RHB Asset Management

FUND FACTSHEET - DECEMBER 2020

All data expressed as at 30 November 2020 unless otherwise stated

3-year Fund Volatility 0.2 very low Lipper Analytics 10 NOV 2020

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.

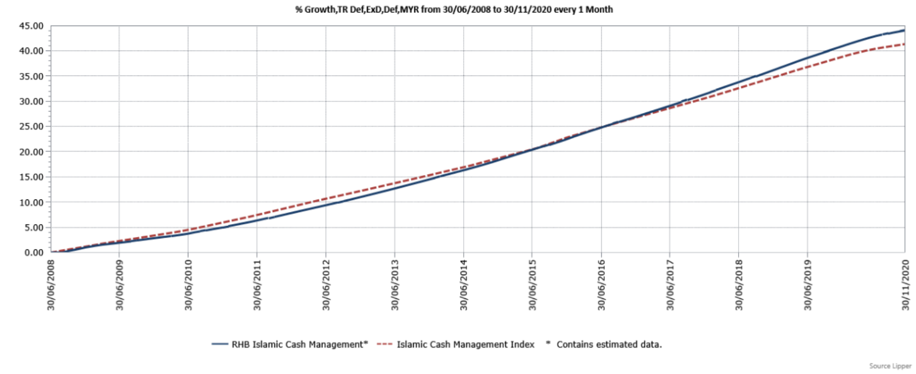
INVESTOR PROFILE

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	**0.14**	**0.45**	**1.02**	**2.28**
Benchmark	0.12	0.37	0.80	1.83

	1 Year	3 Years	5 Years	Since Launch
Fund	**2.55**	**9.98**	**17.97**	**44.09**
Benchmark	2.08	8.52	15.49	41.32

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 DETAILS

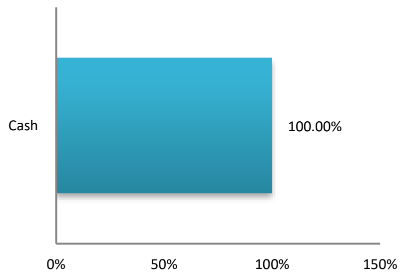
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Money market fund (Shariah-compliant)
Fund Type	Income Fund
Launch Date	30 June 2008
Unit NAV	RM1.0000
Fund Size (million)	RM3,713.18
Units In Circulation (million)	3713.18
Financial Year End	30 November
MER (as 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.

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 Nov 2020	0.1400	1.75
31 Oct 2020	0.1500	1.81
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

Source: RHB Asset Management Sdn. Bhd.

3-year Fund Volatility
0.2
very low
Lipper Analytics 10 NOV 2020

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

It was a roller coaster month for the United States Treasury (UST) market, which had largely priced in a prospects of Biden led victory. The 10-year UST yield advancing up for 20 basis points in the month of October and ran up to 0.94% the day before US Presidential Election on bets of more stimulus if Joe Biden wins against current President Donald Trump. However, yields reversed sharply two days later to settle at 2-week low of 0.78% given the tight race between both parties, before rising back to 0.97% the following week on news from pharmaceutical Pfizer and German's BioNtech claimed that their coronavirus vaccines were more than 90% effective in shielding against COVID-19 infections. Yields and global equity index soared the highest with Dow Jones Industrial Average index broke 30,000. The following two weeks saw range trades in UST markets on disagreement between the Treasury Department and the Federal Reserve (Fed) over the continuation of funding for some of the emergency programs targeted towards small and medium size business, which has been served an important role to support the vulnerable economy amid worsening pandemic crisis.

At the end of November 2020 close, the benchmark 2-, 5-, 10-, 20- and 30-year UST were last traded at 0.1485% (October-2020: 0.1525% -4bps), 0.36% (0.38%; -2bps), 0.84% (0.87%; -3bps), 1.36% (1.43%; -7bps) and 1.57% (1.66%; -9bps) respectively. UST closed slightly bull flatter over the month while front end rates remain anchored.

On the local rates, both Malaysia's sovereign papers that is Malaysia Government Securities (MGS) and Government Investment Issues (GII) curve were generally softer with yields seen to be drifted higher on less trading activities towards the end of the year as well as improvement in risk appetite following vaccine progress that saw global yields spiked and reversed entirely. The uncertainties ahead of the Budget 2021 debate and passing vote added in pressuring sentiment of Malaysia's bonds/sukuk market during the month. At this juncture, high anticipation in bonds/sukuk market is unlikely given the improvement in risk appetite might flows into equities following vaccine progress that could enhance optimism over combating and containing the rising global COVID-19 cases and help on global economy growth. Rising external yields will inevitably weigh on Malaysian Ringgit bonds/sukuk when supply profile remains heavy while demand faces headwinds. Nevertheless, Bank Negara Malaysia (BNM) has ample capacity to raise its exposure in local government bonds/sukuk though may less motivated to do so if yield increase comes under the context of better growth prospects.

Month-on-month, MGS space was bear-steepened with the front-end yields adjusted higher after the rate cut expectation did not materialize. Overall, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 1.75% (October-2020: 1.75%), 2.00% (2.00%), 2.32% (2.32%), 2.61% (2.61%), 3.10% (3.10%), 3.45% (3.45%) and 3.89% (3.89%) respectively. On the other hand, action on the GII – the Shariah compliant version of MGS, appeared to also been in a same trend of bear-steepening curve on softer overall local bonds/sukuk market. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 1.79% (October-2020: 1.79%), 1.96% (1.96%), 2.34% (2.34%), 2.59% (2.59%), 3.21% (3.21%), 3.51% (3.51%) and 4.00% (4.00%) respectively.

MARKET OUTLOOK AND STRATEGY

We retain our view that global growth will be severely impacted largely due to the COVID-19 pandemic, with inflation to remain largely depressed throughout 2020. Monetary policy is likely to remain accommodative across both Developed Market and Emerging Market economies in the near to medium term. International Monetary Fund (IMF) expects global growth to fall 4.4% in 2020, 0.5ppts above their June projection as they are projecting a somewhat less severe though still deep recession in 2020. Global growth for 2021 is therefore unchanged at +5.4%. The focus for policymakers has shifted from targeted emergency support to broader demand-boosting stimulus. This could help the economy cope with pressures from a still-struggling private sector and limp domestic demand.

As for Malaysia, 3Q20 Gross Domestic Product (GDP) growth surprised on the upside at -2.7% year-on-year (YoY) which is a significant improvement from -17.1% in 2Q20. However, we note that there are considerable downside risks to the near-term outlook taking into account the Conditional Movement Control Order (CMCO) reinstated in October which could hamper economic activity to some extent and thus have an impact on 4Q20 GDP growth.

Nevertheless, BNM has decided to maintain the Overnight Policy Rate (OPR) at 1.75% at the final Monetary Policy Meeting (MPC) for this year held on 3 November, citing projected further improvement on the country's economic activity and inflation to remain subdued as the world economy contends with the resurgence in COVID-19 cases. In a statement post MPC, BNM was confident on the continued recovery in the global economy, led by improvements in manufacturing and export activity although the resurgence in COVID-19 cases suggests that the global economic recovery will likely remain uneven in the near term. As for Malaysia, the latest indicators point towards significant improvement in economic activity in the third quarter. BNM acknowledged, the introduction of targeted measures to contain COVID-19 in several states could affect the momentum of the recovery in the fourth quarter. Nonetheless, growth for the year 2020 is expected to be within the earlier forecasted range. On Malaysia's inflation, BNM said that in line with earlier assessments, headline inflation is likely to average negative this year given the substantially lower global crude oil prices. For 2021, headline inflation is projected to average higher. The country's inflation outlook will continue to be significantly affected by global oil and commodity prices.

As the Feds is pledging for interest/profit rates to remain unchanged at current level at least until 2023, hence we see the positive real interest/profit rates in emerging market yields, which are still decent compared to develop nation should attract flows. Nevertheless, we expect market to be more cautious in the coming months and into 2021 premised on higher supply in both government and corporate issuance as well as heightened policy and political uncertainty domestically. Additionally, vaccines and US political landscape may reshape global growth and inflation outlook in the next few months with rising external yields will also weigh on local bonds/sukuk sentiments.

Based on the above, we are neutral in duration and continue to position in capturing volatility for trading while maintaining quality credits for yield preservation.