

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.

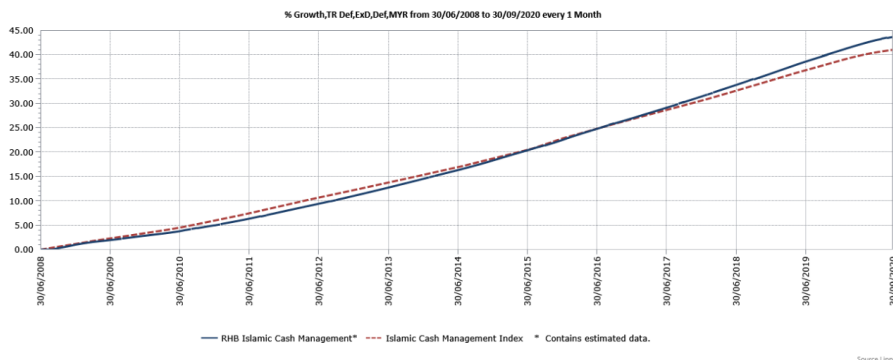
INVESTOR PROFILE

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*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.16	0.51	1.19	1.98
Benchmark	0.12	0.39	0.91	1.58

	1 Year	3 Years	5 Years	Since Launch
Fund	2.79	10.29	18.34	43.66
Benchmark	2.32	8.79	15.97	40.97

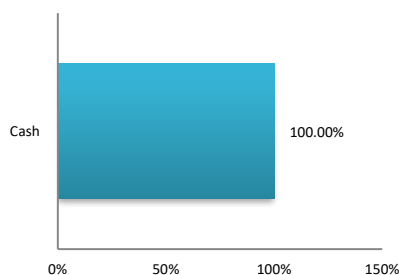
Calendar Year Performance (%)*

	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 (%)
30 Sep 2020	0.1600	1.92
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

Source: RHB Asset Management Sdn. Bhd.

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Money market fund (Shariah-compliant)
Fund Type	Income Fund
Launch Date	30 June 2008
Unit NAV	RM1.0000
Fund Size (million)	RM4,014.17
Units In Circulation (million)	4014.16
Financial Year End	30 November
MER (as at 30 Nov 2019)	0.32%
Min. Initial Investment	Institutional - RM100,000.00 Retail - RM50,000.00
Min. Additional Investment	Institutional - RM50,000.00 Retail - RM25,000.00
Benchmark	Maybank Islamic Bhd's 1-month Islamic Fixed Deposit-i rate
Sales Charge	None
Redemption Charge	None
Annual Management Fee	Up to 0.30% p.a. of NAV*
Annual Trustee Fee	0.025% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Redemption Period	Within 1 days after receipt the request to repurchase
Distribution Policy	Monthly, 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.

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MANAGER'S COMMENTS

MARKET REVIEW

United States Treasuries (UST) continued to advance in the early part of the month with yields lowered by a further 3-6 basis points (bps) across the curve as the Federal Reserve (Fed) began its daily bond purchase particularly in the long end bucket. However, yields remained traded within tight range amidst uncertainties surrounding the vaccine hope, US-China relations and US fiscal stimulus impasse. Additionally, the commitment by the Fed to keep the US Fed Fund Rate at near zero for an extended period until 2023 provide support to the overall yield curve.

At the end of September 2020 close, the benchmark 2-, 5-, 10- and 30-year UST were last traded at 0.13% (August 2020: 0.13% +0bps), 0.28% (0.27%; +1bps), 0.68% (0.71%; -3bps) and 1.46% (1.48%; -2bps) respectively.

Local Govvies succumbed to selling pressure post Bank Negara Malaysia (BNM) decision to stand pat on the Overnight Policy Rate (OPR) at 1.75% during the September's Monetary Policy Committee (MPC) meeting plus weak bidding metrics on the 30-year Government Investment Issue (GII). Yields spiked up by 5-17 bps with the long end suffered the most. Furthermore split market view on FTSE Russell announcement on Malaysia maintained in the index with possible of exclusion in the next review, gave rise to more uncertainties thus dampen the investors' appetite.

Month-on-month (MoM), yield curve generally bear flattened as Malaysian government securities (MGS) yields shifted higher by a range of 5-14bps in the belly curve while the long end of the curve rallied by range of 6-19bps. At the close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 1.99% (August 2020: 1.85%), 2.25% (2.14%), 2.43% (2.29%), 2.67% (2.62%), 3.02% (3.08%), 3.33% (3.52%) and 3.81% (3.62%) respectively. On the other hand, GII yields moved generally higher across the curve with the longer tenure pressured the most with yield jumped by 40bps as a result of tepid demand on new 30 years issue. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 2.04% (August 2020: 1.85%), 2.21% (2.05%), 2.35% (2.39%), 2.63% (2.67%), 3.15% (3.18%), 3.56% (3.45%) and 4.05% (3.65%) respectively.

MARKET OUTLOOK AND STRATEGY

Gradual re-opening of economy globally and concerted monetary easing by major global central Banks should spur recovery prospects in the coming quarters barring further spike in coronavirus cases and re-establishment of restrictive movement control. The US Fed reiterated to maintain the US Fed Fund Rate at near zero for an extended period until 2023 or until labour market condition have stabilised and reach the target employment level. On a related note, the new policy framework now allows inflation to rise above 2%.

With prospects of allowing inflation rate to rise and also increase in government debt issuance to finance enlarged stimulus packages, we opine that yield may rise gradually premised on better economic numbers as US economy reopens. Nevertheless, yields are not expected to rise at levels prior to the pandemic on views that there will not be hasty decisions to raise rates before 2023.

Despite Malaysia recorded a soft 2Q2020 Gross Domestic Product (GDP) print at -17.1% year-on-year (YoY), the data showed that domestic growth has rebounded since April, implying that domestic growth may have bottomed in 2Q and is poised to recover in 2H2020 with the gradual reopening of economies. 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.

While BNM decided to keep its policy rate unchanged at the current record low of 1.75% following a total of 125bps cut for 2020, we opine the central bank still has policy room to ease further given the benign inflation outlook. The pace of future policy easing remains data dependent. In the September's FTSE Russell review, Malaysia will continue to remain included in FTSE Russell World Government Bond Index (WGBI). The index provider has acknowledged the positive measures introduced by BNM and has decided to maintain Malaysia's continued inclusion in the index.

Going forward, FTSE Russell decision on Malaysia's continued inclusion to infuse further market confidence on Malaysian Ringgit bond/sukuk market and we expect the demand for local govvies to garner traction from both local and offshore investors.

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 including Malaysia, which continues to offer higher yields in comparison to G3 bonds.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 September 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 Master 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.

RHB Asset Management Sdn Bhd (174588-X)

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

General Line: 603-9205 8000