

### RHB RETIREMENT SERIES - ISLAMIC BALANCED FUND

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

<sup>^</sup> "long-term" in this context refers to a period between 5 – 7 years.

#### INVESTMENT STRATEGY

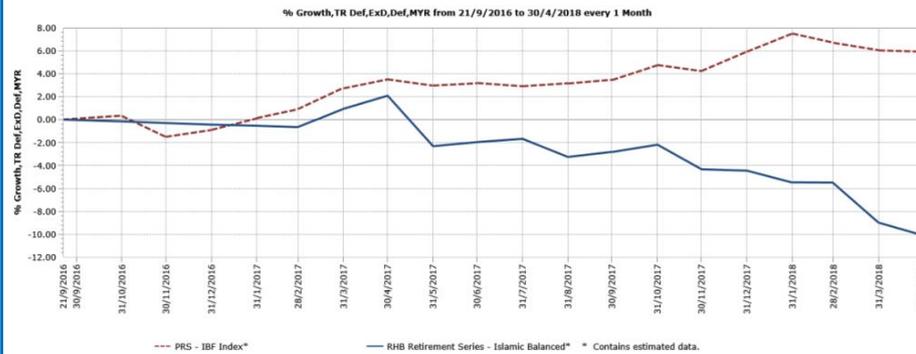
- At least 95% of NAV: Investments in units of Dana Hazeem.
- 1% to 5% of NAV: Investments in liquid assets including Islamic money market instruments and placements of cash.

#### 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	-1.21	-4.85	-8.06	-5.88
Benchmark	-0.10	-1.44	1.13	0.02

	1 Year	Since Launch
Fund	-11.89	-10.06
Benchmark	2.35	5.94

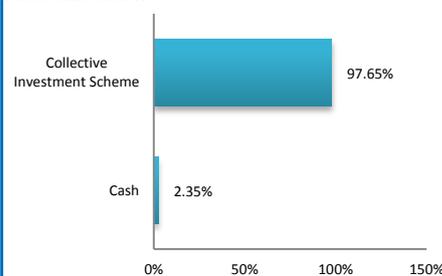
##### Calendar Year Performance (%)\*

	2017
Fund	-4.02
Benchmark	6.87

Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Asset Allocation\*



##### Top Holdings (%)\*

RHB DANA HAZEEM 97.65

\*As percentage of NAV

#### FUND DETAILS

<b>Provider</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	Deutsche Trustees Malaysia Bhd
<b>Fund Category</b>	Feeder fund – balanced (Shariah-compliant)
<b>Launch Date</b>	01 September 2016
<b>Unit NAV</b>	RM0.4497
<b>Fund Size (million)</b>	RM0.51
<b>Units In Circulation (million)</b>	1.14
<b>Financial Year End</b>	31 May
<b>MER (as at 31 May 2017)</b>	7.98%
<b>Min. Initial Investment</b>	RM100.00
<b>Min. Additional Investment</b>	RM100.00
<b>Benchmark</b>	50% FBM Emas Shariah Index + 50% Maybank 12-month Islamic FD
<b>Sales Charge</b>	Up to 3.00% of NAV per unit*
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	1.50% p.a. of NAV*
<b>Annual Trustee Fee</b>	Up to 0.04% p.a. of NAV*
<b>Switching Fee</b>	None
<b>PPA (Private Pension Administrator) Annual Fee</b>	RM8.00*
<b>PPA Pre-retirement Withdrawal Fee</b>	RM25.00 per withdrawal*
<b>PPA Transfer Fee</b>	RM25.00 per transfer*
<b>Annual PPA Administration Fee</b>	0.04% p.a. of NAV*
<b>Distribution Policy</b>	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	0.4576	0.5131	0.5131
Low	0.4413	0.4413	0.4413

Source: Lipper IM

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**PROVIDER'S COMMENTS**
**MARKET REVIEW**

Global equities were propelled by Developed Markets (+1.0%) to edge up 0.8% in April 2018, lifting year-to-date (YTD) returns to -0.6%. Among the Developed Markets, United States (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 United States Dollar (USD) (+2.1%) caused further downside 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 (Aluminium: +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 100 basis points (bps) Required Rate of Return (RRR) cut by the People's Bank of China (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 technology 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 Kuala Lumpur Composite Index (KLCI) ended April 2018 with a 0.4% month-on-month (MoM) gain to close at 1,870 points and raised its cumulative gain to 4.1% in YTD. This could be due to foreign net buy of RM1.5 billion (bn) during the month. The KLCI also outperformed the MSCI Asia Pacific ex-Japan index (MXASI) in April as well as the broader market and small cap sectors. The best performing sectors in April 2018 were Real Estate Investment Trust (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 March 2018, an increase from end-February's level and the highest level in three years. In Malaysian Ringgit (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.

**MARKET OUTLOOK AND STRATEGY**

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 Growth Domestic Product (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.

**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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