

### RHB BOND FUND

This Fund aims to provide investors with higher than average income returns compared to fixed deposits over the medium to long term through investments in bonds and other fixed income securities with minimum risk to capital invested.

#### INVESTOR PROFILE

This Fund is suitable for Investors who:

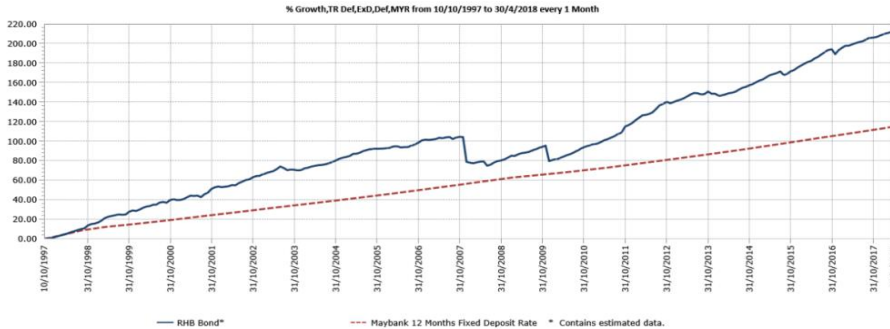
- are risk averse;
- want to protect the purchasing power of their wealth against inflation;
- want to enjoy a relatively more predictable income on a yearly basis; and
- want to diversify their overall investment portfolio by including bonds as an asset class.

#### INVESTMENT STRATEGY

- Up to 95% of NAV will be invested in bonds and other fixed income securities, of which at least 60% of NAV will be invested in bonds.
- Minimum of 5% of NAV will be invested in liquid assets.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



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

	1 Month	3 Months	6 Months	YTD
Fund	0.06	0.78	1.92	1.20
Benchmark	0.28	0.82	1.60	1.08

	1 Year	3 Years	5 Years	Since Launch
Fund	4.28	16.54	26.99	211.88
Benchmark	3.16	9.92	17.06	114.86

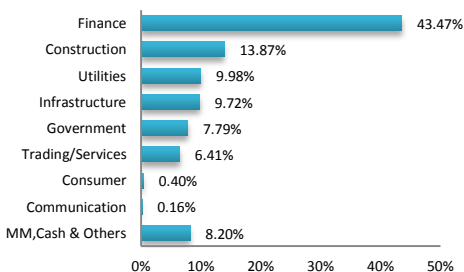
##### Calendar Year Performance (%)\*

	2017	2016	2015	2014	2013
Fund	5.11	6.49	5.73	4.88	3.56
Benchmark	3.09	3.21	3.30	3.20	3.15

Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



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

CIMB GROUP HOLDINGS BHD (A1)	12.61
BANK MUAMALAT MALAYSIA BHD (A3)	7.98
AFFINBANK (A1)	7.97
KT KIRA (AA3)	7.97
ACSB (AA-)	6.41

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9677	1.0130	1.1454
Low	0.9655	0.9463	0.8682

Source: Lipper IM

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

	Distribution (sen)	Yield (%)
20 Sep 2017	6.7000	6.79
27 Sep 2016	6.7000	6.72
28 Sep 2015	6.7000	6.59
25 Sep 2014	6.6000	6.52
30 Sep 2013	6.5000	N/A

Source: RHB Asset Management Sdn. Bhd.

**RHB BOND FUND**

This Fund aims to provide investors with higher than average income returns compared to fixed deposits over the medium to long term through investments in bonds and other fixed income securities with minimum risk to capital invested.

**MANAGER'S COMMENTS**

**MARKET REVIEW**

Malaysian Ringgit (“MYR”) reversed all the gains made in March against the United States Dollar (“USD”) despite oil rallying ~9% to reach new highs year-to-date (YTD) in the month of April 2018. USDMYR climbed from 3.8635 at the start of the month breaking above 3.90 levels toward the end of the month to close at 3.9235, representing a -1.18% total return, MYR was the 9th best performing Asian currency closing just above Taiwanese Dollar and the Indian Rupee for April 2018. Local government bonds/sukuk bear-steepened with the 15-year benchmark closing 24 basis points (“bps”) higher month-over-month while 10-year Malaysia Government Securities (“MGS”) closed the month at 4.13% (+19 bps higher). At month-end closed, MGS yields 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were reported at 3.629% (March-2018: 3.447%), 3.764% (3.538%), 3.827% (3.969%), 4.129% (3.943%), 4.648% (4.412%), 4.730% (4.537%) and 4.880% (4.791%) respectively. The Government Investment Issues (“GII”) – Shariah compliant version of MGS mirroring the same pattern with its MGS counterpart but the impact was not so much with 10-year GII benchmark closing 8 bps higher while the 15-year GII benchmark rose 11 bps higher. At closed, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 3.602% (March-2018: 3.605%), 3.851% (3.878%), 4.063% (4.104%), 4.303% (4.222%), 4.699% (4.586%), 4.886% (4.767%) and 5.001% (4.897%) respectively.

On the Malaysian Ringgit corporate bond, April 2018 witnessed most of the trading activity concentrated in the first half of the month and skewed towards the longer end of the curve as market participants searched for higher yields in the corporate space. The average daily volume was seen progressing well above RM500 million mark compared to RM372 million in previous month of March. For this month, most activity was concentrated in Government Guaranteed (“GG”)/AAA space which printed about 50% of the transacted volume followed by AA space by 46% and single-A or lower by 4%. Within Government Guaranteed (“GG”)/AAA space, the long-dated Danainfra garnered some RM370 million transaction volume with the yield inched higher by an average of 6 basis points month-over-month. In AAA-rated space, volume was seen in long-tenor Danga 15-year bond which traded unchanged at 5.02% for the amount of RM205 million. Elsewhere in AA-rated space, Lebuhraya Duke Phase 3 with longer maturity of 2031 saw more than RM100 million transacted at higher yield month-over-month to close at 5.13%. Southern Power Generation (“SPG”) papers were also actively traded during the month across the tenors with yield moved higher by 1 to 3 basis points for a cumulative amount of RM270m. For the A-rated universe, newly issued UMW Holdings Perpetual paper gained secondary interest with yield traded 20 bps lower post issuances with total amount of Rm210 million. During the month, some notable issuers were also seen tapping the market with Danainfra raising RM2.5 billion bonds to fund the Pan Borneo Highway project with tranches ranging from 7-year to 20-year with final pricing of 4.32% to 5.08% respectively. Another GG-rated issuance, MKD Kencana also tapping in RM1.3 billion to fund the Special Border Economic Zone in Kedah. The RM850 million 5-year tranche was priced at a final yield of 4.33% and the RM450 million 7-year tranche yielded 4.47%. Another notable issuance throughout the month was UMW Holdings Perpetual Non-Callable 10-years with issue size of RM1.1 billion with final yield of 6.35%.

On the local economic front, Malaysia’s Consumer Prices Index (“CPI”) for March 2018 fell 0.3% month on month, printing at 1.3% year-on-year (YoY) vs 1.4% YoY previous month and below consensus estimates of 1.6% YoY with transport and communication leading the decline. Core CPI Non-Seasonally Adjusted for March was slightly lower at 1.7%YoY. Headline CPI was likely due to the monthly adjustments in fuel prices in the past month as petrol prices were averaging ~MYR 2.20/litre in March from MYR 2.24/litre in February. Aside from energy, which was soft in March, other components in the basket were relatively benign. February Industrial Production fell 4.4% month-on-month (MoM) with YoY number at 3% (note the production index was rebased from 2010 to 2015 with this data going forward) and February Trade Surplus registered higher than expectations at MYR 9.02bio more on Imports decelerating more than Exports, but we pen this down to being seasonality factor from the Lunar New year Holidays.

**DISCLAIMER:**

Based on the fund’s portfolio returns as at 15 April 2018, the Volatility Factor (VF) for this fund is 1.9 and is classified as “Low”. (source: Lipper) “Low” includes funds with VF that are above 1.8 but not more than 6.0 (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, liquidity risk and issuer 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.