

### RHB MALAYSIA INCOME FUND

The Fund aims to provide investors with regular income returns over the medium to long term<sup>^</sup> investment horizon.

Note: <sup>^</sup> "medium to long term" in this context refers to a period of between 3 – 7 years.

#### INVESTMENT STRATEGY

- Up to 100% of NAV - Investments in fixed income securities or instruments issued or guaranteed by Malaysian government or Bank Negara Malaysia and/or fixed income securities or instruments issued by financial institutions in Malaysia;
- Up to 50% of NAV - Investments in liquid assets including money market instruments, deposits in financial institutions and collective investment schemes investing in money market instruments and deposits in Malaysia.

#### INVESTOR PROFILE

This Fund is suitable for investors who:

- have low risk profile; and
- prefer a more predictable income in line with the investment strategies.

#### FUND PERFORMANCE ANALYSIS

There is no performance record as the Fund launched less than 1 year.

#### FUND DETAILS

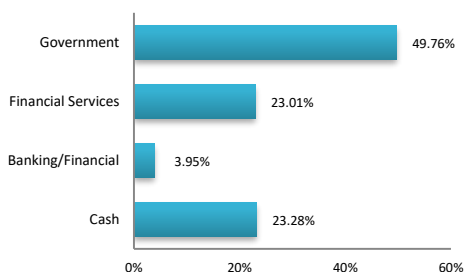
<b>Manager</b>	RHB Asset Management Sdn Bhd
<b>Trustee</b>	CIMB Commerce Trustee Bhd
<b>Fund Category</b>	Bond fund
<b>Fund Type</b>	Income fund
<b>Launch Date</b>	10 October 2019
<b>Base Currency</b>	RM
<b>Unit NAV</b>	RM1.0337
<b>Fund Size (million)</b>	RM630.95
<b>Units In Circulation (million)</b>	610.38
<b>Financial Year End</b>	31 January
<b>MER</b>	Not available
<b>Min. Initial Investment</b>	RM10,000.00
<b>Min. Additional Investment</b>	RM5,000.00
<b>Benchmark</b>	RHB Bank Bhd's 6 months fixed deposit rate
<b>Sales Charge</b>	None
<b>Redemption Charge</b>	None
<b>Dilution fee</b>	None
<b>Annual Management Fee</b>	Up to 0.50% p.a. of NAV*
<b>Annual Trustee Fee</b>	0.03% p.a. of NAV*
<b>Switching Fee</b>	RM25.00 per switch*
<b>Distribution Policy</b>	Incidental

\*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.

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



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

MGS 3/2007	3.502% (31/05/2027)	7.51
GII MURABAHAH 1/2017	4.258% (26/07/2027)	5.21
GII MURABAHAH 1/2019	(09/07/2029)	5.19
MALAYSIAN GOVERNMENT SECURITIES 2/2019	(15/08/2029)	4.94
HLFG CP 92D (13/08/2020) TRANCHE 23		3.95

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0358	N/A	1.0411
Low	1.0274	N/A	1.0000

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
28 May 2020	0.6000	0.59

Source: RHB Asset Management Sdn. Bhd.

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### MANAGER'S COMMENTS

#### MARKET REVIEW

On the local rates, both Malaysia's sovereign papers that are Malaysia Government Securities (“MGS”) and Government Investment Issues (“GI”) started the month on upward trajectory amid supply concern arising from short-term economic recovery stimulus package by the government to support domestic economy. Following recent gains in tightening of bond yields, investors seen realizing gains on top of supply concern resulting in upward movement in bond yields. The 10-year MGS went as high as 3.07% before buying on dips emerged strongly for the MGS 10-year to hover around 2.88%-2.90% during the period. On the other action towards the end of the month, S&P Global Ratings revised the outlook of Malaysia to Negative from Stable on additional downside risks to Malaysia's fiscal metrics amid challenging global growth outlook and heightened policy uncertainty. Nevertheless, the yield curve is very steep at the moment, with attractive value seen at the back end of the curve where interest has been lacking. Market participants are also waiting on guidance from Bank Negara Malaysia (“BNM”) during its Monetary Policy Committee (“MPC”) meeting next week, in which there's a split view currently on chances of rate cut. We remain to see the space to be range-bound as the yield mostly capped at 3.00%, any sell-off will be quickly met by dip-buying interest which will keep the curve well supported.

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 2.24% (May-2020: 2.27%), 2.46% (2.46%), 2.66% (2.62%), 2.86% (2.80%), 3.31% (3.18%), 3.60% (3.41%) and 4.01% (3.80%) respectively. On the other hand, action on the GI – the Shariah compliant version of MGS, appeared to be resilient and well supported though mirroring the bull-steepened curve as the MGS counterpart. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GI were reported at 2.30% (May-2020: 2.29%), 2.50% (2.45%), 2.74% (2.69%), 2.86% (2.71%), 3.41% (3.24%), 3.73% (3.45%) and 3.97% (3.77%) 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 On the local economic front, Malaysia's Consumer Prices Index (“CPI”) report for May 2020 was below expectation and contracted at -2.9%, remained at decades low following same reading in April 2020. 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. Headline CPI could turn less negative in coming month of June 2020 following the jump in RON95 prices in the first 26 days of the month. Further increase in RON95 prices could reduce CPI drag in the second half of the year. Nevertheless, demand-pull pressures would likely remain muted, given headwinds to consumer recovery from the continuing social distancing and further weakness in the labour market. Currently the average year-to-date 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 although the self-imposed ceiling of debt to GDP ratio of 55% to breach slightly above on temporarily basis.

#### DISCLAIMER:

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 10 October 2019 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. 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 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 Fund is interest rate risk, credit and default risk, liquidity risk and issuer risk. These risks and other general risks 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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