

### 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 institutions 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.

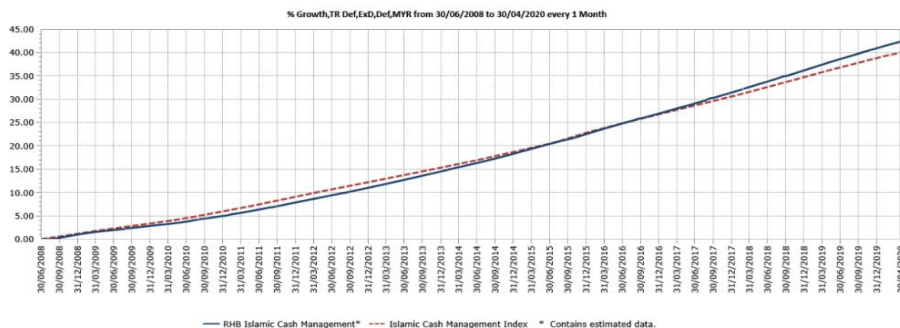
#### INVESTOR PROFILE

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      | 0.24    | 0.74     | 1.55     | 1.02 |
| Benchmark | 0.20    | 0.62     | 1.34     | 0.86 |

|           | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund      | 3.26   | 10.83   | 18.94   | 42.31        |
| Benchmark | 2.84   | 9.36    | 16.79   | 39.97        |

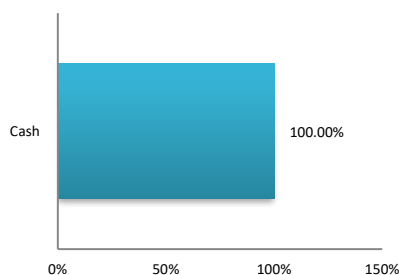
##### Calendar Year Performance (%)\*

|           | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------|------|------|------|------|------|
| Fund      | 3.44 | 3.63 | 3.50 | 3.61 | 3.63 |
| Benchmark | 3.03 | 3.18 | 3.01 | 3.22 | 3.47 |

Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Asset Allocation\*



\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

|      | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 1.0000  | 1.0000    | 1.0027       |
| Low  | 1.0000  | 1.0000    | 0.9998       |

Source: Lipper IM

##### Historical Distributions (Net)

|             | Distribution (sen) | Yield (%) |
|-------------|--------------------|-----------|
| 30 Apr 2020 | 0.2400             | 2.92      |
| 31 Mar 2020 | 0.2500             | 2.98      |
| 29 Feb 2020 | 0.2500             | 3.10      |
| 31 Jan 2020 | 0.2800             | 3.26      |
| 31 Dec 2019 | 0.2700             | 3.14      |
| 30 Nov 2019 | 0.2600             | 3.18      |

Source: RHB Asset Management Sdn. Bhd.

#### 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)            | RM3,247.44   |
| Units In Circulation (million) | 3247.44  |
| Financial Year End             | 30 November  |
| MER (as at 30 Nov 2019)        | 0.32%  |
| Min. Initial Investment        | Institutional - RM100,000.00<br>Retail - RM50,000.00       |
| Min. Additional Investment     | Institutional - RM50,000.00<br>Retail - RM25,000.00        |
| Benchmark                      | Maybank Islamic Bhd's 1-month Islamic Fixed Deposit-i rate |
| 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.

## RHB ISLAMIC CASH MANAGEMENT FUND

This Fund aims to provide liquidity and a regular stream of income by investing in Islamic money market instruments.

### MANAGER'S COMMENTS

#### MARKET REVIEW

Investors' sentiment in the month of April was mainly driven by concerns over the retreating global oil price coupled with slew of weak macroeconomics data fuelling concerns over looming global recession as more countries saw entering into contraction in the 1Q 2020. United States Treasury (UST) remained supported in April as investors continue to seek refuge from safe haven UST, despite weaker United States (US) economic data on the latest US non-farm payroll which contracted further. A decline of 20.5 million jobs in April, with unemployment rate elevating to 14.7%, the highest since the Great Depression era of the 1930s.

The key event over the last week of April was the US Federal Reserve scheduled meeting, where the Federal Open Market Committee (FOMC) held the fed funds target rate steady 0-0.25%, as widely expected. In addition, it retained its forward guidance on rates and quantitative easing (QE). The statement and press conference had a dovish lean with the inclusion of Coronavirus disease 2019 (COVID-19) posing medium-term risks to the outlook. Fed Chair Powell affirmed that the FOMC is in no hurry to lift rates and is prepared to deliver more stimulus as needed – particularly in the form of further credit easing. The Chair also repeatedly highlighted the need for further fiscal support.

At the end of April close, the benchmark 2-, 5-, 10- and 30-year UST were last traded at 0.195% (March: 0.245% -5 basis points (bps)), 0.36% (0.38%; -2bps), 0.64% (0.67%; -3bps) and 1.28% (1.32%; -4bps) respectively. 10-year UST yields range traded in a 20bps range from 0.57% to 0.77% over the month of April, post the 60bp rally we witnessed from the last 2 weeks of March.

Over to the Malaysian market, the Malaysia Government Securities (MGS) and Government Investment Issue (GII) strengthened as a better external risk environment provides comfort for investors to position for more Bank Negara Malaysia (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 Malaysian Ringgit 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 Overnight Policy Rate (OPR) 2.50% level, signalling traders' expectation of further OPR cut by BNM.

MoM, 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: 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. While similar pattern was noted in GII space, 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.

#### MARKET OUTLOOK AND STRATEGY

2020 would be defined as the year of a new global pandemic, the highly infectious COVID-19 with over 3.2 million cases globally as at 30 April 2020 and still accelerating, with confirmed cases outside of China now constituting 97% of global confirmed cases. The pandemic has increased the likelihood of a global recession, leading investors to rush to safe haven assets and cash and causing asset prices everywhere to fall significantly.

BNM on 5th of May 2020, has cut its OPR by another 50 bps to 2%, a level last seen during the 2008-2009 global financial crisis. The central bank has noted that with this latest cut, the OPR has been reduced by a total of 100 bps since the start of the year, complementing the other monetary and financial measures it has made as well as fiscal measures announced by the government this year. Recent indicators shown that the global economy is already contracted with global growth projected to be negative this year. With widespread containment measures implemented globally coupled with international border closures and following weak external demand, Malaysia's domestic economic activity is expected to be impacted. While it is necessary for the movement control order (MCO) to contain the spread of the virus, it has also constrained production capacity and domestic spending. On top of that, both labour and economic conditions are expected to be challenging while fiscal stimulus with monetary and financial measures to offer some support to the economy. In term of inflation trajectory, BNM forecasted it to be muted this year with average headline inflation to be negative on account of substantially lower global oil prices. BNM has guided that inflation to be around -1.5% to +0.5% in 2020.

We expect the local government space to stay supported on widening yield differential versus the UST; whereby it does increase the attractiveness of our local government bond/sukuk and being renowned for its resilience towards any selloff due to deep onshore support and in-built back stop measures. We will continue to monitor the situation of markets and remain constructive on the local bond/sukuk market as the current macro backdrop continues to provide positive vibes for fixed income investments.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 April 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 15 July 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 interest rate risk, credit / default risk, inflation risk and shariah specific 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.

RHB Asset Management Sdn Bhd (174588-X)

Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur

General Line: 603-9205 8000