

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.

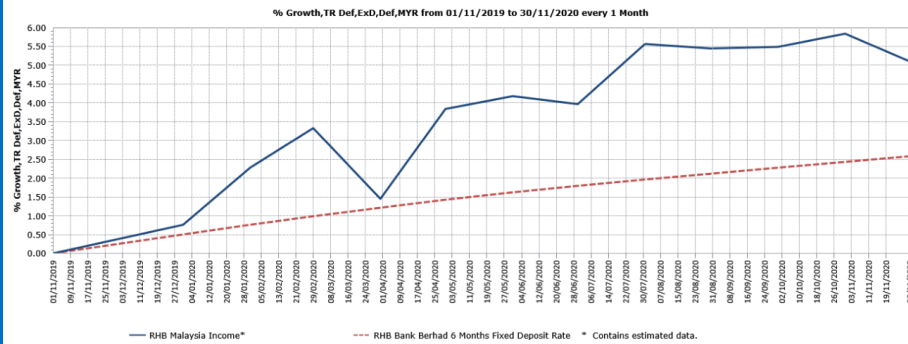
INVESTOR PROFILE

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

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-0.70	-0.33	0.88	4.30
Benchmark	0.15	0.45	0.94	2.07

	1 Year	Since Launch
Fund	4.91	5.10
Benchmark	2.33	2.58

FUND DETAILS

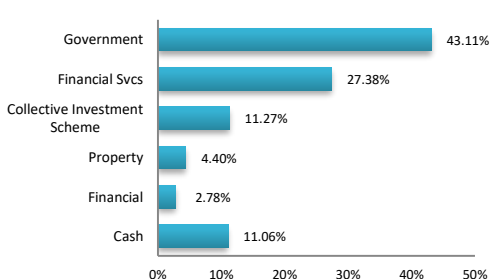
Manager	RHB Asset Management Sdn Bhd
Trustee	CIMB Commerce Trustee Bhd
Fund Category	Bond fund
Fund Type	Income fund
Launch Date	10 October 2019
Base Currency	RM
Unit NAV	RM1.0449
Fund Size (million)	RM1,583.78
Units In Circulation (million)	1515.70
Financial Year End	31 January
MER	Not available
Min. 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	11.27
MGS 3/2007 3.502% 31/05/2027	5.33
GII MURABAHAH 6/2019 4.119% 30/11/2034	4.07
GII MURABAHAH 1/2020 3.422% 30/09/2027	3.96
MGS 5/2019 3.757% 22/05/2040	3.17

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0549	1.0549	1.0549
Low	1.0449	1.0000	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 ie; 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 bond market during the month. At this juncture, high anticipation in bond 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 Ringgit bonds when supply profile remains heavy while demand faces headwinds. Nevertheless, BNM has ample capacity to raise its exposure in local government bonds 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% (Oct-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 bond market. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 1.79% (Oct-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.

On the local economic front, Malaysia's Consumer Prices Index ("CPI") declined to -1.5% in October 2020, following reading of -1.4% in September 2020. CPI dropped for the eight-consecutive month in October 2020 since March 2020's 0.2% decline. The decrease in the overall index was attributed to declines in transport (-10.2%), housing, water, electricity, gas and other fuels (-3.0%), clothing and footwear (-0.4%). 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 RM1.67 per litre compared to RM2.08 in October 2019 amid persistently soft global crude oil prices. Year to date, the CPI for the period of January 2020 to October 2020 decreases by 1.0% when compared to the same period last year. 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. 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.

Malaysia's Gross Domestic Product ("GDP") rebounded 18.2% on a quarter-on-quarter basis, seasonally adjusted, stronger than consensus expectation of 16.0% and a prior quarter of 16.5%. The economy contracted 2.7% in year-on-year ("y-o-y") terms, a sharp improvement from the 17.1% contraction in 2Q. The recovery was broad-based, but was driven primarily by a sharp rebound in private consumption (-2.1% y-o-y compared to -18.5% in 2Q2020), contributing to two-thirds of sequential growth in the quarter. This reflects the sharp normalization of resident mobility in 3Q2020. Meanwhile, there was a firm rebound in both fixed investments and net exports, the latter thanks in part to a surge in biomedical and electronics exports. In a statement released alongside the GDP print, Bank Negara Malaysia Governor Nor Shamsiah revealed expectations for growth to contract at the lower end of the -3.5% to -5.5% range this year, while reaffirming that the 125bp of rate cuts this year should boost growth in 2021, and stating that there is "no need" to undertake large-scale government bond purchases.

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.