

RHB SMART INCOME FUND

This Fund aims to provide investors with higher than average income returns compared to fixed deposits over the medium to long term period through an investment blend comprising primarily of quality fixed income securities and with the remaining investments in a strategically selected portfolio of companies with market capitalisation of not more than RM1 billion.

INVESTOR PROFILE

This Fund is suitable for Investors who:

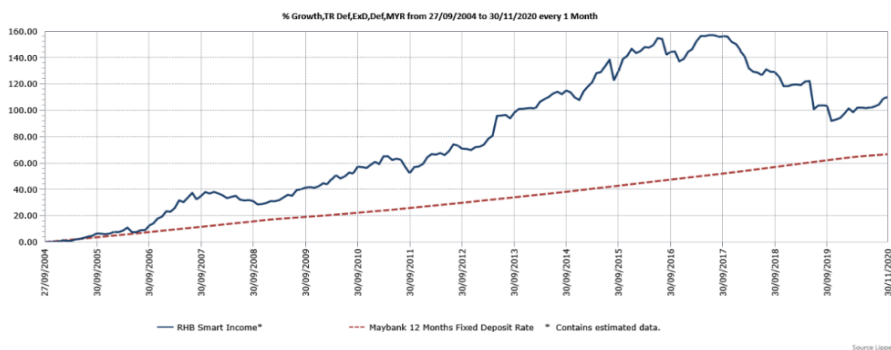
- are conservative;
- seek a steady income stream from their investments; and
- have a low to moderate risk tolerance with a medium to long term investment horizon.

INVESTMENT STRATEGY

- 70% - 100% of NAV: Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.
- 0% - 30% of NAV: Investments in securities of companies with market capitalization of not more than RM1 billion.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.51	3.50	4.20	8.43
Benchmark	0.15	0.46	0.95	2.06

	1 Year	3 Years	5 Years	Since Launch
Fund	9.13	-16.47	-12.88	110.26
Benchmark	2.32	9.10	16.12	66.69

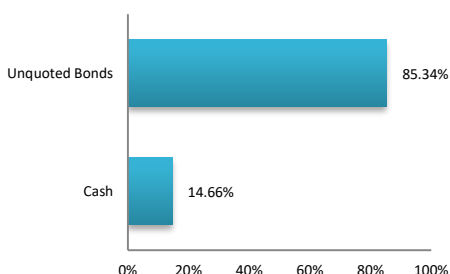
Calendar Year Performance (%)*

	2019	2018	2017	2016	2015
Fund	-11.09	-12.76	4.63	-3.12	18.55
Benchmark	3.19	3.33	3.09	3.21	3.30

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

MEX I CAPITAL BHD 2.5% (24/01/2030)	58.58
MEX II SDN BHD 6.0% (29/04/2030)	26.76

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5557	0.5793	0.7571
Low	0.5529	0.5082	0.4902

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
Mar 2020	-	-
Mar 2019	-	-
22 Mar 2018	3.0000	4.29
20 Apr 2017	1.4000	1.95
28 Mar 2016	5.7100	7.88

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

EQUITY MARKET REVIEW

Over in Malaysia, November 2020 was the second-best month for FBM KLCI in 2020 with a +6.53% gain (July: +6.85%) to 1,563 points, as gainers significantly outnumbered losers. Investors bought into value stocks which were bashed down year to date. The value rally saw YTD losers dominating the top gainers list.

EQUITY MARKET OUTLOOK AND STRATEGY

The rotation to value has already started but surely still has a long way to play out given the gaps in price performance between victims and beneficiaries of the pandemic are huge. The uncertain political backdrop continues to be a drag. It is, however, not the overriding investment consideration. We believe the potential sharp downgrade in corporate earnings will not happen unless the resurgence of COVID-19 is out of control. Fear that banking and gloves sectors' earnings will be badly affected by 2021 budget were not materialised was positive for the FBM KLCI's earnings. Index is expected to consolidate in the short term due to strong rebound from end October 2020. However, we do expect index to go higher as corporate earnings improve along with the gradual recovery in the economy and foreign inflows might back in Malaysia. Uncertainties are still prevailing due to the surging local COVID-19 that may force further lockdowns that would overshadow optimism over recent vaccine developments.

FIXED INCOME MARKET REVIEW

Malaysian Ringgit Sovereign Bond

On the local rates, both Malaysia's sovereign papers ie; Malaysia Government Securities ("MGS") and Government Investment Issues ("GII") curve were generally bull-steepened in most part of the month as positive auction of the new MGS. 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.

Malaysian Ringgit Corporate Bond

In the Malaysian Ringgit corporate bond/sukuk space, overall monthly trading volumes in secondary market notched lower during the month, market activities seen to be softer as market participants were inclined to be sidelined following higher yields in the government securities front. Market participants were also reluctant sellers in view of the yield-carry requirements for the portfolios.

FIXED INCOME MARKET OUTLOOK AND STRATEGY

Neutral on fixed income exposure, only trade if there is better pipelines offering to enhance yield.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 November 2020, the Volatility Factor (VF) for this fund is 7.9 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 3.3 but not more than 9.6 (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 June 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 credit risk, liquidity risk of underlying investments and inflation/ purchasing power 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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