

RHB CASH MANAGEMENT FUND 2

The Fund aims to provide investors a high level of liquidity while providing reasonable returns by predominantly investing its assets in Malaysian Ringgit deposits with financial institutions in Malaysia.

INVESTOR PROFILE

This Fund is suitable for Investors who:

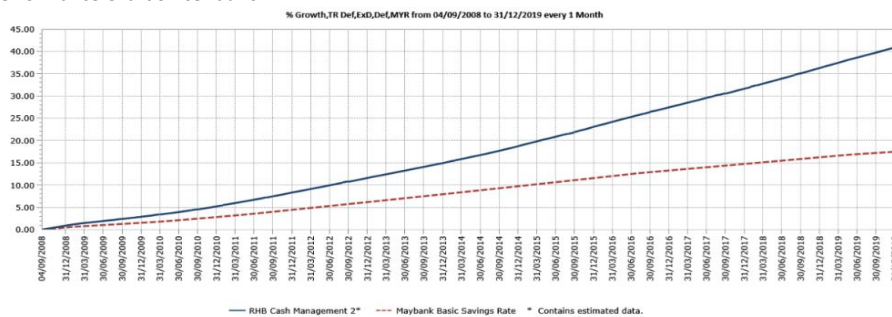
- require a high level of liquidity;
- are conservative and seek capital preservation;
- seek reasonable returns that commensurate with the low risks investments; and
- prefer a short term investment horizon.

INVESTMENT STRATEGY

- At least 98% of NAV: Investments in deposits with financial institutions which have a remaining maturity period of not more than 365 days.
- Up to 2% of NAV: Maintained in cash.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.26	0.80	1.61	3.35
Benchmark	0.08	0.24	0.48	1.08

	1 Year	3 Years	5 Years	Since Launch
Fund	3.35	10.57	18.63	40.84
Benchmark	1.08	3.73	7.06	17.49

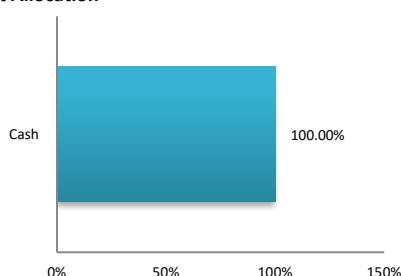
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	3.35	3.49	3.38	3.52	3.65
Benchmark	1.08	1.30	1.30	1.53	1.66

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Asset Allocation*



*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.4084	1.4084	1.4084
Low	1.4047	1.3627	1.0000

Source: Lipper IM

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Money Market Fund
Fund Type	Income Fund
Launch Date	04 September 2008
Unit NAV	RM1.4084
Fund Size (million)	RM219.15
Units In Circulation (million)	155.60
Financial Year End	31 March
MER (as at 31 Mar 2019)	0.40%
Min. Initial Investment	RM500.00
Min. Additional Investment	RM100.00
Benchmark	Maybank Berhad – Savings Account Rate
Sales Charge	None
Redemption Charge	None
Annual Management Fee	0.40% p.a. of NAV*
Annual Trustee Fee	None
Switching Fee	Not applicable
Redemption Period	Redemption monies to be paid the next business day after receipt the request to repurchase
Distribution Policy	None

*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.

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MANAGER'S COMMENTS

MARKET REVIEW

On the local rates, both Malaysia's sovereign papers ie; Malaysia Government Securities ("MGS") and Government Investment Issues ("GII") yield curve flattened during the first half of the month as the 5-year yield rose 6 bps and the 10-year was flat at around 3.42% to 3.45% level. Local government bonds were less affected by news of a US-China phase one trade deal in comparison to the Ringgit as USD/MYR fell to around 4.14 from 4.16 at the start of the month. Towards the end of the month, the yield from the belly to the longer tenor of the curve lifted positively as buying interest resurfaced despite quiet trading days while MYR closed the year stronger at around 4.09. Overall, the MGS and GII yield remain supported as investors repositioned themselves ahead of holidays and year end with anticipation of seasonally strong first quarter for domestic bond market ahead. In addition, the yields were generally supported after Bank Negara Malaysia ("BNM") released the auction calendar for 2020 suggested positive reaction from investors.

BNM has announced the auction calendar for 2020 with reopening auctions to dominate next year. This is a major shift in auction landscape and is a positive catalyst for the local government bond space as this will further enhance liquidity of the existing issuances of MGS and GII. We see this as an additional step taken by BNM toward improving bond liquidity in mind ahead of the FTSE Russell's decision in March 2020. With most benchmarks to be reopened from the existing bonds ie; only 4 new issues in 2020 compared to 12 new issues in 2019, this will certainly help enhance the liquidity of off-the run bonds and increase the average tranche size which will complement an extended role for principal dealers to quote all off-the run bonds. Collectively, gross issuances of MGS and GII in 2020 forecasted at around MYR115 billion is to be issued via the domestic bond market after taking into account the second tranche of Samurai bonds which expected to be issued in 2020. On balance, we expect demand and supply dynamics to remain healthy as combined MGS and GII maturities of around MYR70.7 billion to return as reinvestment flows. On the other hand, net issuances of MGS and GII remain manageable at about MYR45 billion which will have an overall neutral impact from a net supply perspective. Month-on-month, MGS yields bull-steepened with 10-year supported towards the end of the month and grinded 12 bps lower while 30-year saw upward trend in yields by 15 bps. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 3.00% (November-2019: 3.04%), 3.18% (3.18%), 3.30% (3.33%), 3.30% (3.43%), 3.59% (3.68%), 3.70% (3.76%) and 4.10% (3.94%) respectively. On the other hand, action on the GII – the Shariah compliant version of MGS, was looking more stable with yields seen more defensive and holding well across the tenors during the period. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 3.06% (November-2019: 3.13%), 3.19% (3.26%), 3.30% (3.38%), 3.42% (3.50%), 3.72% (3.78%), 3.82% (3.89%) and 4.06% (4.11%) respectively.

On the local economic front, Malaysia's Consumer Prices Index ("CPI") report for November 2019 came out subdued at 0.9% compared to a reading of 1.1% in the prior month. However, on a year-on-year basis, the CPI index has increased in November 2019 to 122.1 against 121.0 in the same month of preceding year. The increase in the overall index was driven by the index of Miscellaneous Goods & Services (2.5%), Housing, Water, Electricity, Gas & Other Fuels (1.7%), Education (1.6%), Food & Non-Alcoholic Beverages (1.5%), Communication (1.5%) and Furnishings, Household Equipment & Routine Household Maintenance (1.5%). On a monthly basis, CPI rose 0.1% as compared to October 2019. It was mainly supported by the index of Housing, Water, Electricity and Gas (0.4%), Miscellaneous Goods & Services (0.4%) and Health (0.2%). Meanwhile, the CPI for the period of January 2019 to November 2019 registered an increase of 0.7% as compared to the same period last year. Forecasted 2019 inflation is expected to be lower at around 0.7% to 1.0% which is in line with Bank Negara Malaysia ("BNM") projection of 0.7% to 1.7%. Nevertheless, inflation is expected to rise from January 2020 due to the targeted fuel subsidy implementation that corresponded to the official inflation forecast of 2% next year. Nevertheless, the execution risk remains a concern as recent announcement by Government to postpone the targeted fuel subsidy will further derailed 2020 inflation forecast.

In other economic data, Malaysia's Industrial Production Index ("IPI") rose by 0.3% year-on-year in October 2019, slowing from 1.7% gain in the previous month. This was the weakest yearly increase in industrial output since a decline in December 2015 as manufacturing output growth slowed to 2.2% from 2.5% recorded in September 2019 mainly due to transport equipment and other manufactures (4.3 percent), non-metallic mineral products, basic metal & fabricated metal products (3.1%) and electrical and electronic products (2.4%). In addition, electricity production increased much less (0.5% vs 4.1%). At the same time, mining output declined faster (-5.8% vs -1.6%), led by crude oil and condensate index (-5.1%) and natural gas (-6.3%). On a monthly basis industrial output fell by 1% in October, after a 0.3% drop in September 2019. Industrial Production in Malaysia averaged 2.42% from 2007 until 2019, reaching an all-time high of 12.80% in March of 2010 and a record low of -17.60% in January of 2009. With slower growth in IPI, expectation is for weaker growth in 4Q19 as the data remain soft and maintained 4.5%-4.6% forecast for full year of 2019.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 December 2019, 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 1.9 (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 30 June 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2019.

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 3 August 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 credit/default risk, inflation/purchasing power risk and interest rate 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.