

### 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:

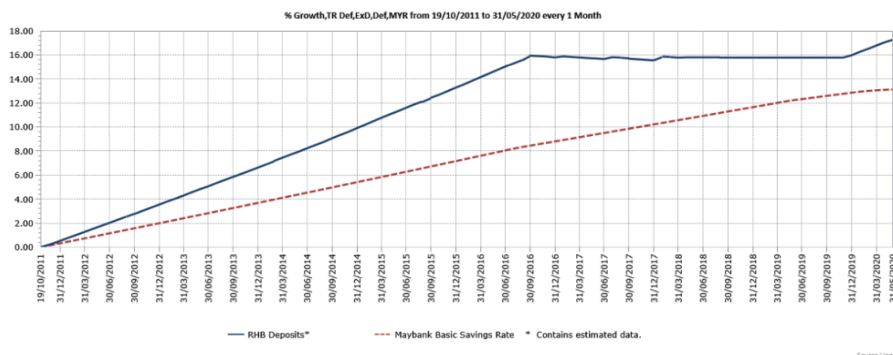
- require a high level of liquidity;
- are conservative and seek capital preservation;
- seek reasonable returns that commensurate with the low risks investments; and
- prefer a short term investment horizon.

#### 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	0.19	0.65	1.27	1.10
Benchmark	0.03	0.10	0.31	0.23

	1 Year	3 Years	5 Years	Since Launch
Fund	1.27	1.35	5.35	17.25
Benchmark	0.79	3.41	6.58	13.12

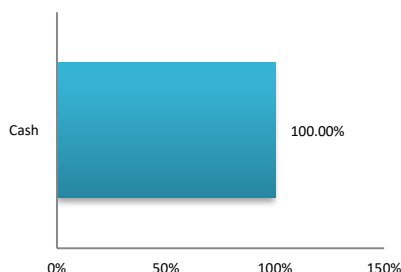
##### Calendar Year Performance (%)\*

	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	1.0065	1.0066	1.0093
Low	1.0034	1.0021	1.0000

Source: Lipper IM

#### FUND DETAILS

<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Money Market Fund
<b>Fund Type</b>	Income Fund
<b>Launch Date</b>	19 October 2011
<b>Unit NAV</b>	RM1.0039
<b>Fund Size (million)</b>	RM44.44
<b>Units In Circulation (million)</b>	44.27
<b>Financial Year End</b>	31 October
<b>MER (as at 31 Oct 2019)</b>	Not available**
<b>Min. Initial Investment</b>	RM50,000.00
<b>Min. Additional Investment</b>	RM10,000.00
<b>Benchmark</b>	Maybank Berhad – Savings Account Rate
<b>Sales Charge</b>	None
<b>Repurchase Charge</b>	None
<b>Annual Management Fee</b>	0.40% p.a. of NAV*
<b>Annual Trustee Fee</b>	None
<b>Switching Fee</b>	RM25.00
<b>Redemption Period</b>	Redemption monies to be paid the next business day after receipt the request to repurchase
<b>Distribution Policy</b>	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.

## RHB DEPOSITS FUND

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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") settled generally tighter on the short-ends whilst longer-ends traded slightly wider during the month where Bank Negara Malaysia ("BNM") cut the Overnight Policy Rate ("OPR") by 50 basis points ("bps"). The curve was generally holding up well despite some profit-taking activities after the OPR cut where the decision has been mostly anticipated by the market players. Despite the range-bound in yields, we expect the local sovereign demand to continue gaining traction amid additional liquidity injection worth approximately MYR16 billion to be released through the banking institution's flexibility on the usage of MGS and GII to comply with Statutory Reserve Requirement ("SRR") starting 16 May 2020. The enhanced liquidity support is expected to boost market liquidity by a combined total of MYR46 billion, including the MYR30 billion previously released earlier during the recent SRR cut to 2.00% in March 2020. 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.

Month-on-month, MGS space was bull-steepened with yields roughly being well supported at the shorter-tenor up to 10-year. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 2.27% (April 2020: 2.40%), 2.46% (2.49%), 2.62% (2.67%), 2.80% (2.86%), 3.18% (3.09%), 3.41% (3.38%) and 3.80% (3.66%) respectively. On the other hand, action on the GII – the Shariah compliant version of MGS, appeared to be resilient and well supported at the back of index inclusion of MGII 10-year. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 2.29% (April 2020: 2.47%), 2.45% (2.55%), 2.69% (2.64%), 2.71% (2.84%), 3.24% (3.15%), 3.45% (3.39%) and 3.77% (3.70%) respectively.

On the local economic front, Malaysia's Consumer Prices Index ("CPI") report for April 2020 was below expectation and contracted at -2.9%, marking the second negative prints in CPI following March 2020 level of -0.2%. Recap that in January and February 2020, the CPI rose 1.6% and 1.3% year-on-year respectively. The fall in inflation was mainly driven by weaker oil prices, coupled with lesser economic activities during the movement control order ("MCO") period which started in mid-March 2020. On top of that, low electricity prices will be the other driver for low inflation in 2020. To assist households and businesses cope with costs of living in this challenging period, the government has allocated around MYR 530 million in its fiscal stimulus package to provide tiered discounts for electricity consumption from 1 April 2020 to 30 September 2020. Electricity costs contribute 2.7% to the overall CPI basket. 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.

Malaysia's 1st Quarter Growth Domestic Product ("GDP") came out near halt at 0.7% year-on-year, lowest growth since the 3rd Quarter of 2009 but better than the general market expectation of contraction at -1.5%. According to the Department of Statistics, growth was mainly dragged by negative growth across all sectors except for services and manufacturing sectors with growth of 3.1% and 1.5% respectively. Malaysia also announced current account position, recorded at RM9.5 billion surplus as boosted by the surplus in goods account and smaller deficit in primary income. Softer growth is expected to continue in the 2nd Quarter of the year amid the disruption caused by Covid-19 while the economy is expected to rebound in the second half of the year. Economists are expecting growth to register at -1.5% to -4.0% for full year 2020. Weak growth has emerged as a global theme as countries battle against the pandemic outbreak, US, China and some regional peers has also registered contraction in GDP for 1st Quarter of 2020.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 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 3.2 (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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