

RHB RETIREMENT SERIES - ISLAMIC BALANCED FUND

The Fund aims to maximise total returns through a combination of long-term[^] growth of capital and current income consistent with the preservation of capital by investing in one target Shariah-compliant fund.

[^] "long-term" in this context refers to a period between 5 – 7 years.

INVESTMENT STRATEGY

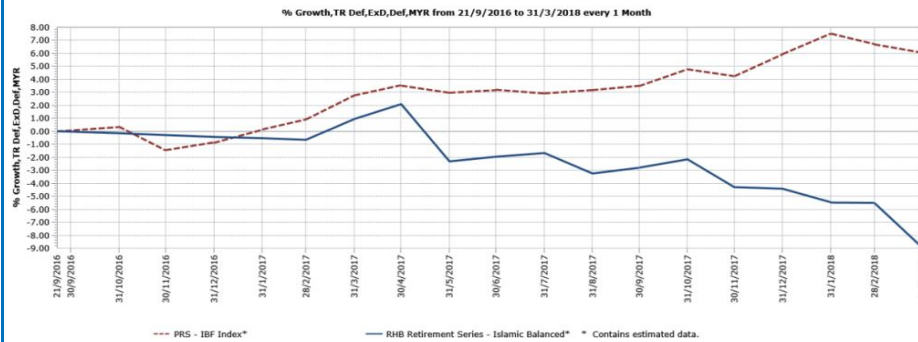
- At least 95% of NAV: Investments in units of Dana Hazeem.
- 1% to 5% of NAV: Investments in liquid assets including Islamic money market instruments and placements of cash.

MEMBER'S PROFILE

The Fund is suitable for Members who require investments that comply with Shariah requirements and are willing to accept moderate risk in their investments in order to achieve long-term growth and income.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-3.66	-4.73	-6.32	-4.73
Benchmark	-0.61	0.12	2.49	0.12

	1 Year	Since Launch
Fund	-9.81	-8.96
Benchmark	3.23	6.05

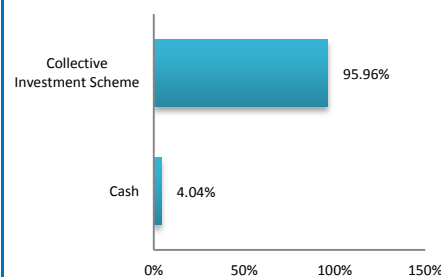
Calendar Year Performance (%)*

	2017
Fund	-4.02
Benchmark	6.87

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Asset Allocation*



Top Holdings (%)*

RHB DANA HAZEEM 95.96

*As percentage of NAV

FUND DETAILS

Provider	RHB Asset Management Sdn. Bhd.
Trustee	Deutsche Trustees Malaysia Bhd
Fund Category	Feeder fund – balanced (Shariah-compliant)
Launch Date	01 September 2016
Unit NAV	RM0.4552
Fund Size (million)	RM0.51
Units In Circulation (million)	1.13
Financial Year End	31 May
MER (as at 31 May 2017)	7.98%
Min. Initial Investment	RM100.00
Min. Additional Investment	RM100.00
Benchmark	50% FBM Emas Shariah Index + 50% Maybank 12-month Islamic FD
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 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	Annually, if any

*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 STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4725	0.5131	0.5131
Low	0.4547	0.4547	0.4547

Source: Lipper IM

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PROVIDER'S COMMENTS

MARKET REVIEW

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 United States Dollar ("USD") \$60 billion ("bn") would be imposed on Chinese imports. Japan's Nikkei 225 index suffered the steepest declines. Large exporters play a significant part in the Japanese economy and there are concerns that they could be caught up in any United States ("US")-China trade war. Elsewhere, China and Hong Kong equities have unsurprisingly also borne the brunt of the selling pressure. Eurozone and United Kingdom equities have escaped the worst of the selling. European Union, and others including Canada and Mexico, will be exempt from the new tariffs being applied by the US on steel (25%) and aluminium (10%). 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, technology sector was heavily sold down.

FTSE Bursa Malaysia KLCI ("FBMKLCI") outperformed amid broader market weakness. This was largely driven by big-cap banks (Public Bank and Maybank) and big cap consumer products like Nestle which were sought after by foreigners and locals. The broader small and medium capitalisation stocks has suffered from risk aversion amid risk of trade war and election uncertainty. The FBMKLCI started the month weak, after President Trump announced the steel and aluminium 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 month-on-month ("MoM") basis, the index closed slightly higher by +0.39%. Year-to-date ("YTD"), the FBMKLCI is the best performing index.

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

MARKET OUTLOOK AND STRATEGY

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 Gross Domestic Product ("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 medium capitalisation 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.

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 are market risk, particular security risk, reclassification of Shariah status risk, interest rate risk and credit/default 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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