

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.

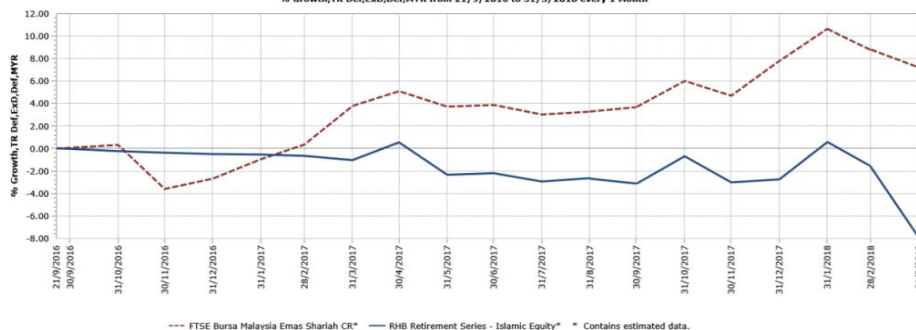
INVESTMENT STRATEGY

- 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*

% Growth, TR Def, ExD, Def, MYR from 21/9/2016 to 31/3/2018 every 1 Month



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-6.38	-5.26	-4.89	-5.26
Benchmark	-1.47	-0.54	3.39	-0.54

	1 Year	Since Launch
Fund	-6.85	-7.84
Benchmark	3.27	7.19

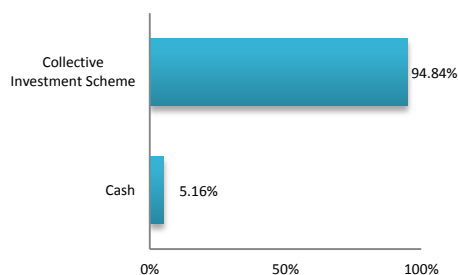
Calendar Year Performance (%)*

	2017
Fund	-2.21
Benchmark	10.72

Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Asset Allocation*



Top Holdings (%)*

RHB DANA ISLAM	94.84
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*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4922	0.5102	0.5102
Low	0.4608	0.4608	0.4608

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 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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