

RHB SMART INCOME FUND

This Fund aims to provide investors with higher than average income returns compared to fixed deposits over the medium to long term period through an investment blend comprising primarily of quality fixed income securities and with the remaining investments in a strategically selected portfolio of companies with market capitalisation of not more than RM1 billion.

INVESTOR PROFILE

This Fund is suitable for Investors who:

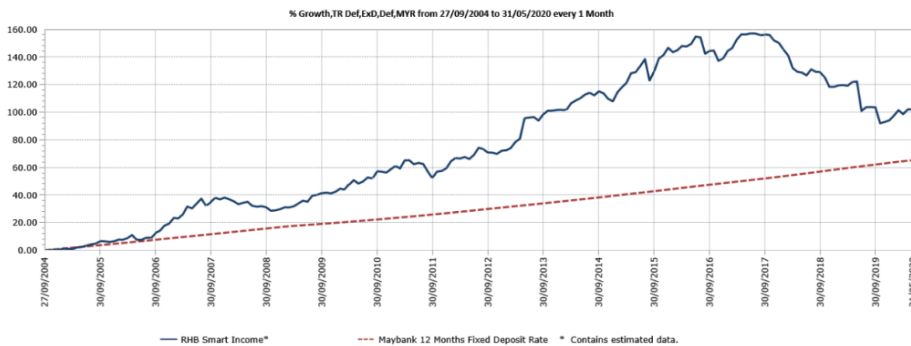
- are conservative;
- seek a steady income stream from their investments; and
- have a low to moderate risk tolerance with a medium to long term investment horizon.

INVESTMENT STRATEGY

- 70% - 100% of NAV: Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.
- 0% - 30% of NAV: Investments in securities of companies with market capitalization of not more than RM1 billion.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.02	0.30	4.73	4.06
Benchmark	0.19	0.63	1.37	1.11

	1 Year	3 Years	5 Years	Since Launch
Fund	-9.10	-21.27	-11.96	101.78
Benchmark	2.92	9.74	16.91	65.14

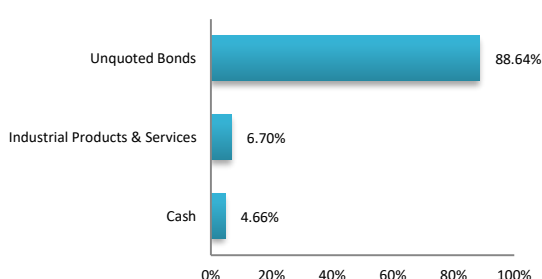
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	-11.09	-12.76	4.63	-3.12	18.55
Benchmark	3.19	3.33	3.09	3.21	3.30

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

MEX I CAPITAL BHD 2.5% (24/01/2030)	44.55
MEX II SDN BHD 6.0% (29/04/2030)	44.09
UMS-NEIKEN GROUP BHD	6.70

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5343	0.5867	0.7571
Low	0.5277	0.5057	0.4902

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
Mar 2020	-	-
Mar 2019	-	-
22 Mar 2018	3.0000	4.29
20 Apr 2017	1.4000	1.95
28 Mar 2016	5.7100	7.88

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

EQUITY MARKET REVIEW

FBM KLCI rallied for the second consecutive month gaining +4.7% MoM (April +4.21% MoM). The main highlight or stars of the market was certainly the gloves sector which saw share prices increased substantially with high trading volume as investors expect surged in earnings over the next few quarters. Meanwhile, oil prices continues to recover with more and more countries easing their lockdown measures (Malaysia included) and boosting fuel demand.

EQUITY MARKET OUTLOOK AND STRATEGY

In the short term, we expect equity market to be volatile and range bound as the market is adjusting for the new norm in the economy. In terms of strategy, we will keep holding cash higher than normal market condition.

FIXED INCOME MARKET REVIEW

US Treasuries

At the end of April 2020 close, the benchmark 2-, 5-, 10- and 30-year US Treasury (UST) were last traded at 0.195% (March 2020: 0.245% -5bps), 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 20bp range from 0.57% to 0.77% over the month of April 2020, post the 60bp rally we witnessed from the last 2 weeks of March.

Malaysian Ringgit Sovereign Bond

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.

Malaysian Ringgit Corporate Bond

In the Malaysian Ringgit corporate bond/sukuk space, overall monthly trading volumes were higher as compared to the previous month with trading volumes were well respected as buying interest resumed on attractive valuation and switching out for healthy primary issuances space. Nevertheless, our observation noted that investors are still seeing to prefer selective credit and trades concentration focus on higher graded credit especially in GG and AAA segment. Additionally, the increased trading volume in GG as well as the AAA spaces suggested that investors are rotating into higher investment grade credits amid a more challenging economic environment given the backdrop of increased downside risk to domestic and global growth.

FIXED INCOME MARKET OUTLOOK AND STRATEGY

High fixed income exposure, only trade if there is better pipelines offering to enhance yield.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 2020, the Volatility Factor (VF) for this fund is 7.6 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 3.2 but not more than 8.9 (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 June 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 risk, liquidity risk of underlying investments and inflation/ purchasing power 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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