

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:

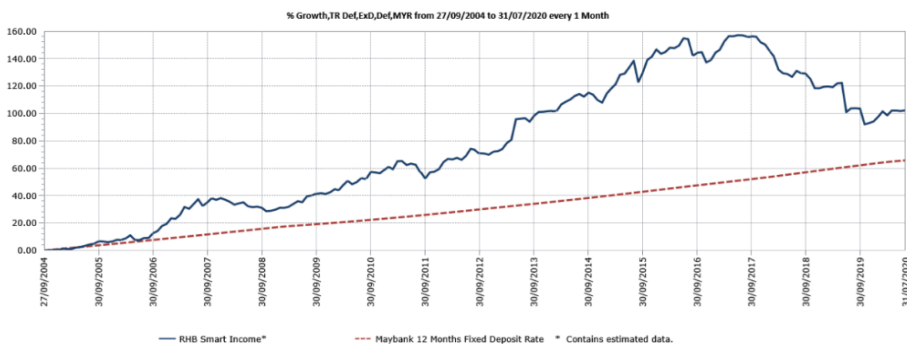
- are conservative;
- seek a steady income stream from their investments; and
- have a low to moderate risk tolerance with a medium to long term investment horizon.

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	0.26	0.11	2.32	4.16
Benchmark	0.16	0.52	1.18	1.44

	1 Year	3 Years	5 Years	Since Launch
Fund	-0.69	-21.40	-15.26	101.97
Benchmark	2.74	9.55	16.67	65.68

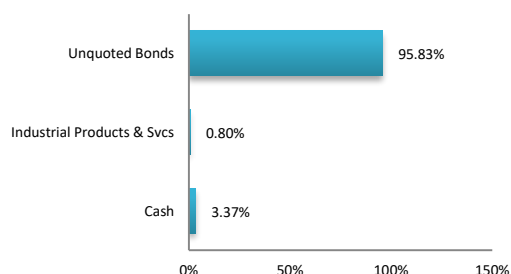
Calendar Year Performance (%)*

	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)	48.65
MEX II SDN BHD 6.0% (29/04/2030)	47.18
UMS-NEIKEN GROUP BHD	0.80

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5347	0.5406	0.7571
Low	0.5309	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

Over in Malaysia, the market closed above 1600 points despite month end sell down ahead of the long weekend break. Glove stocks remained active as the number of COVID-19 cases continue to rise globally. Plantations stocks also gained after mini rally in CPO price to intra month high of RM2,800. Retailers remained net buyers at +RM2.1bn (USD495m) while local institutions were even. Foreign institutions remained net sellers at -RM2.5bn (USD589m). FBMKLCI's average daily transaction value (ADTV) increased to RM5.46bn (USD1.28bnn) in July 2020 versus RM4.58bn (USD1.08bn) in June 2020 with retailers and local institutions remaining active. Best performing sector were Healthcare (64%) and Technology (24%) while the laggards were Reits (-2.8%) and Construction (-1.7%).

EQUITY MARKET OUTLOOK AND STRATEGY

With ample liquidity, GDP and earnings bottoming out, equity market has more potential on a longer term basis. Short term, market will take a breather awaiting for 2Q quarter results to provide a guide for the future earnings recovery mode from the economic perspective. Continued to remain heavily invested by anchoring fundamental sound companies while trading on cyclical stocks which will benefit from economy recovery measures initiated by various governments globally.

FIXED INCOME MARKET REVIEW

Malaysian Ringgit Sovereign Bond

On the local rates, both Malaysia's sovereign papers that is 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 local government bond yields were continuously being bought with longer-tenor.

Malaysian Ringgit Corporate Bond

In the Malaysian Ringgit corporate bond/sukuk space, overall monthly trading volumes stayed around the previous month as lower cost of funding after consecutive OPR cut attracts corporates to tap in the primary issuances space. Investors remained side-lined in the secondary market space to participate for the upcoming pipelines for better yield enhancement.

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 14 July 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 3.3 but not more than 9.6 (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 15 June 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 risk, liquidity risk of underlying investments and inflation/ purchasing power 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.

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