

RHB RETIREMENT SERIES - ISLAMIC EQUITY FUND

The Fund aims to provide above average capital growth over a medium to long-term^ period by investing in one target Shariah-compliant fund.

^ "medium to long-term" in this context refers to a period between 3 – 7 years.

MEMBER'S PROFILE

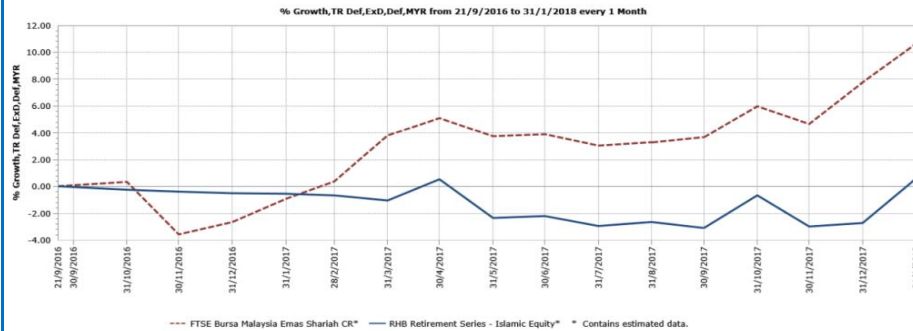
The Fund is suitable for Members who are looking for investments in a diversified portfolio of assets that comply with Shariah requirements. These Members are willing to accept moderate to high risk in their investments and prefer capital growth rather than income over a medium to long-term period.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in units of Dana Islam.
- 1% to 5% of NAV: Investments in liquid assets including Islamic money market instruments and Placements of Cash.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	3.41	1.27	3.67	3.41
Benchmark	2.67	4.40	7.39	2.67

	1 Year	Since Launch
Fund	1.17	0.60
Benchmark	11.70	10.65

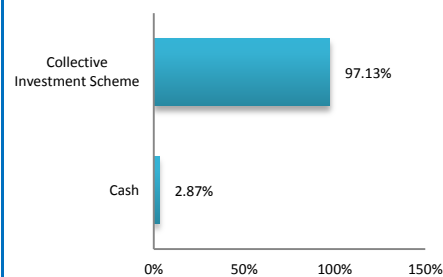
Calendar Year Performance (%)*

	2017
Fund	-2.21
Benchmark	10.72

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Asset Allocation*



Top Holdings (%)*

RHB DANA ISLAM	97.13
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*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5102	0.5102	0.5102
Low	0.4852	0.4749	0.4749

Source: Lipper IM

FUND DETAILS

Provider	RHB Asset Management Sdn. Bhd.
Trustee	Deutsche Trustees Malaysia Bhd
Fund Category	Feeder fund – equity (Shariah-compliant)
Launch Date	01 September 2016
Unit NAV	RM0.5030
Fund Size (million)	RM1.11
Units In Circulation (million)	2.21
Financial Year End	31 May
MER (as at 31 May 2017)	4.73%
Min. Initial Investment	RM100.00
Min. Additional Investment	RM100.00
Benchmark	FTSE Bursa Malaysia Emas Shariah Index
Sales Charge	Up to 3.00% of NAV per unit*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.04% p.a. of NAV*
Switching Fee	None
PPA (Private Pension Administrator) Annual Fee	RM8.00*
PPA Pre-retirement	RM25.00 per withdrawal*
Withdrawal Fee	
PPA Transfer Fee	RM25.00 per transfer*
Annual PPA Administration Fee	0.04% p.a. of NAV*
Distribution Policy	None

*The implementation of GST will be effective from 1 April 2015 at the rate of 6% and the fees or charges payable is exclusive of GST.

*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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PROVIDER'S COMMENTS

MARKET REVIEW

For the month of January 2018, global equity did well despite 10-year US Treasury yields climbing sharply from 2.4% to 2.7% in January 2018. Global equity markets started the year in 2018 rising 5.6% during the month. Rising 2018 Earnings Per Share ("EPS") growth expectations and synchronized growth are driving a strong risk-on sentiment across the world. Meanwhile, Asia Ex-Japan equities (+7.5%) were primarily driven by the surge in Chinese equities (+12.5%) as Q4 Gross Domestic Product ("GDP") growth of 6.8% year-on-year ("YoY") as well as the trade surplus beat estimates. Semiconductor foundries, led by index heavyweight Taiwan Semiconductor Manufacturing Co Ltd ("TSMC") (+13.0%), propelled Taiwan (+7.6%) on anticipation of strong demand for high-end chips from cryptocurrency market players.

The FTSE Bursa Malaysia KLCI ("FBMKLCI") started the year strong up +3.99% on the back of heightened foreign interest in the market. Foreign investors were net buyers and bought RM3.4 billion worth of shares in January 2018. Average market volume for the month surged to RM4.5 billion shares/day versus last year's average daily of 2.5 billion shares. Bank Negara Malaysia ("BNM") announced a 25 basis points Overnight Policy Rate ("OPR") hike on January 25, 2018 and banking sector were viewed as the beneficiaries from rising interest rate. Meanwhile, the ringgit hit a new high since April 2016 when it reached RM3.8890 per USD while the FBMKLCI reached a near 3-year high of 1,870 points on 29th January 2018. The local bourse rallied in tandem with regional markets which all ended on a strong positive note at month end.

The best performing sector for the period was the Finance Index. Biggest movers were CIMB (+10.86%), Public Bank (+5.77%) and Hong Leong Bank (+9.41%). Most banking stocks continued the positive momentum from December 2017, on the back of foreign buying into banking stocks. The property sub-index was the worst performer for the period, with -1.96% return for the period. The biggest laggards were SP Setia (-22.25%). On the other hand, the rate hike by BNM dampened sentiments on property stocks as investors turned cautious that the rate hike would further dampen the already weak property market. The property sector was also impacted late last year after government imposed a ban on the development of luxury properties in a move to control the oversupply of properties in the market.

MARKET OUTLOOK AND STRATEGY

The sharp increase in the 10 year US Treasury yield created fear among the investors on the pace and quantum of the United States ("US") interest rate hike. The sharp rise in the 10-year US Treasury yield from 2.40 on 1st January 2018 to 2.86 as of 8th February 2018 signals higher than expected interest rate increase in the US. The higher than expected interest rate hikes would impact negatively on US corporate earnings and consumer spending going forward.

This has caused the sharp drop in the index in the beginning of February 2018. However, we believe the drop in the index has brought the valuation level back to an attractive level for S&P 500 stocks. The index has come down to an attractive level now and is trading below November 2016 valuation level.

We are of the view that Malaysia's corporate earnings growth of 6% is achievable in 2018 due to strong economy. However, the negative sentiment in the US is also expected to drag the index lower. The index touched the low of 1792 level on 4 February 2018 which was also close to the mean valuation of FBMKLCI. We believe the FBMKLCI performance will be volatile in the short term. We would expect the index to be well supported above 1790 level. We would take the opportunity to accumulate strong fundamental blue chip stocks on market weakness. We believe the index would go back to 1,870 level once the US stock market's volatility starts to disappear as investors would have priced in higher interest rate expectations.

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 PHS and the contents of The Disclosure Document in relation to the RHB Retirement Series dated 2 December 2015 and its supplementary(ies)(if any) ("Disclosure Document"), before investing. The Disclosure Document has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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 Disclosure Document relates will only be made on receipt of a form of application referred to in the Disclosure Document. For more details, please call 1-800-88-3175 for a copy of the PHS and the Disclosure Document or collect one from any of our branches or authorised distributors. The Provider wishes to highlight the specific risks of the Fund is management risk and specific risks of the target Fund is reclassification of Shariah status risk. These risks and other general risks are elaborated in the Disclosure Document. This 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.

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