

### RHB FOCUS INCOME BOND FUND – SERIES 8

The Fund aims to maximise returns at the Maturity Date from a concentrated portfolio of global debt instruments.

#### INVESTOR PROFILE

This Fund is suitable for Investors who:

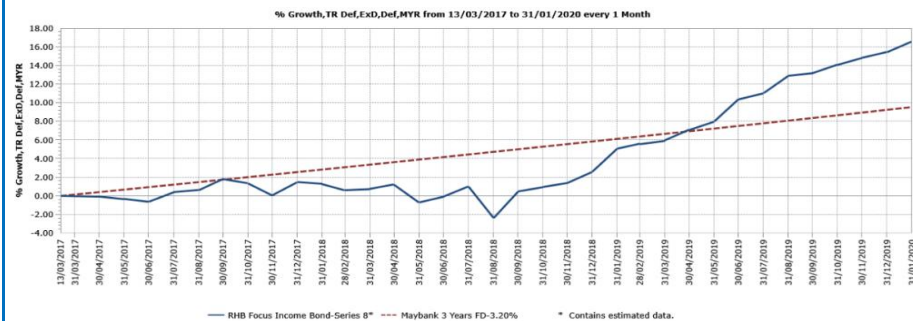
- have a moderate risk appetite;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments portfolio; and
- have a medium term (i.e. 3 years) investment horizon.

#### INVESTMENT STRATEGY

- 90% - 100% of NAV: Investments in global debt instruments, of which at least 70% of NAV in bonds.
- Up to 10% of NAV: Investments in liquid assets including money market instruments and Deposits.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



##### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	1.01	2.22	5.05	1.01
Benchmark	0.27	0.80	1.60	0.27

	1 Year	3 Years	Since Launch
Fund	11.02	16.60	16.60
Benchmark	3.20	9.91	9.52

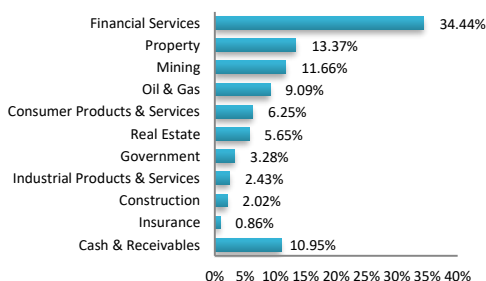
##### Calendar Year Performance (%)\*

	2019	2018
Fund	12.59	1.05
Benchmark	3.20	3.20

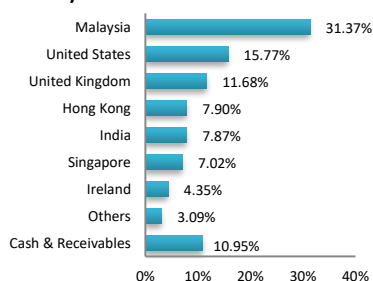
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

TURKIYE IS BANKASI 5.5% (21/04/2022)	7.95
TURKIYE IS BANKASI 5.00% (25/06/2021)	7.84
SUNWAYBHD CP SERIES 454/2020 31D (24/02/2020)	7.50
CIFIHG 6.55% (28/03/2024)	4.67
ABU DHABI NATIONAL ENERGY 4.875% (23/04/2030)	4.44

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0607	1.0607	1.0607
Low	1.0501	0.9554	0.9303

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
29 Jan 2019	4.6500	4.65
22 Mar 2018	4.6500	4.65

Source: RHB Asset Management Sdn. Bhd.

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**MANAGER'S COMMENTS**
**MARKET REVIEW**

In an eventful January 2020, 10-year US Treasury (“UST”) yields initially rallied 6bps YTD 10 Jan 20 with a few events as major drivers, including geopolitical tensions from the US ordered killing of Qasem Soleimani, the Iranian Major General in the Islamic Revolutionary Guard Corps (IRGC) and commander of its Quds Force, a division primarily responsible for extraterritorial military and clandestine operations. The threat of retaliation leading to an all-out war caused the biggest one day drop in yields this year of 10-12bps. However the quick resolution and casualty free retaliation from Iran resulted in some market calm, alongside the introduction of a 20y bond which resulted in some bear steepening driven by the 30y bonds selling of 3 bps on announcement. Market optimism however was short-lived as the world was made known of the novel coronavirus originating from Wuhan on 22 January, leading the World Health Organisation (“WHO”) to declare the outbreak to be a public health emergency of international concern on 30 January. The development of the outbreak with the number of confirmed cases and death tolls steadily rising has caused US Treasuries curve to bull flatten on strong safe haven demand, with 10y benchmark UST over 40bps lower month to date. At the end of January 2020 close, the benchmark 2-, 5-, 10- and 30-year UST were last traded at 1.31% (December-2019: 1.57% -26bps), 1.31% (1.69%; -38bps), 1.51% (1.92%; -41bps) and 2.00% (2.39%; -39bps) respectively.

On US economics, the Institute of Supply Management (“ISM”) Manufacturing Index for January 2020 finally broke into expansionary territory at 50.9 after 5 consecutive months of below 50 readings. Nonfarm Payrolls (“NFP”) in the United States released for December 2019 showed 145k new jobs created, disappointing expectations of a 160k median estimate especially given the strong 256k reading for November. Total hiring in 2019 totaled 2,108,000 new jobs created overall, the least since 2011. Biggest job gains occurred in retail trade and health care, while mining lost jobs. The decline can be partially due to a later-than-normal Thanksgiving Day in 2019, which could have shifted hiring of seasonal workers, and to a boost in November from the return of workers from the General Motors strike. Average Hourly Earnings for December increased by 2.9% YoY (+0.1%MoM), missing consensus estimates for a +0.3% MoM gain. Unemployment Rate was steady at 3.5%YoY for December 2019. On inflation, the United States Personal Consumption Expenditure (“PCE”), the Fed’s preferred measure of inflation, rose 1.60% YoY for December 2019, unchanged from November 2019 reading, and still below the Fed’s 2% target. The US retail sector got a boost in during the recent holiday season as the headline retail sales matched consensus forecast to print a 0.3% MOM growth in December (Nov: +0.3% revised) while sales for November was also revised higher to a 0.3% growth. Gains in December came from faster and higher sales of clothing, electronics and sporting goods as well as gasoline (thanks to higher gasoline prices). Sales of motor vehicles slipped after rising for two months.

**DISCLAIMER:**

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 17 January 2017. 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 Prospectus dated 17 January 2017 and its supplementary(ies) (if any) (“the Prospectus”) before investing. The 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 Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks factors of the funds are credit/default risk, currency risk, interest rate risk, country risk, inflation/purchasing power risk, concentration risk, and mismatch risk. These risks and other general risk are elaborated in the 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.

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