

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:

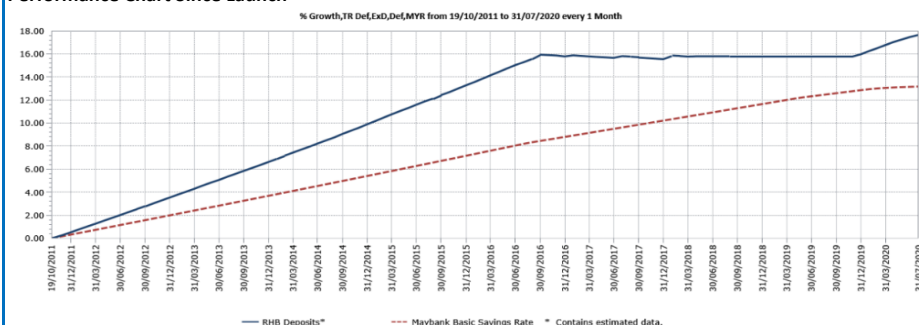
- require a high level of liquidity;
- are conservative and seek capital preservation;
- seek reasonable returns that commensurate with the low risks investments; and
- prefer a short term investment horizon.

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	0.16	0.53	1.20	1.44
Benchmark	0.02	0.07	0.20	0.28

	1 Year	3 Years	5 Years	Since Launch
Fund	1.61	1.60	5.16	17.64
Benchmark	0.67	3.23	6.33	13.17

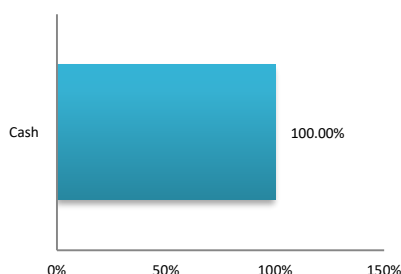
Calendar Year Performance (%)*

	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	1.0054	1.0066	1.0093
Low	1.0044	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	RM1.0054
Fund Size (million)	RM44.59
Units In Circulation (million)	44.35
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.

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.

MANAGER'S COMMENTS

MARKET REVIEW

On the local rates, both Malaysia's sovereign papers ie; Malaysia Government Securities ("MGS") and Government Investment Issues ("GII") started the month on upward trajectory from the end of second quarter amid supply concern arising from short-term economic recovery stimulus package by the government to support domestic economy. Nevertheless, prospect of rate cut by Bank Negara Malaysia ("BNM") has somehow supported the yield and market players have seen to be divided on their positioning ahead of the decision. After the meeting which saw BNM cut interest rate by another 25 basis points ("bps"), local government bond yields were continuously being bought with longer-tenor ie; 15-year to 30-year emerged as best performers during the month as curve flattening theme took place on dovish statement released from the meeting. A strong 15-year MGS auction spurred the demand for duration, with buying interest from both locals and foreigners. Despite not having private placement and a MYR5 billion issuance size, 15-year MGS 7/34 reopening was well subscribed. Bid-to-cover ratio was solid at 2.1 times. The interesting part was the successful yields of 2.95%-2.985% which literally fell 4-7bps from previous day closed with more supply, notwithstanding the fact that the 15y MGS yield had already rallied 7bps during the week prior to the auction. We remain to see the space to be well supported on deep liquidity and low for longer interest rate trajectory which means any sell-off will be quickly met by dip-buying interest.

Month-on-month, MGS space was bull-flattened with yields roughly being well supported at the shorter-tenor while the longer-tenor seen real-money interest. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 1.93% (June-2020: 2.24%), 2.11% (2.46%), 2.23% (2.66%), 2.53% (2.86%), 2.96% (3.31%), 3.19% (3.60%) and 3.56% (4.01%) respectively. On the other hand, action on the GII – the Shariah compliant version of MGS, appeared to also been bought well mirroring the bull-flattened curve as the MGS counterpart. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 1.97% (June-2020: 2.30%), 2.07% (2.50%), 2.28% (2.74%), 2.56% (2.86%), 3.02% (3.41%), 3.31% (3.73%) and 3.66% (3.97%) respectively.

On the local economic front, Malaysia's Consumer Prices Index ("CPI") report for June 2020 was below expectation and contracted at -1.9%, remained at decades low following lower reading of -2.9% in May 2020. CPI dropped for the fourth consecutive month in June 2020 after March 2020's 0.2% decline. The decrease in the overall index was driven by the decline in transport (-14.3%), housing, water, electricity, gas & other fuels (-2.6%), clothing & footwear (-1.1%) and furnishings, household equipment & routine household maintenance (-0.2%) which contributed to 45.7% of overall weight. 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 with oil price trajectory pointing to further recovery in RON95 prices through year-end. Nevertheless, demand-pull pressures should 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:

Based on the fund's portfolio returns as at 14 July 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 3.3 (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 30 June 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 contents of the PHS and Master Prospectus dated 3 August 2017 and its supplementary(ies) (if any) ("collectively known as the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Prospectus should not be taken to indicate that the SC has recommended 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 Fund 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.

This Fund Factsheet has not been reviewed by the SC.

RHB Asset Management Sdn Bhd (174588-x)

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

General Line: 603-9205 8000

www.rhbgroup.com

 RHB Group
  @RHBGroup
  RHB Group
  RHBGroup

RHB Asset Management Sdn Bhd (174588-X)

