

### RHB RETIREMENT SERIES - CONSERVATIVE FUND

The Fund seeks to provide capital preservation for the Members' investment.

#### INVESTMENT STRATEGY

- At least 80% of NAV: Investments in fixed income instruments and/or money market instruments, of which a minimum of 20% of the Fund's NAV must be in money market instruments.
- Up to 20% of NAV: Investments in equities.
- Up to 5% of NAV: Investments in cash or cash equivalents.

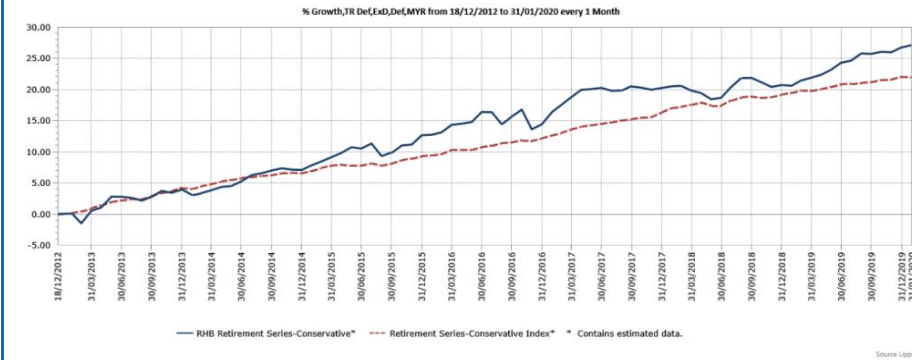
#### MEMBER'S PROFILE

This Fund is suitable for Members who:

- have low risk profile; and
- are in the age group of 50 years old and above.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



##### Cumulative Performance (%)\*

|             | 1 Month     | 3 Months    | 6 Months    | YTD         |
|-------------|-------------|-------------|-------------|-------------|
| <b>Fund</b> | <b>0.29</b> | <b>0.85</b> | <b>1.97</b> | <b>0.29</b> |
| Benchmark   | -0.05       | 0.37        | 0.89        | -0.05       |

|             | 1 Year      | 3 Years     | 5 Years      | Since Launch |
|-------------|-------------|-------------|--------------|--------------|
| <b>Fund</b> | <b>5.38</b> | <b>9.25</b> | <b>17.88</b> | <b>27.09</b> |
| Benchmark   | 2.13        | 8.29        | 14.05        | 21.93        |

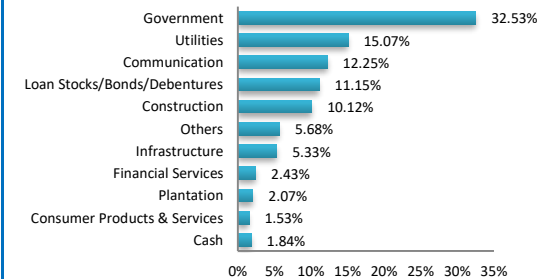
##### Calendar Year Performance (%)\*

|             | 2019        | 2018        | 2017        | 2016        | 2015        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Fund</b> | <b>4.97</b> | <b>0.37</b> | <b>5.16</b> | <b>1.51</b> | <b>5.26</b> |
| Benchmark   | 2.41        | 2.51        | 3.69        | 2.67        | 2.61        |

Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Asset Allocation\*



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

|   |       |
|---|-------|
| MALAYSIAN GOVERNMENT SECURITIES 2/2019 (15/08/2029) | 16.59 |
| MALAYSIAN GOVERNMENT SECURITIES 4.893% (08/06/2038) | 15.94 |
| BGSM MANAGEMENT SDN BHD 7.100% (28/12/2022)         | 12.25 |
| AEON ICP 31D (20/02/2020)                           | 11.15 |
| KONSORTIUM PROHAWK SDN BHD 5.310% (28/06/2032)      | 10.12 |

\*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>                                  | Core (Conservative)   |
| <b>Launch Date</b>                                    | 18 December 2012  |
| <b>Unit NAV</b>                                       | RM22.39   |
| <b>Fund Size (million)</b>                            | RM2.5443  |
| <b>Units In Circulation (million)</b>                 | 41.14   |
| <b>Financial Year End</b>                             | 31 May  |
| <b>MER (as at 31 May 2019)</b>                        | 1.21%   |
| <b>Min. Initial Investment</b>                        | RM100.00  |
| <b>Min. Additional Investment</b>                     | RM100.00  |
| <b>Benchmark</b>                                      | 10% FBM KLCI + 90%<br>Maybank's 12 mths FD Rate<br>Up to 0.50% of NAV per unit* |
| <b>Sales Charge</b>                                   | Up to 0.50% of NAV per unit*  |
| <b>Redemption Charge</b>                              | None  |
| <b>Annual Management Fee</b>                          | Up to 1.00% 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  |

\*All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.

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 | 0.5455  | 0.5455    | 0.5455       |
| Low  | 0.5427  | 0.5165    | 0.4925       |

Source: Lipper IM

##### Historical Distributions (Net)

|             | Distribution (sen) | Yield (%) |
|-------------|--------------------|-----------|
| May 2019    | -                  | -         |
| May 2018    | -                  | -         |
| 23 May 2017 | 2.5000             | 4.78      |
| 26 May 2016 | 2.3500             | 4.47      |
| 29 May 2015 | 2.0000             | 3.82      |

Source: RHB Asset Management Sdn. Bhd.

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

FBM KLCI index did have a boost at the start of the year, it all went downhill from the second week onwards when the news broke out on Iran hitting a United States (US) military base in Iraq in retaliation against US forces for the killing of general Qasem Soleimani in Baghdad on 3 January 2020. The index hasn't really looked back since with major global news headlines focusing on anything and everything relating to the coronavirus. In line with the global risk off sentiment, the FBM KLCI closed -3.6% for the month of January 2020. Commodities particularly Brent crude oil and Crude Palm Oil (CPO) were sold down due to fears over softer demand. Concern on demand on CPO from China coupled with news on India restricting purchases of refined palm oil from Malaysia led the CPO futures to also fall -15% to RM2,650/MT. Winners to start the year were seen in gloves and healthcare. Major losers for the month were the energy index (as global oil prices tumbled on macro concerns) and plantations.

**EQUITY MARKET OUTLOOK AND STRATEGY**

Corona virus will have a short term impact on regional GDP growth. The stricter quarantines and travel bans issued now will likely hurt consumer and traveller sentiment more than did the efforts to counter SARS. Asian economies entered this crisis with much less momentum than during SARS, and we see a risk that macro weakness could persist even after the Corona virus recedes. Hong Kong, Singapore, Thailand and China are the most vulnerable. Indonesia and India the least vulnerable. Among sectors, the virus should not greatly affect global IT demand and could help Internet names with e-commerce businesses.

We remain constructive on CPO and would look for buying opportunities given current share price weakness. CPO price corrected by -13.4% from RM3,052/MT levels end-2019, and similarly share prices of the Malaysian planters by 8-9%. The weakness was initially due to concerns on India's imposing restrictions on imports of refined palm oil ban from Malaysia and exacerbated by concerns on China's demand due to coronavirus. We reckon that fundamentals remain intact with a tight stock-to-usage ratio which will be more apparent towards the end of March 2020. In our view, India's restrictions on Malaysia CPO is expected to be temporary as China and Pakistan may source more CPO from Malaysia.

**FIXED INCOME MARKET REVIEW***US Treasuries*

In an eventful January 2020, 10-year US Treasury (UST) yields initially rallied 6bps YTD 10 January 2020 with a few events as major drivers, including geopolitical tensions from the US ordered killing of Qasem Soleimani, the Iranian Major General in the Islamic Revolutionary Guard Corps (IRGC) and commander of its Quds Force, a division primarily responsible for extraterritorial military and clandestine operations. The threat of retaliation leading to an all-out war caused the biggest one day drop in yields this year of 10-12bps. However, the quick resolution and casualty free retaliation from Iran resulted in some market calm, alongside the introduction of a 20-year bond which resulted in some bear steepening driven by the 30-year bonds selling of 3bps on announcement. Market optimism however was short-lived as the world was made known of the novel coronavirus originating from Wuhan on 22 January, leading the World Health Organisation (WHO) to declare the outbreak to be a public health emergency of international concern on 30 January. The development of the outbreak with the number of confirmed cases and death tolls steadily rising has caused UST curve to flatten on strong safe haven demand, with 10-year benchmark UST over 40bps lower month to date.

*Malaysian Ringgit Sovereign Bond*

Both Malaysia Government Securities (MGS) and Government Investment Issues (GII) rallied following the unexpected cut by BNM as the curve bull-flattened with 10-year MGS rallied by 15bps after the event and broke psychological level of 3.20%. Support in the fixed income space further extended as market's confidence has been somewhat shaky by the spreading of coronavirus which spilling fast into neighbouring countries and as far as in the USA.

*Malaysian Ringgit Corporate Bond*

In the Malaysian Ringgit corporate bond/sukuk space, overall monthly trading volumes were surprisingly lower compared to previous month amid supportive domestic bond market as headline risks dominated.

**FIXED INCOME MARKET OUTLOOK AND STRATEGY**

In the local fixed income market, we sense that local factors are still looking supportive given the easing bias towards monetary policy, a neutral supply profile and resilient domestic demand for bonds given surplus liquidity in the domestic space. With these views, we remain positioned to capture opportunities to actively trade in the government securities space as volatility is expected to present value from a risk-reward perspective. In the corporate space, we will remain selectively invested and participate in the primary issuances where yield premium is compensated. In summary, we will maintain our active management strategy.

**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 and income distribution 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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