair Jerome Powell in his testimony debut has reignited the expectations of a more aggressive Fed policy given his upbeat view of the economy as he played down concerns on meeting inflation targets. Federal Reserve (“Fed”) fund futures pricing for a fourth rate hike rose with a probability for a hike in December 2018 Federal Open Market Committee (“FOMC”) rose from 22.0% to 25.2% in response to Powell’s remarks. The equities market on the other hand plummeted once again on heightening trade tension after Trump administration announced plan to impose tariffs on aluminum and steel for national security reasons.

Over in Malaysia, government bonds yield curve remained well supported in February 2018 post Overnight Policy Rate (“OPR”) hike and a spike in global yields although closing the month generally weaker amid easing in Malaysian Ringgit (“MYR”) to 3.9170 per USD as at month end compared to 3.8985 the month before. The 3-, 5-, 7-, 10-, 15-, 20- and 30-years Malaysia Government Securities (“MGS”) last traded at 3.40% (January 2018: 3.35%), 3.62% (3.64%), 3.95% (3.93%), 4.03% (3.96%), 4.46% (4.40%), 4.61% (4.61%) and 4.81% (4.86%) respectively. Government Investment Issue (“GII”) followed the same trend with the 3-, 5-, 7-, 10-, 15-, 20- and 30 years closed at 3.59% (January 2018: 3.57%), 3.89% (3.88%), 4.10% (4.08%), 4.23% (4.17%), 4.59% (4.53%), 4.78% (4.78%) and 4.96% (4.95%) respectively. The hike in yields was capped by foreigner entering our market with latest report on foreign holdings in Malaysian bonds/ sukuk showed foreign inflows of RM4.5 billion for the month of January 2018 which brings total foreign holdings in MGS to 45.7% (January 2018: 45.1%) and total holdings of govies to 28% (January 2018: 27.7%).

On economic data front, Malaysia January 2018 headline Consumer Price Index (“CPI”) moderated to 2.7% year-on-year (“YoY”) (December 2017:+3.5%) on the back of a slower rise in Food and Beverages and transportation costs. Nikkei Malaysia Purchasing Managers Index (“PMI”) February 2018 fell to 49.9 compared to 50.5 recorded in January 2018. Foreign reserves of Malaysia as at end January 2018 amounted to USD103.7 billion from USD102.4 billion the previous month. The reserves position is sufficient to finance 7.2 months of retained imports and covers 1.1x of the short term external debt. Malaysia’s export growth slowed down to 4.7% YoY December 2017, its slowest pace since October 2016. This was due to a broad-based slowdown in exports and MYR appreciation. In USD terms, exports grew 14.5%. Imports slowed to 7.9% YoY December 2017, from 15.2% November 2017. Besides that, trade balance narrowed to RM7.3 billion from RM9.9 billion November 2017. The industrial production index (“IPI”) grew 2.9% YoY December 2017 (+5.0% November 2017) resulting in a slower 3.7% YoY in 4Q17 from +5.8% in 3Q17. This growth was driven by increases in the manufacturing index (+5.3% YoY) and electricity index (+3.9%) while the mining index declined -4.1% YoY. Malaysia’s real Gross Domestic Product (“GDP”) grew at a healthy pace of 5.9% YoY in 4Q17, albeit slowing from +6.2% in 3Q17, on account of a slowdown in exports, while domestic demand remained resilient. For the whole year, Malaysia recorded a stellar GDP growth of 5.9%, the fastest in three years, mainly due to a surge in exports and subsequent pick-up in domestic demand.

Primary issuances remain strong with a combined RM6.9 billion primaries for the month compared to a strong RM9.6 billion in January 2018. Danainfra (Government Guaranteed) issued another RM4.0 billion sukuk of 7,15,20,25 and 30 years with a spread of +39 to +49 basis points (“bps”) over the corresponding benchmarks at the point of issuance. Another GG name was MKD Kencana RM1.2 billion issuance of 5 and 7 years at 4.23% (+63 bps) and 4.43% (+42 bps) respectively. Then Sinar Kamiri Sdn Bhd (AA3) issued RM245 million Green SRI sukuk in 17 tranches of maturities between 1.5 to 18 years with coupons range between 4.96% to 6.35%. WCT Holdings also tapped the market with RM100 million 7 years sukuk at 5.55%, 154 bps over the benchmark.

Kuala Lumpur Interbank Offered Rate (“KLIBOR”) 1-,3-,6-, and 12-months closed unchanged at 3.42% (January 2018: 3.42%), 3.69% (3.69%), 3.80% (3.80%) and 3.90% (3.90%) as liquidity remained ample.

#### MARKET OUTLOOK AND STRATEGY

Despite the expectation for four rate hikes in the US this year, we see the higher UST yields to be capped in the near term by safe heaven demand (amid Trump tariff threat) and policymakers are still eyeing for a gradual tightening pace.

In Malaysia, investors will be monitoring the upcoming Bank Negara Malaysia (“BNM”) Monetary Policy Meeting (“MPC”) which we think will remain status quo but the tone of the monetary statement will be a key focus. We see support in MYR bonds/ sukuk with the spike in UST yields capped, stable Malaysian Ringgit, supportive macro data and foreign buying interest in our market. On that note, we are still comfortable to tactically add portfolio duration as we don’t see any rush in another rate hike by BNM.

#### DISCLAIMER:

Based on the fund’s portfolio returns as at 15 February 2018, 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 1.8 (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 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.