RHB Asset Management

FUND FACTSHEET – APRIL 2018

All data expressed as at 31 March 2018
unless otherwise stated

RHB RETIREMENT SERIES - GROWTH FUND

The Fund seeks to provide capital growth.

INVESTMENT STRATEGY

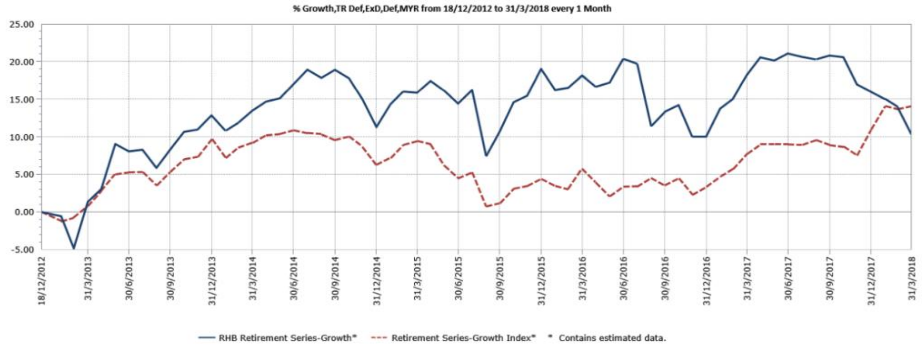
• Up to 70% of NAV: Investments in equities.
• At least 30% and up to 50% of NAV: Investments in fixed income instruments and/or money market instruments.
• Up to 5% of NAV: Investments in cash or cash equivalents.

MEMBER'S PROFILE

This Fund is suitable for Members who:
• have high risk profile; and
• are in the age group of below 40 years old.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-3.23**	**-4.93**	**-8.71**	**-4.93**
Benchmark	0.36	2.79	4.68	2.79

	1 Year	3 Years	5 Years	Since Launch
Fund	**-6.70**	**-4.80**	**8.83**	**10.28**
Benchmark	5.83	4.18	13.15	14.03

Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	**5.45**	**-7.58**	**6.97**	**-1.41**	**12.86**
Benchmark	7.36	-1.02	-1.73	-3.15	8.35

Source: Lipper IM

FUND DETAILS

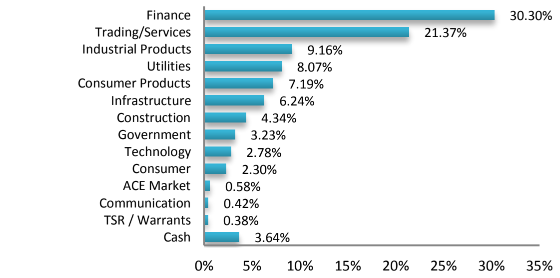
Provider	RHB Asset Management Sdn. Bhd.
Trustee	Deutsche Trustees Malaysia Bhd
Fund Category	Core (Growth)
Launch Date	18 December 2012
Unit NAV	RM0.4496
Fund Size (million)	RM18.48
Units In Circulation (million)	41.11
Financial Year End	31 May
MER (as at 31 May 2017)	0.57%
Min. Initial Investment	RM100.00
Min. Additional Investment	RM100.00
Benchmark	70% FBM KLCI + 30% Maybank's 12 mths FD Rate
Sales Charge	Up to 1.00% of NAV per unit*
Redemption Charge	None
Annual Management Fee	Up to 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 Withdrawal Fee	RM25.00 per withdrawal*
PPA Transfer Fee	RM25.00 per transfer*
Annual PPA Administration Fee	0.04% p.a. of NAV*
Distribution Policy	Incidental

**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.*

FUND PORTFOLIO ANALYSIS

Asset Allocation*



Top Holdings (%)*

YTL POWER INTERNATIONAL BHD (AA1)	8.07
MALAYAN BANKING BHD	7.57
HONG LEONG ASSURANCE BHD (AA3)	7.55
PUBLIC BANK BHD	6.49
AMMB HOLDINGS BHD MTN	5.47

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4646	0.5179	0.5784
Low	0.4484	0.4484	0.4484

Source: Lipper IM

Historical Distributions (Last 4 Years) (Net)

	Distribution (sen)	Yield (%)
23 May 2017	2.0000	4.08
26 May 2016	3.1000	5.97
29 May 2015	3.0000	5.44
28 May 2014	2.7000	5.00

Source: RHB Asset Management Sdn. Bhd.

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PROVIDER'S COMMENTS

MARKET REVIEW

Equity

Global stock markets came under pressure in March 2018 on fears over escalating trade tensions. The selling has been most marked in the last 24 hours following President Trump's announcement that tariffs of USD$60bn would be imposed on Chinese imports. The technology supply chain is probably the most global and any trade tariff or restrictive trade practices are likely to be prima facie negative. Hence, for the month of March 2018, tech sector was heavily sold down. Regional market overall are generally week.

FBMKLCI outperformed amid broader market weakness and was held up by only few heavy indexing financial stocks ie Public and Maybank. The broader small- and mid-cap market has suffered from risk aversion amid risk of trade war and election uncertainty.

The FBMKLCI started the month weak, after Donald Trump announced the steel and aluminum import tariff decision. The FBMKLCI rebounded, closing the day positively (+0.9%) on 12 March 2018, buoyed by consumer and oil and gas stocks as concerns on trade war waned. However, concerns over increased trade protectionism on the sudden dismissal of US Secretary of State, Rex Tillerson who is a free trade advocate led the index to decline on 15 March 2018 (-0.63%). The market recovered on continuous foreign buying over the next few days. On a MoM basis, the index closed slightly higher by +0.39%. YTD, the FBMKLCI is the best performing index, while FTSE Small Cap index was down by 12.87%.

On the economic front, the headline inflation rate slowed to 1.4% YoY in February 2018 (+2.7% in January 18) – the lowest in 16 months. Additionally, BNM raises 2018 growth forecast to 6% from 5.5%.

Fixed Income

Ringgit Sovereign Bond

Malaysian Ringgit ("MYR") rallied strongly against United States Dollar ("USD") mainly on oil rallying ~6% in the month of March 2018. Local government bonds bull-steepened with the 10-year Malaysia Government Securities ("MGS") closed the month at 3.95% (-9bps lower) while the 5-year MGS closed. At month-end closed, MGS yields 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were reported at 3.448% (February-2018: 3.398%), 3.484% (3.626%), 3.827% (3.937%), 3.949% (4.037%), 4.412% (4.462%), 4.537% (4.603%) and 4.821% (4.814%) respectively. The Government Investment Issues ("GII") – Shariah compliant version of MGS mirroring the same pattern with its MGS counterpart and saw yields supported across the curve with exception of the 30-year which saw yield ended up by 3 basis points. At closed, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 3.559% (February-2018: 3.605%), 3.824% (3.878%), 4.004% (4.104%), 4.149% (4.222%), 4.549% (4.586%), 4.758% (4.767%) and 4.927% (4.897%) respectively.

Malaysia's Consumer Prices Index ("CPI") for February 2018 was flat month on month, printing at 1.4%, below consensus estimates of 1.9%. The benign inflation reading was reflected in all 10 of the 12 main groups where seasonality factors due to the lunar New Year holiday pass through was less than expected. Transport and Clothing costs led the decline at -0.3% YoY and -0.7%YoY respectively. Alongside a 2.8% fall in RON95 prices in the first 21 days of March, headline inflation could remain stay below 2% in Apr. Assuming relatively stable pump prices, headline inflation could remain below 3% through June. The dovish tone of the March Monetary Policy Committee ("MPC") meeting, alongside the data reiterate our view that there will be no further rate hikes for the rest of this year.

Ringgit Corporate Bond

Ringgit corporate bonds saw an improvement in the average daily volume as the stabilized government securities level lent support to the corporate space for yield hunting. For the month of March 2018, the average daily trading volumes recorded RM590 million compared to RM375mil in previous month of February. This time around, activities were most concentrated on AAA space which printed about 39% of the transacted volume followed by Government Guaranteed ("GG") space of 32%. AA space recorded 28% and single-A or lower by 1%.

Within the GG/AAA category, the bulk of the trades recorded from shorter-dated Cagamas maturity 2021 and Prasarana 2019 which saw over RM 1 billion changing hands with no changes in yield month-over-month for the Cagamas paper but higher by 8 basis points for the Prasarana name.

MARKET OUTLOOK AND STRATEGY

Equity

With US midterm elections scheduled for November 2018, there is increased incentive for President Trump to deliver on campaign pledges. There is therefore more to come. President Trump has ordered the US Trade Representative to propose a list of product tariff increases and to consider further tariffs on goods from China.

Malaysia is vulnerable in the event of a protracted trade war. Gross export accounts for approximately 73% of the Malaysian GDP in 2017. Meanwhile, electronics and electrical (E&E) goods account for 37% of Malaysia's export. In the event of a full-blown trade war between the US and China, Malaysia would likely be adversely affected, particularly the E&E sector.

As for small- and mid-cap stocks, present broad market weakness presents accumulation opportunity but caution and patience are required. Amid trade war uncertainty and rising interest rate, equity risk premium is unlikely to get any lower. As such, the days of buying high and selling higher on valuation expansion are over. We will continue to focus on fundamentals and valuation.

Fixed Income

On the Malaysian front, there has not been much of a follow through impact from the overall selloff in US treasuries and global government bonds for the past month. Instead, 10 and 15-year MGS were well bid up on several occasions which was in contrast to the price action in US treasuries. 10-year MGS was still trading at 3.90% yield despite US 10-year having reached 2.85% (+51bps for the past 3 months).

We believe that the quantum of the overall selloff may not follow the magnitude seen in treasuries as Malaysia there is still ample liquidity within the Malaysia financial system and demand should outweigh supply of domestic bonds. The overnight policy rate (OPR) 25bps hike in January also bodes well for the MYR, We believe the 25bps OPR hike for 2018's first Monetary Policy Committee (MPC) meeting was part of a normalisation of interest rates and is consistent with global central bank moves since global growth picked up.

With inflation assessment expected to average lower in 2018 and a stronger MYR supports lower imported inflation, we are of a view that the current policy rate is still accommodative to the economy as the MPC continues to assess the balance of risks in growth and inflation. In term of strategy, we remain neutral on duration while mildly bullish in domestic bonds with the expectation that local demand dynamics to remain healthy and exceeding supply in 1st Quarter of 2018. As part of asset allocation strategy, we continue to overweight credit over government bonds for yield pick-up despite higher risk-free rates because we see improving credit profile in corporates in certain sectors thanks to sterling GDP performance to date. That said, we continue to be vigilant in monitoring the bond market and any significant sell off could be an opportunity to buy bonds especially government securities as we do not see significant hikes in OPR further from here.