

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.

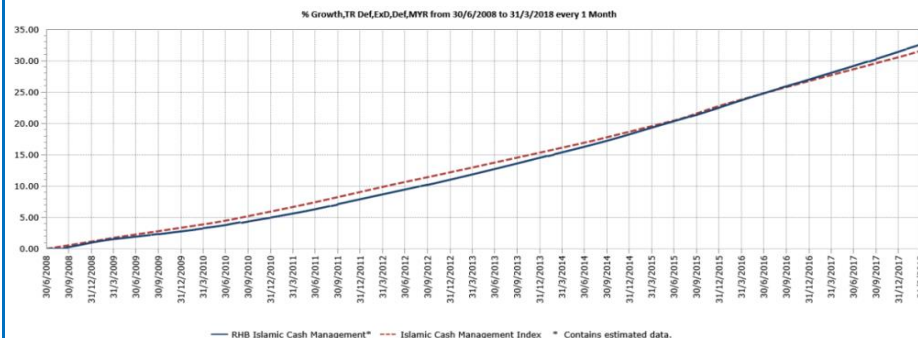
INVESTOR PROFILE

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	0.30	0.88	1.77	0.88
Benchmark	0.27	0.76	1.51	0.76

	1 Year	3 Years	5 Years	Since Launch
Fund	3.53	11.12	18.51	32.56
Benchmark	3.02	10.03	16.44	31.54

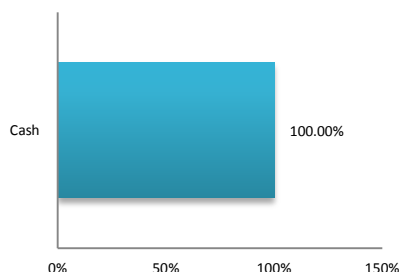
Calendar Year Performance (%)*

	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 (%)
30 Mar 2018	0.3000	3.54
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

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)	RM5,043.89
Units In Circulation (million)	5043.88
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.

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MANAGER'S COMMENTS

MARKET REVIEW

In March 2018 Federal Open Market Committee (“FOMC”) meeting, the Federal Reserve (“Fed”) delivered a no surprise hike as it raised Fed funds rate by a quarter-point to a target of 1.5% to 1.75%, maintaining the expectation for a total of three hikes this year. The Fed also upgraded its economic assessment forecasting higher Growth Domestic Product (“GDP”) growth this year with little change on the inflation expectations. Dominating investor concerns for the month however was the stability of global trade and its possible repercussions on global trade and markets. This started in the beginning of the month when United States (“US”) President signing an order imposing tariffs on aluminum and steel imports to the US and few weeks later announced plan of 25% tariffs on Chinese imports in response to the US Trade Representative’s report that concluded China’s unfair trade practices pressured transfer of technology to China. Concerns on trade wars led to a flight to safe heaven and eventual rally in United State Treasuries (“UST”) especially on the long-end. UST 2-, 5-, 10- and 30-year closed the month at 2.27% (February 2018: 2.25%), 2.56% (2.64%), 2.74% (2.86%) and 2.97% (3.12%) respectively.

Over in Malaysia, Bank Negara Malaysia (“BNM”) maintained Overnight Policy Rate (“OPR”) at 3.25% in its March 2018 Monetary Policy Committee (“MPC”) meeting as it sees the current degree of monetary accommodativeness is consistent with its policy stance. Headline Consumer Price Index (“CPI”) slowed in February 2018 to 1.4% year-on-year (“YoY”), lower than estimates of 1.9% (January 2018: 2.7%), the lowest seen in 16 months as transport, communication and clothing prices declined. Malaysian Government Securities (“MGS”) rallied supported by the rally in UST and a stronger Malaysian Ringgit (“MYR”) performance as the Malaysian Ringgit gained +1.37% closing the month at 3.8635/United States Dollars (“USD”). The 3-, 5-, 7-, 10-, 15-, 20- and 30-years MGS last traded at 3.43% (February 2018: 3.40%), 3.54% (3.62%), 3.83% (3.95%), 3.94% (4.03%), 4.41% (4.46%), 4.54% (4.61%) and 4.79% (4.81%) respectively. Government Investment Issue (“GII”) followed the same trend with the 3-, 5-, 7-, 10-, 15-, 20- and 30 years closed at 3.61% (February 2018: 3.59%), 3.82% (3.88%), 4.00% (4.08%), 4.15% (4.17%), 4.55% (4.53%), 4.77% (4.78%) and 4.90% (4.95%) respectively.

On economic data front, export growth in MYR terms jumped to 17.9% YoY in January 2018 while import accelerated to 11.6% YoY. This resulted in the widening of the trade balance to RM9.7 billion for January 2018. Malaysia’s international reserves as at end February 2018 was reported at USD103.7 billion, unchanged from its level the previous month. This is sufficient to finance 7.2 months of retained imports and 1.1 times short term debt. The foreign holdings of Malaysian bond market saw outflows of –RM3.9 billion for the month of February 2018 (inflows of +RM4.5 billion in January 2018). This brings the total foreign holdings in MGS to 45.4% (January 2018: 45.7%) and total foreign holdings of government bonds at 27.5% (January 2018: 28%). The government of Malaysia has tabled a supplementary budget with additional allocations of RM7.12 billion in addition to the RM260.8 billion allocated for Budget 2017. Despite the supplementary budget, we opine this would not add to the overall budget deficit of RM39.9 billion (3% of GDP) on possible upsides to the revenue in 2017.

We saw a combined issuances of RM13.1 billion in January 2018 bringing primary issuances total of RM29.6 billion in the first quarter of 2018. Among the primaries is Prasarana Malaysia Berhad (Government Guaranteed) issuing a further RM3.0 billion in 5 tranches with maturities of 7, 10, 15, 20 and 25 years with coupons of 4.39%, 4.62%, 4.94%, 5.12% and 5.25% respectively. This coupons spread between 53-70 basis points (“bps”) over corresponding MGS benchmarks. Fortune Premier Sdn Berhad (AA) issued additional RM250 million from its RM3 billion programme guaranteed by IOI Properties Group Berhad. The 5 year sukuk was issued at coupon of 4.80%, +122 bps over MGS benchmark. Al-Dzahab Assets Berhad issued 3 tranches from its AAA Class A sukuk murabahah programme, 1 tranche from its AA3 Class B programme and a final tranche from its unrated Class C programme with a total issuance of RM206.5 million. Gamuda Berhad (AA3) also tapped the market for a further RM400 million 5 year sukuk at 4.785%, a 139.5bps spread against MGS benchmark. Over in AAA space, Danga Capital Berhad issued RM2 billion of 15.5 year sukuk with coupon of 5.02%. Another AAA issuance was Putrajaya Bina Sdn Bhd (PBSB) issuing RM600 million sukuk in 4 tranches of 3, 5, 7 and 10 year at 4.34%, 4.50%, 4.56% and 4.77% respectively. MMC Corporation (AA-) also issued RM1 billion Islamic Medium Term Note (“IMTN”) with a coupon rate of 5.70%, 215 bps spread over the corresponding MGS benchmark.

KLIBOR 1-, 3-, 6-, and 12-months closed unchanged at 3.42% (February 2018: 3.42%), 3.69% (3.69%), 3.80% (3.80%) and 3.90% (3.90%) as liquidity remained ample.

MARKET OUTLOOK AND STRATEGY

External factors will continue to drive bond yields higher in the near term but we see support for local bond markets as BNM kept rates steady at 3.25% and we reckon policymakers will not rush for another rate hike this year unless global conditions improve or domestic price conditions improve. On top of that, Malaysia bond/sukuk market is in a better position to withstand outflow risks as it is one of the deepest in the region with support of strong onshore real money interest.

On that note, we are still comfortable to tactically add portfolio duration as we see foreign and local confidence towards MYR assets remain robust alongside steadily higher oil prices.

DISCLAIMER:

Based on the fund’s portfolio returns as at 15 March 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.