

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:

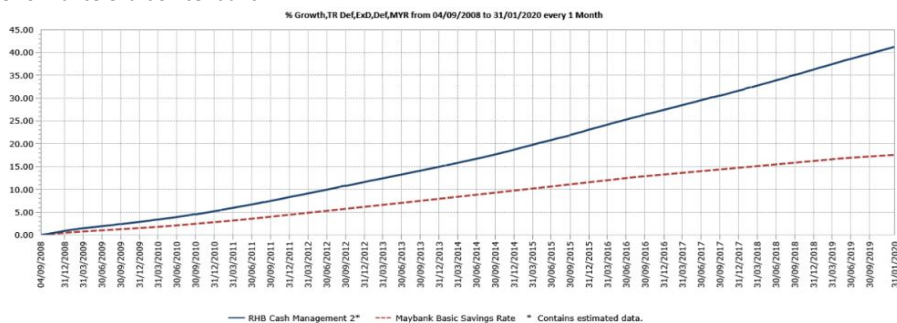
- require a high level of liquidity;
- are conservative and seek capital preservation;
- seek reasonable returns that commensurate with the low risks investments; and
- prefer a short term investment horizon.

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	0.28	0.81	1.62	0.28
Benchmark	0.07	0.23	0.47	0.07

	1 Year	3 Years	5 Years	Since Launch
Fund	3.31	10.58	18.57	41.24
Benchmark	1.05	3.69	6.99	17.57

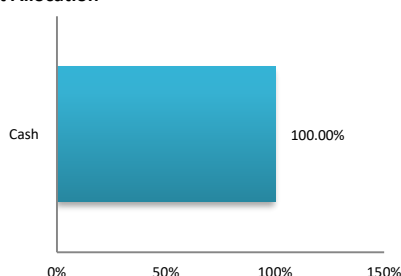
Calendar Year Performance (%)*

	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	1.4124	1.4124	1.4124
Low	1.4084	1.3671	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	RM1.4124
Fund Size (million)	RM214.12
Units In Circulation (million)	151.60
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 bull-flattened at the start of the year with geopolitical tension arising after United States of America ("USA") assassinated top Iranian commander. Iran has retaliated back with an attack that hit bases of housing American troops in Iraq with ballistic missiles which rattled the market for safe haven demand during the first week of the year. After a temporary calm on that front, local market further driven by a surprised pre-emptive 25 basis points ("bps") cut in Overnight Policy Rate ("OPR") by Bank Negara Malaysia ("BNM") on their first Monetary Policy Meeting ("MPC") of the year. Both MGS and GII rallied following the unexpected cut by BNM as the curve bull-flattened with 10-year MGS rallied by 15 bps after the event and broke psychological level of 3.20%. Support in the fixed income space further extended as market's confidence has been somewhat shaky by the spreading of coronavirus which spilling fast into neighbouring countries and as far as in the USA, recorded more than 14,000 infected cases and 305 fatality with 27 countries/regions being affected at the time of writing.

Overall, the MGS and GII yield were strongly supported as the dovishness prevails in the current market environment where downside risks dominated the headlines. Market fears rise for both health and economic reasons as coronavirus spreads into many regional countries especially those with close social and economic ties with China. From bond strategy points of view, we think investors will want to see signs of stabilization first before changing their positioning stances thus we expect further support in fixed income space at current juncture. Month-on-month, MGS space bull-steepened with yields collapsing roughly about 30 bps along the 15-year and 30-year tenor. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 2.88% (December-2019: 3.00%), 2.96% (3.18%), 3.09% (3.30%), 3.13% (3.30%), 3.26% (3.59%), 3.42% (3.70%) and 3.76% (4.10%) respectively. On the other hand, action on the GII – the Shariah compliant version of MGS, mirroring the same pattern with investors extended duration on headline risks positioning. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 2.91% (December-2019: 3.06%), 3.02% (3.19%), 3.11% (3.30%), 3.19% (3.42%), 3.35% (3.72%), 3.49% (3.82%) and 3.74% (4.06%) respectively.

On the local economic front, Malaysia's Consumer Prices Index ("CPI") report for December 2019 increased 1.0% compared to a reading of 0.9% in the prior month. However, the CPI for the whole year of 2019 registered 0.7% which was at the lower range of official target for the 2019. In a statement by the Statistic Department, the increased in December 2019 CPI was driven by the index of miscellaneous goods and services (2.4%), food and non-alcoholic beverages (1.7%), housing, water, electricity, gas and other fuels (1.7%), education (1.7%), communication (1.5%), furnishings, household equipment and routine household maintenance (1.4%) and health (1.4%). The inflation reading of 2019 is in line with Bank Negara Malaysia ("BNM") projection of 0.7% to 1.7%. Nevertheless, inflation is seen to trend higher in 2020 but staying modest, which we likely expect to remain within 1% to 2% range given lower headline inflation of 0.7% in 2019. Earlier, 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. However, 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, December's Producer Price Index ("PPI") which measures the average change over time in selling prices received by domestic producers of goods and services rose for the second straight month to 3.5% compared to a reading of 1.2% recorded in November 2019. It was due to broad-based gains from all the sub-components. As a result of two consecutive months of positive growth, it will provide some cushion to the full-year average growth which fell by 1.3% in 2019 from -1.1% in 2018. Going forward, the PPI is likely to remain moderate. While the low base will influence the potential incoming data, some upwards pressure will also be seen from higher input costs. Thus, the PPI for 2020 could turn positive with the full-year average of around 0.3% to 0.5%. On the Malaysia unemployment rate, November 2019 data remained at 3.2% for the second straight month and is at its 48-month low. Based on the labour market data, private consumption will be the anchor for the economic growth in 2019 and 2020. However, consumer sentiment is sliding based on Malaysian Institute of Economic Research ("MIER") survey which showed a lowest reading since 2017. Besides, the retrenchment has picking up and the number of people laid off in 2019 is estimated at around 37,260 compared to 23,697 in 2018. Expectation of more downsizing and more people seeking opportunities in the informal sector could pick up. The unemployment rate in 2020 could reach 3.4% to 3.6% from 3.3% in 2019.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 January 2020, 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 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2020.

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.