

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.

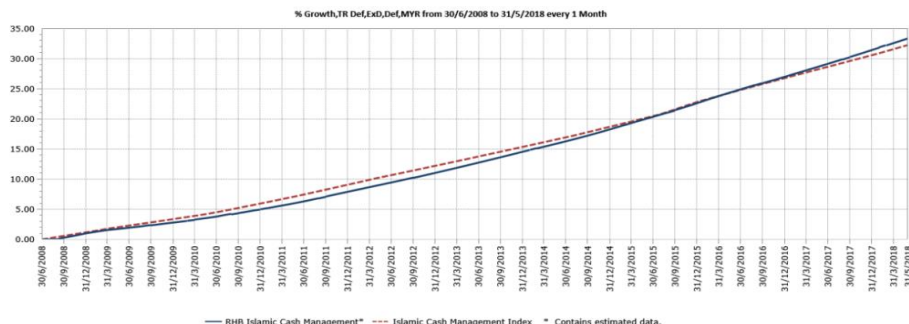
INVESTOR PROFILE

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	0.89	1.78	1.47
Benchmark	0.27	0.80	1.55	1.29

	1 Year	3 Years	5 Years	Since Launch
Fund	3.55	11.13	18.60	33.35
Benchmark	3.06	10.06	16.52	32.24

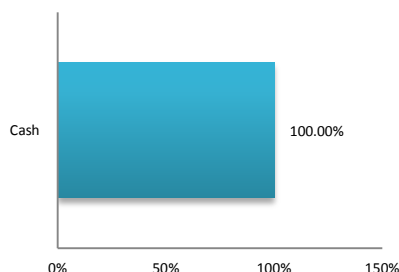
Calendar Year Performance (%)*

	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 May 2018	0.3000	3.54
30 Apr 2018	0.2900	3.54
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

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

Market is expecting United States Federal Reserve to hike 25 basis points to 1.75% - 2.00% in the coming Federal Open Market Committee meeting mid June 2018. This will be the second rate hike this year and will add an upward pressure to the yield curves. However, overall rise will be capped as there are still concerns on United States (US) and global growth prospects. Treasuries rallied in late May 2018 sending yields lowest in 2 months as the 10-year US Treasuries (UST) fell below 2.90% after an initial rise which was consistent with rising odds for a total of four hikes in 2018. Support in UST came in as safe heaven demand as short term risks revolve around US-China trade concerns, fate of US-North Korea arms talks and Italy's domestic politics. At the close, the UST 2-, 5-, 10- and 30-year closed the month at 2.43% (April 2018: 2.49%), 2.70% (2.80%), 2.86% (2.95%) and 3.03% (3.12%) respectively.

Malaysia experienced its first change in the federal government after 61 years under the reign of Barisan Nasional, the Malaysian government leadership changed to Tun Mahathir-led coalition, Pakatan Harapan after the general election in May 9th, 2018. Despite the election being held on Wednesday, the turnout ratio was 82.32% or equivalent to 12.3 million voters. The election process went well and the power transition went smoothly and thanks to the 2-days public holidays announced after the election, impact on domestic market once market re-open on May 14th 2018 was manageable. But overall, market remains cautious as players are still debating policy direction of the new government and especially how this affects the sovereign rating. As a result, foreign selling of Malaysian bonds/ sukuk continues with foreign players offloaded RM12.9 billion worth of local debt papers in May 2018, the largest since March 2017. Although the relative calm in Malaysian Ringgit suggests that stabilization measure may be at play as USDMYR only lost 1.4% month-on-month from 3.9235 end of April 2018 to 3.9798 end of May 2018. The 3-, 5-, 7-, 10-, 15-, 20- and 30-years Malaysian Government Securities last traded at 3.75% (April 2018: 3.75%), 3.84% (3.77%), 4.02% (3.96%), 4.18% (4.13%), 4.61% (4.65%), 4.91% (4.78%) and 5.00% (4.85%) respectively. The 3-, 5-, 7-, 10-, 15-, 20- and 30 years Government Investment Issue on the other hand closed at 3.76% (April 2018: 3.79%), 4.03% (3.85%), 4.17% (4.18%), 4.31% (4.30%), 4.73% (4.73%), 4.84% (4.84%) and 5.00% (4.92%) respectively.

On economic data front, Malaysia's Gross Domestic Product (GDP) growth expanded by 5.4% year-on-year (YoY) in 1Q2018, slightly below market expectations of 5.5%. Moderating inflationary pressure, strengthening domestic demand, accommodative economic policies and sturdy external demand are the major anchors driving the GDP performance. Exports surge to new record high at RM84.5 billion driven by higher exports to non-major markets such as Hong Kong and South Africa among others. In contrast, imports continue to fall by 9.6% YoY to RM69.8 billion which widened the trade balance to RM14.7 billion, highest since October 2008. Inflation on the other hand increased marginally as headline inflation rate rose by 1.4% YoY in April 2018, slightly higher than 1.3% YoY registered in the month prior.

MARKET OUTLOOK AND STRATEGY

Malaysian market continued to be supported by local players, a sign that markets remain confident that the change in government regime will unlikely has any significant detrimental impact on the country's economic fundamentals. New policies such as zero percent cut to Goods and Services Tax (GST) effective June 2018 has yet to materially impact Malaysian assets as investors and rating agencies remain in wait-and-see mode. The new Malaysian government also remains confident to achieve the previous 2.8% fiscal deficit target, eyeing additional revenues from oil prices and Government-Linked Company (GLC) dividends. With these scenarios, we still have a positive long-term view for Malaysia and remain comfortable in tactically nimble around the duration or buying on dips to the portfolio since we do not expect further rate hikes for this year.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 May 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.