

### 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.

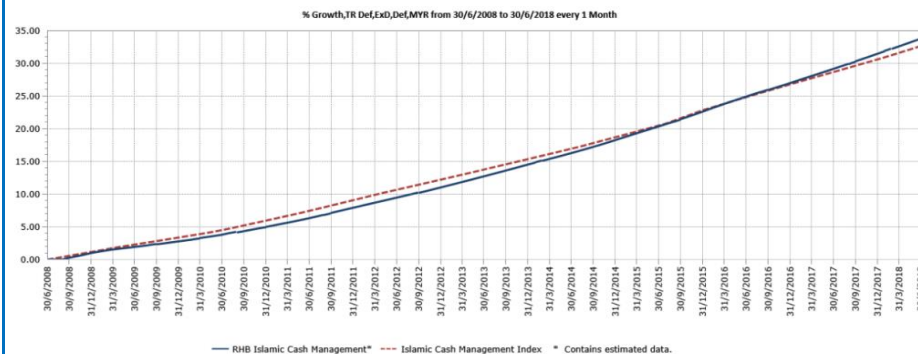
#### INVESTOR PROFILE

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	0.29	0.88	1.77	1.77
Benchmark	0.26	0.79	1.56	1.56

	1 Year	3 Years	5 Years	Since Launch
Fund	3.56	11.14	18.64	33.73
Benchmark	3.08	10.08	16.56	32.58

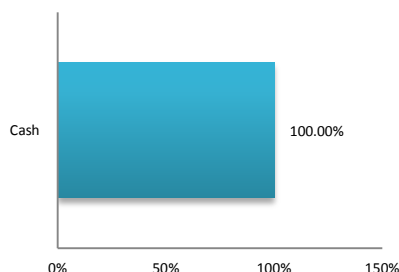
##### Calendar Year Performance (%)\*

	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 Jun 2018	0.2900	3.53
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

Source: RHB Asset Management Sdn. Bhd.

#### FUND DETAILS

<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Money market fund (Shariah-compliant)
<b>Fund Type</b>	Income Fund
<b>Launch Date</b>	30 June 2008
<b>Unit NAV</b>	RM1.0000
<b>Fund Size (million)</b>	RM4,562.25
<b>Units In Circulation (million)</b>	4562.24
<b>Financial Year End</b>	30 November
<b>MER (as at 30 Nov 2017)</b>	0.34%
<b>Min. Initial Investment</b>	Institutional - RM100,000.00 Retail - RM50,000.00
<b>Min. Additional Investment</b>	Institutional - RM50,000.00 Retail - RM25,000.00
<b>Benchmark</b>	MIB 1 mths Islamic FD-i
<b>Sales Charge</b>	None
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	Up to 0.30% p.a. of NAV*
<b>Annual Trustee Fee</b>	0.025% p.a. of NAV*
<b>Switching Fee</b>	RM25.00 per switch*
<b>Redemption Period</b>	Within 1 days after receipt the request to repurchase
<b>Distribution Policy</b>	Monthly, if any

\*All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.

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

The Federal Reserve (Fed) raised Fed Fund Rates as widely expected by 25 basis points (bps) to 1.75% - 2.00% and the median dot plot has been revised to show 4 hikes in 2018 instead of the initial 3. United States (US) dollar closed a quarter positively for the first time since 2016 largely contributed by brightening growth and inflation outlook in the US against the rest of the world. Consequently, short term interest rates rose and the curve flattened further close to 30bps for the 2/10 as risk aversion (particularly the escalating US-China trade tensions) kept the longer tenors anchored. At the close, the United States Treasuries 2-, 5-, 10- and 30-year closed the month at 2.53% (April 2018: 2.43%), 2.74% (2.70%), 2.86% (2.86%) and 2.99% (3.03%) respectively.

In Malaysia, the Malaysia Government Securities (MGS) curve steepened modestly after the 14th general election (GE14) as investors shed duration. MGS benchmark issues ended the month mixed due to policy uncertainties and inflation data. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-years MGS last traded at 3.62% (May 2018: 3.75%), 3.85% (3.84%), 4.05% (4.02%), 4.20% (4.18%), 4.63% (4.61%), 4.92% (4.91%) and 4.95% (5.00%) respectively. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year Government Investment Issue (GII) on the other hand closed at 3.60% (May 2018: 3.76%), 4.00% (4.03%), 4.18% (4.17%), 4.31% (4.31%), 4.73% (4.73%), 5.00% (4.84%) and 4.98% (5.00%) respectively. Total foreign holdings of Malaysia government bonds/ sukuk stood at RM171.7 billion, a decline of RM9.82 billion from the April 2018 figure of RM181.5 billion, it was the biggest monthly decline since March 2017. United States Dollar/ Malaysian Ringgit (USD/MYR) also depreciated due to policy uncertainties as there is further revision in several government-backed mega projects.

Corporate bonds issuance totaled RM55 billion in the first half of 2018. Issuance momentum has slowed down since May 2018 and will remain subdued in the near term given uncertainties in the changing domestic landscape post GE14. Cancellation of mega projects could reduce future issuances but there will still be funding needed for ongoing projects.

On economic data front, exports expanded by 14% year-on-year (yoy) to RM84.2 billion in April 2018, following a single digit growth in the preceding month. Acceleration in exports was mainly due to growth in manufactured goods and mining goods. Similarly imports rebounded by 9.1% yoy to RM71.2 billion resulting a trade surplus of RM13.2 billion. Moving forward, Malaysia's export performance will maintain on upbeat momentum in upcoming months despite the change of government in fact zero-rated Goods and Services Tax (GST), tax holiday period until Sales and Services Tax (SST) implementation in September 2018 and stable retail fuel price will support our exports as it will reduce business cost and eventually increase competitiveness. Headline inflation rose to 4-month high at 1.8% in line with consensus expectations while core inflation stayed at its lowest point of 1.5% in May 2018. Malaysia inflation is expected to moderate in upcoming months contributed by the factors discussed above.

Kuala Lumpur Interbank Offered Rate (KLIBOR) 1-, 3-, 6-, and 12-month closed unchanged at 3.43% (May 2018: 3.43%), 3.69% (3.69%), 3.80% (3.80%) and 3.90% (3.90%) as liquidity remained ample.

#### MARKET OUTLOOK AND STRATEGY

Malaysian market continued to be supported by local players as despite a sizable foreign outflows in May 2018, there wasn't a significant pressure on the MGS curve. The reaffirmation of fiscal deficit/ Gross Domestic Product ratio in Financial Year 2018 at 2.8% by Ministry of Finance (MOF) with the zero rated GST and the revelation of large Public Private Partnership (PPP) obligations indicates that there may be some fiscal flexibility for the government in addition to the windfall revenue from higher oil prices. The current tone from the new government appears to be focusing on reducing public debts which, if delivered successfully would be a credit positive in the medium/ long term and this will also restore investors' confidence in Malaysia.

We still have a positive long-term view for Malaysia and remain comfortable in tactically nimble around duration or buying on dips to the portfolio since we do not expect further rate hikes for this year. We also remain overweight corporate bond on healthy credit spreads and yield premium.

#### DISCLAIMER:

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