

RHB MALAYSIA INCOME FUND

The Fund aims to provide investors with regular income returns over the medium to long term[^] investment horizon.

Note: [^] "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

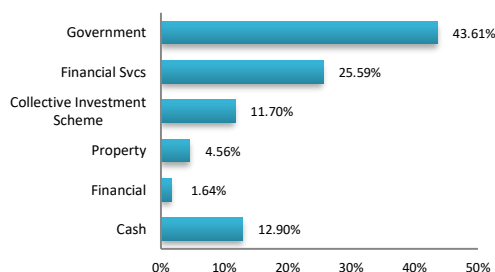
Manager	RHB Asset Management Sdn Bhd
Trustee	CIMB Commerce Trustee Bhd
Fund Category	Bond fund
Fund Type	Income fund
Launch Date	10 October 2019
Base Currency	RM
Unit NAV	RM1.0523
Fund Size (million)	RM1,523.52
Units In Circulation (million)	1447.63
Financial Year End	31 January
MER	Not available
Min. Initial Investment	RM10,000.00
Min. Additional Investment	RM5,000.00
Benchmark	RHB Bank Bhd's 6 months fixed deposit rate
Sales Charge	None
Redemption Charge	None
Dilution fee	None
Annual Management Fee	Up to 0.50% p.a. of NAV*
Annual Trustee Fee	0.03% p.a. of NAV*
Switching Fee	RM25.00 per switch*
Distribution Policy	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 (%)*

RHB CASH MANAGEMENT FUND 1	11.70
MGS 3/2007 3.502% (31/05/2027)	5.63
GII MURABAHAH 6/2019 4.119% (30/11/2034)	4.34
MGS 5/2019 3.757% (22/05/2040)	3.43
GII MURABAHAH 1/2020 3.422% (30/09/2027)	2.81

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0523	N/A	1.0523
Low	1.0483	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 is Malaysia Government Securities ("MGS") and Government Investment Issues ("GI") curve were generally bull-steepened in most part of the month as positive auction of the new MGS 10-year benchmark has drove the short-tenor and up to the belly of the curve to be well demanded. This is on top of gradual market adjustment and expectation for lower policy rate going forward as the surge in number of Covid-19 cases shall warrant dovish monetary policy to curb potential shortfall in growth trajectory as well as to lend further support for domestic economy.

Looking ahead, curve steepening pressure might prevail on supply dynamics point of view as there is now a stronger case for the continuation of expansionary fiscal measures which will reflect in similarly heavy government bond supply profile in 2021. Therefore, we will be closely watched for further details in this upcoming Budget 2021 announcement as government need to find a tight balance between fiscal consolidation and maintaining adequate and sustainable support for the recovery. Nonetheless, we remain opportunistic as the correction in yields will attracts good entry level as policy remain far from tightening cycle.

Month-on-month, MGS space was bull-steepened with the front-end yields were well priced-in for another 25 bps OPR reduction. Overall, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 1.75% (Sept-2020: 2.00%), 2.00% (2.24%), 2.32% (2.42%), 2.61% (2.65%), 3.10% (3.04%), 3.45% (3.37%) and 3.89% (3.84%) respectively. On the other hand, action on the GI – the Shariah compliant version of MGS, appeared to also been in a same trend of well-demanded shorter-tenor which has moved closed to 25 bps lower during the month. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GI were reported at 1.79% (Sept-2020: 2.04%), 1.96% (2.22%), 2.34% (2.37%), 2.59% (2.64%), 3.21% (3.15%), 3.51% (3.57%) and 4.00% (4.05%) respectively.

On the local economic front, Malaysia's Consumer Prices Index ("CPI") report for September 2020 was still in deflationary mode at a lower rate of -1.4%, following the same reading of -1.4% in August 2020. CPI dropped for the eight-consecutive month in September 2020 since March 2020's 0.2% decline. The decrease in the overall index was attributed to declines in transport (-9.9%), housing, water, electricity, gas and other fuels (-3.0%), clothing and footwear (-0.6%), and furnishing and household equipment (-0.1%) which overall contributed about 41.6% of overall weight in CPI basket. The CPI's transport segment declined on cheaper petrol and diesel retail price. In the statement, the Department of Statistic Malaysia ("DOSM") said the average price of unleaded petrol RON95 decreased to RM1.68 per litre compared to RM2.08 in September 2019 amid persistently soft global crude oil prices. For now, headline CPI is forecasted to be staying in negative territory for the rest of the year and only rising through for the first half of 2021 on base effects. Currently the average year-to-date Brent oil price is still hovering about USD42/barrel which is above the Government's assumption for average oil price at around USD35/barrel, indicated during the release of the previous stimulus package. To recap, BNM's inflation rate forecast remains at -1.5% to 0.5% for 2020 and see the inflation could pick-up to 1.0% to 3.0% in 2021.

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 contents of the PHS and Prospectus dated 10 October 2019 and its supplementary(ies) (if any) ("collectively known as the Prospectus") before investing. The 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 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 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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