

RHB DEPOSITS FUND

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

INVESTOR PROFILE

This Fund is suitable for investors who:

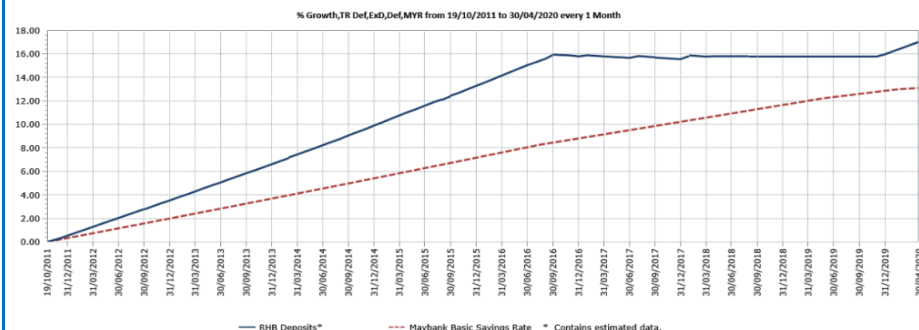
- require a high level of liquidity;
- are conservative and seek capital preservation;
- seek reasonable returns that commensurate with the low risks investments; and
- prefer a short term investment horizon.

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	0.22	0.66	1.08	0.91
Benchmark	0.04	0.13	0.37	0.21

	1 Year	3 Years	5 Years	Since Launch
Fund	1.08	1.13	5.41	17.03
Benchmark	0.86	3.50	6.70	13.09

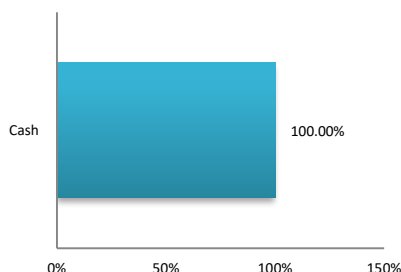
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	0.17	0.18	-0.17	2.21	3.07
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	1.0066	1.0066	1.0093
Low	1.0045	1.0021	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	19 October 2011
Unit NAV	RM1.0052
Fund Size (million)	RM44.36
Units In Circulation (million)	44.12
Financial Year End	31 October
MER (as at 31 Oct 2019)	Not available**
Min. Initial Investment	RM50,000.00
Min. Additional Investment	RM10,000.00
Benchmark	Maybank Berhad – Savings Account Rate
Sales Charge	None
Repurchase Charge	None
Annual Management Fee	0.40% p.a. of NAV*
Annual Trustee Fee	None
Switching Fee	RM25.00
Redemption Period	Redemption monies to be paid the next business day after receipt the request to repurchase
Distribution Policy	Annually, 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.

**The MER is not comparable as the Fund being dormant.

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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") have stabilized and extended rally during the month after the sell-off in previous month appeared to diminish with attractive adjustment in term of yields have further ignite buying demand into local government bonds market. Both MGS/MGII have normalized back and in fact trading at tighter yield levels thanks to concerted global central bank easing and prospects of further OPR cuts by BNM. The FTSE Russell March Review combined with BNM's measures to boost liquidity added further support for the MYR bond market. Going forward, market sentiments will be influenced by the capacity to contain Covid-19 from spreading further as a flattening curve (with better recovery rates) will eventually drive the return of foreign buying of Asian local currency investment assets. Any upward trajectory of MGS/MGII yields are to provide good buying on dips opportunities for investors.

Overall, the MGS and GII strengthened as a better external risk environment provides comfort for investors to position for more BNM rate cut. MGS yields fell across the curve as the rally that started from the front end has now extended into longer duration. Meanwhile flattening of the Covid-19 cases in Malaysia also added further positive momentum for MYR assets. The 10-year MGS benchmark closed tighter circa 52 bps to trade below the 3.00% psychological level after settling around 2.85% level on month-end closing. The shorter tenure 3-year MGS benchmark continue to hover below the OPR 2.50% level, signalling traders' expectation of further OPR cut by BNM. Month-on-month, MGS space bull-flattened with yields collapsing roughly about 30 bps to 60 bps across the tenors. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 2.74% (March-2020: 2.74%), 3.07% (3.07%), 3.22% (3.22%), 3.37% (3.37%), 3.62% (3.62%), 3.71% (3.71%) and 4.00% (4.00%) respectively. On the other hand, action on the GII – the Shariah compliant version of MGS, mirroring the same pattern with yield sold-off before stabilizing towards the end of the month. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 2.88% (March-2020: 2.88%), 2.99% (2.99%), 3.31% (3.31%), 3.37% (3.37%), 3.72% (3.72%), 3.77% (3.77%) and 4.07% (4.07%) respectively.

On the local economic front, Malaysia's Consumer Prices Index ("CPI") report for March 2020 was below expectation and contracted at -0.2%, compared to a reading of 1.3% in the prior month. In a statement on April 23, the Department of Statistics Malaysia ("DoSM") said the index of transport, which contributed 14.6% of overall weight, declined 8.9%. However, the fall was countered by increases in the indexes of housing, water, electricity, gas and other fuels (1.6%), and food and non-alcoholic beverage (1.2%). The lower average price of RON95 in March of RM1.74 per litre versus RM2.08 a year ago also contributed to the decrease of the transport and overall index. With current low of global oil prices, most economists are expected to slash their 2020 inflation forecast. Taking into account the 25% collapsed in RON95 prices to MYR1.44/litre and with assumption of prices to stay around current levels through year-end of 2020, inflation is expected to stay low at around -1.0% to 0.5% for 2020, comparing to 0.7% in 2019. The risks are tilted to the downside on lower oil prices, softer domestic demand-pull pressures and further disinflationary administered measures. Currently the average year-to-date of Brent oil price is still hovering about USD46/barrel which is above the Government's assumption for average oil price at around USD35/barrel, indicated during the release of the recent stimulus package. We opine the Government's medium-term fiscal consolidation roadmap remains on track.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 April 2020, the Volatility Factor (VF) for this fund is 0.3 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. This update does not amount to indicate that the SC has recommended or endorsed the Fund. 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.

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