FUND FACTSHEET – MAY 2018

All data expressed as at 30 April 2018
unless otherwise stated

RHB RETIREMENT SERIES - GROWTH FUND

The Fund seeks to provide capital growth.

INVESTMENT STRATEGY

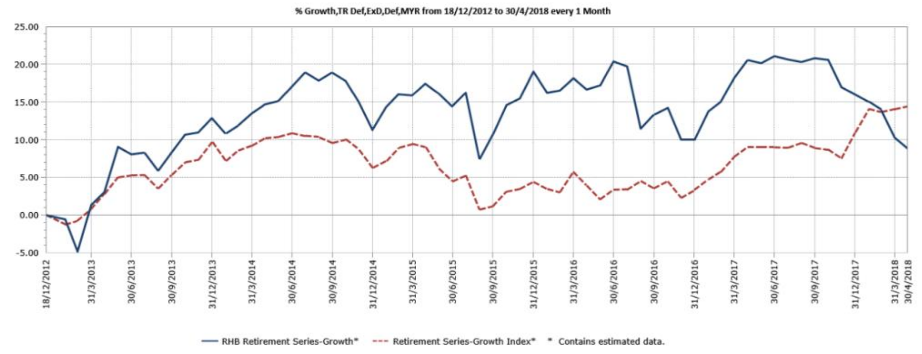
- Up to 70% of NAV: Investments in equities.
- At least 30% and up to 50% of NAV: Investments in fixed income instruments and/or money market instruments.
- Up to 5% of NAV: Investments in cash or cash equivalents.

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	**-1.33**	**-5.40**	**-9.76**	**-6.20**
Benchmark	0.34	0.32	5.26	3.14

	1 Year	3 Years	5 Years	Since Launch
Fund	**-9.75**	**-7.33**	**5.58**	**8.81**
Benchmark	4.96	4.96	11.31	14.42

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

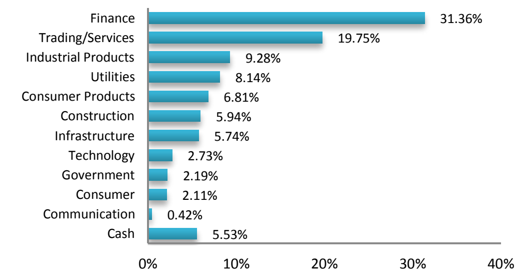
Provider	RHB Asset Management Sdn. Bhd.
Trustee	Deutsche Trustees Malaysia Bhd
Fund Category	Core (Growth)
Launch Date	18 December 2012
Unit NAV	RM0.4436
Fund Size (million)	RM18.34
Units In Circulation (million)	41.34
Financial Year End	31 May
MER (as at 31 May 2017)	0.57%
Min. Initial Investment	RM100.00
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 (%)*

MALAYAN BANKING BHD	8.46
YTL POWER INTERNATIONAL BHD (AA1)	8.14
HONG LEONG ASSURANCE BHD (AA3)	7.60
PUBLIC BANK BHD	6.49
AMMB HOLDINGS BHD	5.51

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4501	0.5179	0.5784
Low	0.4358	0.4358	0.4358

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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RHB Asset Management Sdn Bhd (174588-X)

RHB Asset Management

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RHB RETIREMENT SERIES - GROWTH FUND

The Fund seeks to provide capital growth.

PROVIDER'S COMMENTS

MARKET REVIEW

Equity

Global equities were propelled by Developed Markets (+1.0%) to edge up 0.8% in April 2018, lifting YTD returns to -0.6%. Among the developed markets, US added 0.3%, Europe 2.2% and Japan 0.7%. Futures markets participants are anticipating three more rate hikes in 2018, driving 10-year Treasury yields to scale 3.0% for the first time since 2014. The consequent strengthening of the USD (+2.1%) caused further downslide in Emerging Markets (EMs) Commodities performed strongly in April 2018 - energy prices sustained their rally from March 2018 (Brent Crude: +8.5%, Gasoline: +5.2%), industrial metals rose sharply (Aluminum: +12.5%, Copper: +1.4%).

Asia Ex Japan equities rose 0.6% in April 2018 after a roller coaster ride during the month. China and Hong Kong fell sharply in the first week on rising trade war concerns as China retaliated to the US tariffs on Chinese imports announced in March 2018, leading to consideration of additional tariffs by the US. However, markets recovered during the second half as tensions diffused with the continued opening up of the economy by China. A 100bp RRR cut by the PBoC provided comfort for investors. India (+4.1%) staged a mild recovery during the month after substantial underperformance in the first quarter, driven by the strong performance of software sector (+7.2%). Korea (+2.7%) was the cynosure in April 2018 with the historical Summit with North Korea paving the way for a peaceful, nuclear-free Korean Peninsula. Taiwan (-4.6%) was dragged down by the tech sector (-7.8%), which was suffering from the muted demand for iPhones as well as softer guidance from analysts for the next fiscal year.

The KLCI ended April 2018 with a 0.4% mom gain to close at 1,870 points and raised its cumulative gain to 4.1% in 4M18. This could be due to foreign net buy of RM1.5bn during the month. The KLCI also outperformed the MSCI Asia Pacific ex-Japan index (MXASJ) in April as well as the broader market and small cap sectors. The best performing sectors in April 2018 were REIT, construction and finance sectors. April 2018 was an eventful month for the Malaysian market. Malaysia's Prime Minister announced the dissolution of Parliament on 6 April 2018, paving the way for a general election (GE14) on 9 May 2018. Bursa Malaysia implemented the intraday short-selling framework for all investors on 16 April and the KLCI index posted a new record high of 1,895 points on 19 April 2018.

Malaysia registered forex reserves of USD107.8bn as at 30 Mar 2018, an increase from end-February's level and the highest level in three years. In MYR terms, forex reserves suffered a MoM loss of RM3.1bn to RM416.4bn. The MYR weakened in early April 2018, after rebounding in March, amid escalating trade tensions between the US and China.

Fixed Income

US Treasury ("UST") yields climbed from a low of 2.73% at the start of the month to touch 3.03% before closing at 2.96% for the month of April 2018 as market participants, absent of further geopolitical tensions escalating and a rosier outlook renewed the focus on the improving macro fundamentals of the US economy, where labor slack has improved and inflation is still on track.

On April 12, the Federal Open Market Committee ("FOMC") meeting minutes were released which reflected a hawkish tilt where a number of participants indicated a stronger outlook for economic activity and increased confidence that inflation would hit the 2% target over the medium term, reinforcing gradual pace of rate normalization over 2018 and 2019.

Ringgit Sovereign Bond

Malaysian Ringgit ("MYR") reversed all the gains made in March against the United States Dollar ("USD") despite oil rallying ~9% to reach new highs YTD in the month of April 2018. USDMYR climbed from 3.8635 at the start of the month breaking above 3.90 levels toward the end of the month to close at 3.9235, representing a -1.18% total return, MYR was the 9th best performing Asian currency closing just above Taiwanese Dollar and the Indian Rupee for April 2018. Local government bonds bear-steepened with the 15-year benchmark closing 24 basis points ("bps") higher month-over-month while 10-year Malaysia Government Securities ("MGS") closed the month at 4.13% (+19 bps higher). At month-end closed, MGS yields 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were reported at 3.629% (March-2018: 3.447%), 3.764% (3.538%), 3.827% (3.969%), 4.129% (3.943%), 4.648% (4.412%), 4.730% (4.537%) and 4.880% (4.791%) respectively. The Government Investment Issues ("GII") – Shariah compliant version of MGS mirroring the same pattern with its MGS counterpart but the impact was not so much with 10-year GII benchmark closing 8 bps higher while the 15-year GII benchmark rose 11 bps higher. At closed, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 3.602% (March-2018: 3.605%), 3.851% (3.878%), 4.063% (4.104%), 4.303% (4.222%), 4.699% (4.586%), 4.886% (4.767%) and 5.001% (4.897%) respectively.

Ringgit Corporate Bond

On the Ringgit corporate bond, April 2018 witnessed most of the trading activities concentrated in the first half of the month and the activity skewed towards longer end of the curve as market participants searching for higher yield in corporate space . The average daily volume seen progressing well above RM500 million mark compared to RM372 million in previous month of March. For this month, most activities concentrated in Government Guaranteed ("GG")/AAA space which printed about 50% of the transacted volume followed by AA space by 46% and single-A or lower by 4%.

Within Government Guaranteed ("GG")/AAA space, the long-dated Danainfra garnered some RM370 million transaction volume with the yield inched higher by an average of 6 basis points month-over-month. In AAA-rated space, volume was seen in long-tenor Danga 15-year bond which traded unchanged at 5.02% for the amount of RM205 million. Elsewhere in AA-rated space, Lebuhraya Duke Phase 3 with longer maturity of 2031 saw more than RM100 million transacted at higher yield month-over-month to close at 5.13%. Southern Power Generation ("SPG") papers were also actively traded during the month across the tenors with yield moved higher by 1 to 3 basis points for a cumulative amount of RM270m. For the A-rated universe, newly issued UMW Holdings Perpetual paper gained secondary interest with yield traded 20 bps lower post issuances with total amount of RM210 million.

During the month, some notable issuances were also seen tapping the market with Danainfra raised RM2.5 billion bonds to fund the Pan Borneo Highway project with tranches ranging from 7-year to 20-year with final pricing of 4.32% to 5.08% respectively. Another GG-rated issuance, MKD Kencana also tapping in RM1.3 billion to fund the Special Border Economic Zone in Kedah. The RM850 million 5-year tranche was priced at a final yield of 4.33% and the RM450 million 7-year tranche yielded 4.47%. Another notable issuance throughout the month was UMW Holdings Perpetual Non-Callable 10-years with issue size of RM1.1 billion with final yield of 6.35%.

MARKET OUTLOOK AND STRATEGY

Equity

The unpredictability of how the trade relationship between the US and China unfolds ahead is now a key risk to equity markets – now well conditioned to keep buying the dip. The potential risks will weigh on technology stocks, and escalation fears are likely to be a drag on the market. Investors remain complacent on inflation and monetary policies and, as the US Federal Reserve (US Fed) normalises and rates rise at a faster pace than what is currently priced in, we forecast a 25bps hike every quarter to end-2019.

Apart from GE14 results, investors will be tracking 1Q18 corporate earnings season and the 1Q18 GDP growth for Malaysia due out on 17 May 2018. We probably expect to see corporates to announce poor earnings due to margin squeeze arising from high commodity prices. In this regard, we are in no hurry to accumulate and would only buy on weaknesses.

Fixed Income

On the local Malaysian front, market dynamic has somewhat reversed after the respectable first quarter of 2018 with April seeing most of the activity concentrated in the first half of the month. As fears of trade wars diminished and geopolitical tensions quietened down, US yields started to go higher prompting MGS yields to follow suit, exacerbated by foreign investor fears of the upcoming Malaysian general election in early May.

10-year MGS sold off from 3.95% yield to above 4.2% throught the month before settling at 4.12%, the price action mirroring the move higher on US 10-year. We were surprised somewhat by the quantum of the selloff as market seemed one sided and there was a lack of bids in the market, lack of liquidity likely due to the election risk and dealers lightening up position ahead of the perceived risk event. Going forward, we still foresee Malaysia's growth to remain on track for 5.4-5.5% GDP for 2018. With inflation assessment expected to average lower in 2018 we maintain the view that the current policy rate is still accommodative to the economy as MPC continue to assess the balance of risks in growth and inflation. In terms of strategy, we remain neutral on duration while mildly bullish in domestic bonds with the expectation that local demand dynamics to remain healthy and supply technical to remain supportive. 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 and see the recent selloff as an opportunity to add positions on any undervaluation of bonds. With some allocation in MGS bonds for liquidity purposes on any sharp selloff and subject to the yields in developed markets stabilizing, so we can establish the new support levels.

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 are equity risk, credit risk, interest rate risk, liquidity risk, income distribution risk and derivatives 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.