

### RHB ISLAMIC CASH MANAGEMENT FUND

This Fund aims to provide liquidity and a regular stream of income by investing in Islamic money market instruments.

#### INVESTMENT STRATEGY

- At least 90% of NAV: Investments into Islamic money market instruments and Islamic deposits with licensed financial institutions that are not more than 365 days maturity.
- Up to 10% of NAV: Investments in Islamic money market instruments and Islamic deposits with licensed financial institutions that is more than 365 days but fewer than 732 days maturity.

#### INVESTOR PROFILE

This Fund is suitable for Investors who:

- want to earn returns higher than savings deposits while maintaining a high degree of liquidity.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*

% Growth,TR Def,ExD,DeI,MYR from 30/06/2008 to 31/08/2020 every 1 Month



— RHB Islamic Cash Management\* - - - Islamic Cash Management Index \* Contains estimated data.

Source: Lipper

##### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	0.17	0.56	1.29	1.82
Benchmark	0.13	0.42	1.00	1.45

	1 Year	3 Years	5 Years	Since Launch
Fund	2.90	10.43	18.50	43.43
Benchmark	2.44	8.92	16.21	40.79

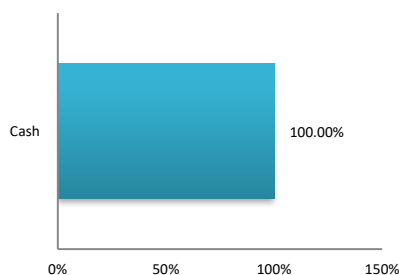
##### Calendar Year Performance (%)\*

	2019	2018	2017	2016	2015
Fund	3.44	3.63	3.50	3.61	3.63
Benchmark	3.03	3.18	3.01	3.22	3.47

Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Asset Allocation\*



\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0000	1.0000	1.0027
Low	1.0000	1.0000	0.9998

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
31 Aug 2020	0.1700	2.00
31 Jul 2020	0.1800	2.18
30 Jun 2020	0.2100	2.51
31 May 2020	0.2300	2.70
30 Apr 2020	0.2400	2.92
31 Mar 2020	0.2500	2.98

Source: RHB Asset Management Sdn. Bhd.

## RHB ISLAMIC CASH MANAGEMENT FUND

This Fund aims to provide liquidity and a regular stream of income by investing in Islamic money market instruments.

### MANAGER'S COMMENTS

#### MARKET REVIEW

At the start of the month August, United States (US) treasuries continued to advance with overall yields down by 2-7 basis points (bps) across the curve, as patchy economic data continued to stimulate fear of a more fragile recovery in the US economy. However, better-than-expected July jobs data and additional supply of circa USD112 billion under the recently announced quarterly refunding exercise by the treasury plus a lesser dovish The Federal Open Market Committee (FOMC) statements set the spike in benchmark yields between 1-23bps with the curve steepening sharply. The selling pressure continued towards end of month as risk sentiments improved from trade optimism and vaccine hope which prompted investors to pare holdings in safer government securities.

Nevertheless, the US Treasury (UST) yields ended the last trading of August lower on the announcement at the Jackson Hole meeting by the Federal Reserve's Chairman in the shift in monetary policy to tolerate higher inflation (letting inflation go above 2%), by not raising interest/profit rates to stem rising inflation. Hence signals its intention of keeping rates low for an extended period of time. At the end of August 2020 close, the benchmark 2-, 5-, 10- and 30-year UST were last traded at 0.13% (July 2020: 0.11% +2bps), 0.27% (0.20%; +7bps), 0.71% (0.53%; +18bps) and 1.48% (1.19%; +29bps) respectively.

Mirroring the UST market, a follow through rally with active trades were seen in the first week of the month for local bond/sukuk market with Govvies benchmark yields shifted 2-16bps lower across the curve. Much of the rally was attributed to the increase in foreign investors' interests on Malaysian local bonds/sukuk in search of better yields hence strengthened Malaysian Ringgit level to a 5 month high. Despite a decline in real yields across Emerging Market, 2-year real yields are highest in Malaysia. Nevertheless, the government's move to raise the country's statutory debt limit to 60% of Gross Domestic Product (GDP) from 55% presently triggered profit-taking and selling activities in the following week until towards end of month. The overall benchmark Malaysia Government Securities (MGS) and Government Investment Issue (GII) yields closed higher between 0-34bps; as the 7-year to 20-year tenures felt the most pressure.

Month-on-month, yield curve generally bear steepened as Govvies yields spiked by a range of 3 - 34bps with the long end of the curve pressured upward the most. At the close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 1.85% (July 2020: 1.91%), 2.14% (2.11%), 2.29% (2.25%), 2.62% (2.55%), 3.08% (2.96%), 3.52% (3.18%) and 3.62% (3.52%) respectively. While similar pattern was noted in GII space, with yield sold-off towards the end of the month. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 1.85% (July 2020: 1.97%), 2.05% (2.07%), 2.39% (2.28%), 2.67% (2.56%), 3.18% (3.02%), 3.45% (3.30%) and 3.65% (3.66%) respectively.

#### MARKET OUTLOOK AND STRATEGY

Malaysia's growth slowed and enters into negative territory in the second quarter following the movement control measures introduced by the government to contain the COVID-19 pandemic which consequently resulted to slower economic activities. Domestic growth in 2Q2020 prints -17.1% year-on-year (YoY) following a previous print of +0.7% in the 1Q2020. Bank Negara Malaysia (BNM) revised the growth outlook for Malaysia for 2020 to range between -3.5% to -5.5% with prospects of growth recovery to +5.5% to +8.0% in 2021.

Key focus for investors to look out for the month of September include the upcoming Bank Negara Malaysia (BNM) Monetary Policy Committee (MPC) meeting in the second week of the month with a prospect of another cut in Overnight Policy Rate (OPR) by BNM following softer 2Q2020 GDP print, while FTSE Russell review for the decision on Malaysia's sovereign bond update scheduled towards late September. We view that demand for the local govvies remained strong with positive foreign inflows seen in the prior months, strengthening our expectation that MGS to remain included in the index.

We maintain our view that investing in Malaysian Ringgit bonds/sukuk continues to provide positive real yields as inflation is expected to stay negative in 2020. Additionally, prospects of weaker USD outlook given the dovish slant in the US Fed's outlook for an extended period should infuse further catalysts for investors searching for yields to shift interests towards Asian local currency bonds/sukuk including Malaysia, which continues to offer higher yields in comparison to G3 bonds.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 August 2020, the Volatility Factor (VF) for this fund is 0.1 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 15 July 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 ("SC") 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 interest rate risk, credit / default risk, inflation risk and shariah specific 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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