RHB Asset Management

FUND FACTSHEET – NOVEMBER 2018

All data expressed as at 31 October 2018 unless otherwise stated

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 institutionas 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.

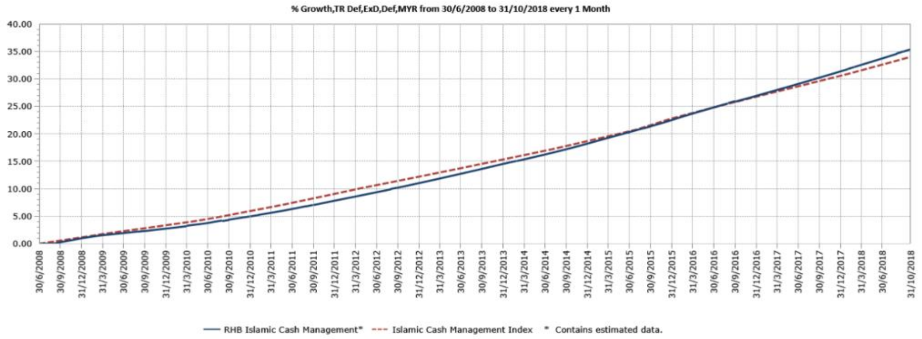
INVESTOR PROFILE

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	**0.31**	**0.91**	**1.82**	**3.01**
Benchmark	0.27	0.80	1.60	2.64

	1 Year	3 Years	5 Years	Since Launch
Fund	**3.61**	**11.17**	**18.83**	**35.36**
Benchmark	3.14	9.86	16.72	33.99

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 DETAILS

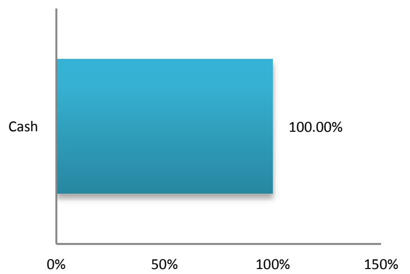
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Money market fund (Shariah-compliant)
Fund Type	Income Fund
Launch Date	30 June 2008
Unit NAV	RM1.0000
Fund Size (million)	RM4,014.54
Units In Circulation (million)	4014.54
Financial Year End	30 November
MER (as 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

**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.

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 Oct 2018	0.3100	3.62
30 Sep 2018	0.2900	3.57
30 Aug 2018	0.3000	3.58
31 Jul 2018	0.3100	3.60
30 Jun 2018	0.2900	3.53
31 May 2018	0.3000	3.54

Source: RHB Asset Management Sdn. Bhd.

RHB ISLAMIC CASH MANAGEMENT FUND

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MANAGER'S COMMENTS

MARKET REVIEW

Global volatility spiked after German Chancellor Angela Merkel announced that she will be stepping down after her current term ends. On a positive note, the United Kingdom (UK) and European Union (EU) struck a tentative Brexit deal for financial services. Besides that, President Trump said he had a "very good conversation" with President Xi, signaling trade talks progress ahead of the G20 summit in Argentina at the end of November 2018. United States Treasury (UST) yields headed north amid renewed market optimism following stronger job data and potential development between China and US on trade. 10-year UST hit a high of 3.23% in the month of October 2018 before retreating to close the month at 3.14% given the increasingly appealing inflation-adjusted yields. Renewed support for UST is expected as recent upward movement in yields could pave way for attractive yield hunters. At the close, the UST 2-, 5-, 10- and 30-year closed the month higher at 2.87% (September 2018: 2.82%), 2.97% (2.95%), 3.14% (3.06%) and 3.39% (3.21%) respectively.

The local market was on the sidelines mostly in October 2018 in anticipation of Malaysia 2019 Budget announcement by the Pakatan Harapan government on 2 November 2018. Although there are some talks about austerity budget by the new government, the reopening auction of 10-year Government Investment Issue (GII) 10/28 had a strong reception, garnering a strong bid-to-cover of 2.235x and an average yield of 4.313% even though they announced larger than expected issue size of RM4.0 billion. There was a net outflow in fixed income foreign flows in September 2018, widened to RM3.0 billion (August 2018: RM2.4 billion) but partly due to bond/sukuk maturity. Foreign shares of Malaysian Government Securities (MGS) and MGS+GII declined to 39.5% (August 2018: 40%) and 24.1% (August 2018: 24.7%) respectively. MGS benchmark issues ended the month higher in yields as the global market yields also trended higher with the 3-, 5-, 7-, 10-,15-, 20- and 30-year MGS closed at 3.66% (September 2018: 3.56%), 3.79% (3.75%), 4.01% (3.95%), 4.08% (4.07%), 4.56% (4.49%), 4.78% (4.69%) and 4.95% (4.90%) respectively. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII followed the same trend at 3.74% (September 2018: 3.70%), 3.90% (3.82%), 4.11% (4.02%), 4.25% (4.14%), 4.59% (4.56%), 4.78% (4.75%) and 4.96% (4.93%) respectively.

Despite the reintroduction of sales and services tax (SST) effective September 2018, Consumer Price Index (CPI) continued to see moderate gains as expected, increasing 0.3% year-on-year (YoY) in September 2018 (August 2018: +0.2% YoY) and hovering near its slowest since February 2015, as further deceleration in transport prices offset faster gains in other major categories. Meanwhile, core CPI bounced back to register a positive reading for the first time in three months, rising 0.3% YoY in September 2018 after declining 0.2% YoY in the preceding two months, still offering very benign inflation outlook.

The expectation of US Federal Reserve to raise another 75 basis points (bps) in 2019 has put pressure on emerging market currencies especially countries which has current account deficit and high inflation. Malaysian Ringgit (MYR) has also suffered and down 2.5% and 6.8% in the last 3 months and 6 months respectively despite higher oil price and positive current account surplus. Malaysian Ringgit will normally strengthen along with oil price but the correlation breaks down from April 2018 when the MYR moves in the opposite direction. Crude oil price now has stabilized around United States Dollar (USD) 75/barrel while MYR closed the month 1.11% weaker at 4.1842 per USD against 4.1383 as at end September 2018.

KLIBOR 1-,3-,6-, and 12-month closed unchanged at 3.43% (September 2018: 3.43%), 3.69% (3.69%), 3.80% (3.80%) and 3.90% (3.90%) as liquidity remained ample.

MARKET OUTLOOK AND STRATEGY

The key event in November 2018 will be the much anticipated Budget 2019 which will be tabled on 2 November 2018 where rating agencies and the market will watch closely due to the recent fiscal developments. The Government is expected to remain committed towards fiscal consolidation over the medium-term. Local bond/sukuk market remain resilient and holding up well as the adjusted higher yield level quickly been met by the real money investors and bargain hunters as lower inflation and Gross Domestic Product (GDP) numbers bode well for local bonds/sukuk market. As inflation remains within comfortable ranges, we expect the Overnight Policy Rate (OPR) to also remain unchanged in the medium term.

Going forward, although MYR bond/sukuk yields are likely to be influenced by upward pressure as US Federal Reserve normalization continues to resonate on top of the uncertainties of global macro-economic landscape, we are still upbeat on long-term view for Malaysia and remain comfortable in tactically nimble around duration or buying on dips to the portfolio. We also remain overweight corporate bond/sukuk on healthy credit spreads and yield premium.