FUND FACTSHEET – MAY 2020

All data expressed as at 30 April 2020 unless otherwise stated

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

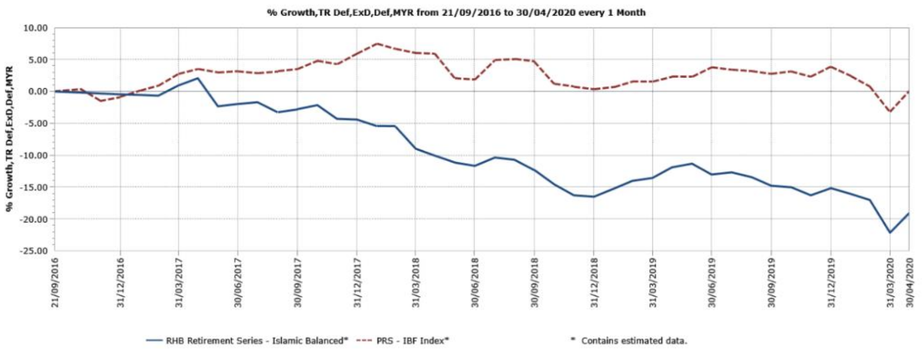
- At least 95% of NAV: Investments in units of RHB Dana Hazeem.
- 1% to 5% of NAV: Investments in liquid assets including Islamic money market instruments and placements of cash.

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	**4.01**	**-3.50**	**-4.71**	**-4.55**
Benchmark	3.41	-2.27	-2.93	-3.64

	1 Year	3 Years	Since Launch
Fund	**-8.08**	**-20.67**	**-19.02**
Benchmark	-2.15	-3.31	0.09

Calendar Year Performance (%)*

	2019	2018	2017
Fund	**1.60**	**-12.62**	**-4.02**
Benchmark	3.50	-5.22	6.87

Source: Lipper IM

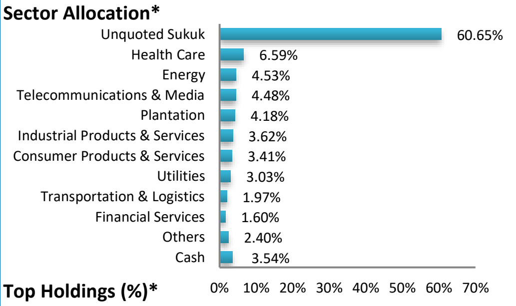
FUND DETAILS

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	RM0.4049
Fund Size (million)	RM0.83
Units In Circulation (million)	2.05
Financial Year End	31 May
MER (as at 31 May 2019)	Not available #
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

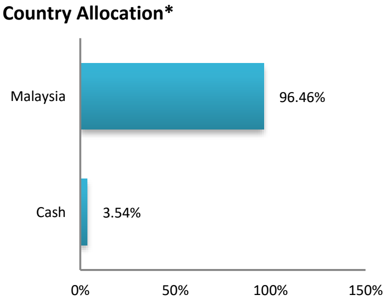
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time. For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*
 # The MER for the financial year is not comparable, mainly due to the expenses are borne by the PRS Provider during the financial year.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BRIGHT FOCUS BHD 5.0% (20/01/2023)	15.96
BANK MUAMALAT (M) BHD 5.8% (15/06/2026)	14.41
BRIGHT FOCUS BHD 2.5% (24/01/2030)	11.23
TANJUNG BIN ENERGY 6.2% (16/03/2032)	7.19
MEX II SDN BHD 6.0% (29/04/2030)	5.67

**As percentage of NAV. Exposure in RHB Dana Hazeem 98.27%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4049	0.4442	0.5131
Low	0.3874	0.3752	0.3752

Source: Lipper IM

RHB RETIREMENT SERIES - ISLAMIC BALANCED FUND

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PROVIDER'S COMMENTS

EQUITY MARKET REVIEW

Flattening of the Coronavirus disease 2019 (COVID-19) new cases curves in the worst affected countries and aggressive stimulus package around the world pushed global equity market to their best monthly performance since 2011 in April 2020. Despite weak economic data prints, global equities snapped back 10.6% during the month (year-to-date (YTD): -13.5%), as volatility receded on partial reopening of numerous economies reeling under lockdowns. Asia ex-Japan rose 8.9% in April (YTD: -11.4%), with China (6.3%) and Korea (8.2%) providing a glimpse into the possible future recovery for the world as they attempt to make their way back to normalcy. The supply side in China is mostly back to capacity, while market demand is also showing signs of recovery to its year-ago levels.

FBM KLCI saw its first month-on-month (MoM) gain this year in April at +4.2%. YTD however, the index is still down 11.4%. Average trading volumes in April reduced to RM2.58 billion versus the RM2.94 billion in March 2020 though still above the 1Q average of RM2.52 billion. FBM KLCI ended the month at 1,407 points after falling to the lowest of 1,219 on 19 March 2020. Similarly, the FBM Emas Shariah Index were up 7.8% MoM to close at 10,890 points, as the small-to-mid cap, cyclical names posted a stronger recovery.

On commodities, oil took majority of the limelight especially on concerns regarding too much supply though was eased when The Organization of the Petroleum Exporting Countries Plus (OPEC+) announced a record deal to slash global output collectively 9.7 thousand barrels per day (MBPD) off the market. Nonetheless, West Texas Intermediate (WTI) made another history plunging to negative prices during the month as a result of a demand shock and dwindling storage capacity. All in, WTI settled at United States Dollar (USD) 18.84 (-8%) while Brent at USD25.27 (11.1%) at the end of the month.

Malaysia's exports fell 4.7% year-on-year (YoY) in March 2020 (February: 11.8%). March's export decline was, however, milder than estimates, aided by an increase in export volume of oil-related products and a weaker currency. Imports fell 2.7% YoY (February: 11.3%) amid a sharp drop in capital goods imports. Electronics & Electrical (E&E) exports suffered a further setback to decline the most in 7 years in March 2020. The situation is likely to worsen going forward as more countries apply tougher virus containment measures in April. A prolonged disruption for the E&E supply chain will weigh heavily on overall Malaysia's trade outlook.

As of 30 April, Malaysia reported a total of 6,002 of Covid-19 cases, out of which 4,171 has been recovered and discharged while 1,729 cases were still active. A total of 102 deaths has been reported so far. Given that the number of new cases has been declining and strong recovery rate, Prime Minister announced the reopening of most of the economy sectors on 1 May 2020.

EQUITY MARKET OUTLOOK AND STRATEGY

Wall Street correlated world stock markets remain remarkably well bid given the appalling macroeconomic data being announced. Apart from the over-the-top Federal Reserve policy response, the spread of the virus has not been as bad as feared in the middle of March. Secondly, there remains growing focus on re-opening the economy, most particularly in America and in other countries where the curve has flattened.

The trade deal between United States (US) and China resurface again recently. Tensions have re-ignited as the former seeks to make the COVID-19 blame game a key focus for the elections as growth and low unemployment have imploded. The press highlighted dramatic steps the US can take versus China including heightened tariffs, multi-country isolation, further sanctions and restrictions (ala Huawei), restricting US purchasing of Chinese assets, and limiting access to USD. Elsewhere, volatility reigns with the commodity & energy complexes facing unprecedented challenges and we anticipate further global tensions emerging.

Malaysia has outperformed the MSCI ASEAN on a YTD basis. Although we believe that the market could do better as infection rate peaks, we believe that the market could still trend downwards from here towards the year end. We are expecting earnings growth to be negative this year as the companies suffer from COVID-19 disruption. We see value stocks and cyclicals having an opportunity to outperform now, but longer term we're still positive on quality & sustainable growth and themes.

FIXED INCOME MARKET REVIEW

Investors' sentiment in the month of April was mainly driven by concerns over the retreating global oil price coupled with slew of weak macroeconomics data fuelling concerns over looming global recession as more countries saw entering into contraction in the 1Q 2020. US Treasury (UST) remained supported in April as investors continue to seek refuge from safe haven UST, despite weaker US economic data on the latest US non-farm payroll which contracted further. A decline of 20.5 million jobs in April, with unemployment rate elevating to 14.7%, the highest since the Great Depression era of the 1930s.

The key event over the last week of April was the US Federal Reserve scheduled meeting, where the Federal Open Market Committee (FOMC) held the fed funds target rate steady 0-0.25%, as widely expected. In addition, it retained its forward guidance on rates and quantitative easing (QE). The statement and press conference had a dovish lean with the inclusion of COVID-19 posing medium-term risks to the outlook. Fed Chair Powell affirmed that the FOMC is in no hurry to lift rates and is prepared to deliver more stimulus as needed – particularly in the form of further credit easing. The Chair also repeatedly highlighted the need for further fiscal support.

At the end of April close, the benchmark 2-, 5-, 10- and 30-year UST were last traded at 0.195% (March: 0.245% -5 basis points (bps)), 0.36% (0.38%; -2bps), 0.64% (0.67%; -3bps) and 1.28% (1.32%; -4bps) respectively. 10-year UST yields range traded in a 20bps range from 0.57% to 0.77% over the month of April, post the 60bp rally we witnessed from the last 2 weeks of March.

Over to the Malaysian market, the Malaysia Government Securities (MGS) and Government Investment Issue (GII) strengthened as a better external risk environment provides comfort for investors to position for more Bank Negara Malaysia (BNM) rate cut. MGS yields fell across the curve as the rally that started from the front end has now extended into longer duration. Meanwhile flattening of the COVID-19 cases in Malaysia also added further positive momentum for Malaysian Ringgit assets. The 10-year MGS benchmark closed tighter circa 52 bps to trade below the 3.00% psychological level after settling around 2.85% level on month-end closing. The shorter tenure 3-year MGS benchmark continue to hover below the Overnight Policy Rate (OPR) 2.50% level, signalling traders' expectation of further OPR cut by BNM.

MoM, MGS space bull-flattened with yields collapsing roughly about 30 bps to 60 bps across the tenors. The 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS closed the month at 2.74% (March: 2.74%), 3.07% (3.07%), 3.22% (3.22%), 3.37% (3.37%), 3.62% (3.62%), 3.71% (3.71%) and 4.00% (4.00%) respectively. While similar pattern was noted in GII space, with yield sold-off before stabilizing towards the end of the month. At month end, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year GII were reported at 2.88% March 2020: 2.88%), 2.99% (2.99%), 3.31% (3.31%), 3.37% (3.37%), 3.72% (3.72%), 3.77% (3.77%) and 4.07% (4.07%) respectively.

FIXED INCOME MARKET OUTLOOK AND STRATEGY

2020 would be defined as the year of a new global pandemic, the highly infectious COVID-19 with over 3.2 million cases globally as at 30 April 2020 and still accelerating, with confirmed cases outside of China now constituting 97% of global confirmed cases. The pandemic has increased the likelihood of a global recession, leading investors to rush to safe haven assets and cash and causing asset prices everywhere to fall significantly.

BNM on 5th of May 2020, has cut its OPR by another 50 bps to 2%, a level last seen during the 2008-2009 global financial crisis. The central bank has noted that with this latest cut, the OPR has been reduced by a total of 100 bps since the start of the year, complementing the other monetary and financial measures it has made as well as fiscal measures announced by the government this year. Recent indicators shown that the global economy is already contracted with global growth projected to be negative this year. With widespread containment measures implemented globally coupled with international border closures and following weak external demand, Malaysia's domestic economic activity is expected to be impacted. While it is necessary for the movement control order (MCO) to contain the spread of the virus, it has also constrained production capacity and domestic spending. On top of that, both labour and economic conditions are expected to be challenging while fiscal stimulus with monetary and financial measures to offer some support to the economy. In term of inflation trajectory, BNM forecasted it to be muted this year with average headline inflation to be negative on account of substantially lower global oil prices. BNM has guided that inflation to be around -1.5% to +0.5% in 2020.

We expect the local government space to stay supported on widening yield differential versus the UST; whereby it does increase the attractiveness of our local government bond/sukuk and being renowned for its resilience towards any selloff due to deep onshore support and in-built back stop measures. We will continue to monitor the situation of markets and remain constructive on the local bond/sukuk market as the current macro backdrop continues to provide positive vibes for fixed income investments.