

RHB RETIREMENT SERIES – CORE AND NON-CORE PRIVATE RETIREMENT SCHEMES (“PRS”) UPDATE

April 2025

All data expressed as at 31 March 2025, unless otherwise stated.

RHB Retirement Series Review

The Morgan Stanley Capital International (“MSCI”) Asia Pacific ex Japan index was down by 0.71% during the month of March 2025, primarily influenced by tariff uncertainties, United States (“US”) recession concerns, and weakened Artificial Intelligence (“AI”) sentiment. Anticipation of tariff announcements from the US further amplified market volatility. India stood out with a strong 9.2% gain, recovering from the February 2025 selloff due to positive high-frequency indicators, easing banking liquidity, Indian Rupee appreciation, and robust Foreign Institutional Investor (“FII”) buying. China also saw positive growth of 2.0%, supported by consumption stimulus policies, although market gains were capped by stalled mid-March 2025 capital-raising activities of large firms. In contrast, Korea experienced a 1.4% decline, reversing gains after the US tariff announcement on Autos negatively impacted its major export sectors like Semiconductors, Chemicals/Metals, Auto, and Electrical Equipment. Taiwan was the worst-performing market with an 11.2% drop, heavily affected by declining AI sentiment. Association of Southeast Asian Nations (“ASEAN”) collectively rose by 1.6%, mainly supported by Indonesia where banks announced generous dividends or buyback plans. Meanwhile, Japan ended March 2025 largely flat with a -0.2% change, mirroring Korea's similar performance profile. Australia also slipped by 2.7%, with the Technology sector being the weakest across the five markets of Japan, Australia, China, India, and Thailand.

The Kuala Lumpur Composite Index (“KLCI”) declined by 3.88% in March 2025. In the first quarter of 2025, Malaysia faced a challenging economic landscape with 23 consecutive weeks of foreign outflows, totaling three days of significant foreign selling in February 2025. This foreign selling occurred despite a lack of major negative news, suggesting a broader shift in investor sentiment towards emerging markets like Malaysia, possibly influenced by the stronger performance of markets like Hong Kong and China. However, the economic narrative also includes positive developments. Malaysia is actively pursuing its ambition to become a key player in the global chip industry, with efforts to establish itself as a sovereign nation in this sector. This includes a significant partnership with Arm Holdings PLC to foster local chip design and innovation. Furthermore, Malaysia is taking steps to rationalize its fuel subsidies, with targeted measures for RON95 expected to begin around June 2025, aiming to better allocate resources and potentially save the government around Ringgit Malaysia (“RM”) 8 billion annually. These moves in the chip industry and subsidy reform highlight Malaysia's strategic focus on long-term economic growth and fiscal management amidst a complex global economic environment.

Only the RHB Retirement Series - Conservative Fund saw a slight positive performance during the month, while the RHB Retirement Series - Moderate Fund and RHB Retirement Series - Growth Fund were slightly negative for the month. Bank Mandiri (Persero) Tbk PT (“Bank Mandiri”) and Northern Star Resources Ltd were the top contributors to the performance while Malaysia Banks were the main drag. For the RHB Retirement Series - Moderate Fund and RHB Retirement Series - Growth Fund, the main drag came from investments in Malaysia. At security level Bank Mandiri and Wuxi Biologics (Cayman) Inc contributed the most to the funds performances, while CIMB Group Holdings Bhd and Wywinn Corp were the main detractors.

The RHB Retirement Series - i-Allocator Fund recorded a flat performance for the month. The main contributor was Ishares Gold ETF, while the main drag came from the RHB Shariah China Focus Fund.

The RHB Islamic PRS Funds’ performance were weaker Month-on-Month (“MoM”) in March 2025, weighed down by concerns over escalating trade tensions raising the risks of recession. That said, RHB Retirement Series - Islamic Equity Fund fared better versus benchmark and peers thanks to positive sector allocation (+31 basis points (“bps”)), mainly held up by the defensives likes of Healthcare and Financials. Meanwhile RHB Retirement Series – Islamic Balanced Fund also outperformed benchmark but below peers. The outperformance was thanks to asset allocation (+53bps), mainly shielded by Sukuk in the midst of a weak market.

Strategy

Malaysia's economy faces potential headwinds due to global tariff adjustments, particularly the US's reduction of 90-day tariffs to 10% on all countries except China (which faces 125%). This could negatively impact Malaysia's export sector and overall Gross Domestic Product (“GDP”) growth, potentially leading Malaysian businesses to prioritize domestic-oriented strategies. However, Malaysia might also benefit from trade diversion as manufacturers seek



RHB RETIREMENT SERIES – CORE AND NON-CORE PRIVATE RETIREMENT SCHEMES (“PRS”) UPDATE

April 2025

All data expressed as at 31 March 2025, unless otherwise stated.

alternatives and foreign companies consider establishing operations there, boosting sectors like Industrial, Properties and Construction. Specific sectors like Glove and Semiconductor industries, previously affected by reciprocal tariffs, might see some relief, potentially leading to stock price recovery for Malaysian glove companies with US exposure. Conversely, Chinese glove makers might flood non-US markets with excess inventory, causing price pressure. Overall corporate earnings growth in Malaysia is projected to slow down in 2025, although a 5%-6% growth is still anticipated. Despite these challenges, the government's supportive policies, coupled with attractive market valuation and earnings yield, suggest a positive medium-term outlook. While short-term market volatility is expected due to tariff uncertainties and US Federal Reserve (“Fed”) rate decisions, the Index is seen as fundamentally strong and liquid. The government's key investment themes for 2025, including large-scale infrastructure projects, leveraging global trade shifts, promoting stable domestic consumption, strengthening supply chain resilience, and favoring high-dividend-yielding stocks, aim to enhance portfolio resilience amidst ongoing uncertainties.

RHB RETIREMENT SERIES – CORE AND NON-CORE PRIVATE RETIREMENT SCHEMES (“PRS”) UPDATE

April 2025

All data expressed as at 31 March 2025, unless otherwise stated.

DISCLAIMER

Source: RHB Asset Management Sdn Bhd (“RHBAM”), 31 March 2025.

RHBAM is the Private Retirement Scheme (“PRS”) Provider of the RHB Retirement Series – Core PRS (consist of RHB Retirement Series-Growth Fund, RHB Retirement Series-Moderate Fund and RHB Retirement Series-Conservative Fund) and RHB Retirement Series – Non-Core PRS (consist of RHB Retirement Series-Islamic Equity Fund, RHB Retirement Series-Islamic Balanced Fund and RHB Retirement Series-i-Allocator Fund).

This update has been prepared by RHBAM and is solely for information only. It may not be copied, published, circulated, reproduced or distributed in whole or part to any person without the prior written consent of RHBAM. In preparing this update, RHBAM has relied upon and assumed the accuracy and completeness of all information available from public sources or which was otherwise reviewed by RHBAM. Accordingly, whilst RHBAM have taken all reasonable care to ensure that the information contained in this update is not untrue or misleading at the time of publication, RHBAM cannot guarantee its accuracy or completeness and make no representation or warranty (whether expressed or implied) and accept no responsibility or liability for its accuracy or completeness. You should not act on the information contained in this update without first independently verifying its contents.

Any opinion, management forecast or estimate contained in this update is based on information available as the date of this update and reflects prevailing conditions and underlying PRS Provider’s views as of the date of this update, all of which are subject to change at any time without notice. Such opinions, forecasts and estimates as well as the information contained herein relating to the historical performance of various indices is for information only and is not indicative of the future or likely performance of the PRS and should not be construed as such.

A Product Highlights Sheet (“PHS”) highlighting the key features and risks of the RHB Retirement Series – Core PRS and Non-Core PRS is available and contributors have the right to request for a copy of PHS. Contributors are advised to read and understand the PHS and the contents of the Replacement Disclosure Document dated 2 December 2015 and Non-Core PRS dated 1 September 2016 and its supplementary(ies) (if any) (collectively known as “the Disclosure Document”) before investing. The Disclosure Document has been registered with the Securities Commission Malaysia (“SC”) who takes no responsibility for its contents. This update does not amount to indicate that the SC has recommended or endorsed the PRS. Amongst others, contributors should consider the fees and charges involved. Contributors 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, contributors are advised that following the issue of additional units/distribution, the Net Asset Value (“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. Contributors are advised that investments are subject to investment risk and that there can be no guarantee that any investment objectives will be achieved. Contributors should conduct their own assessment before investing and seek professional advice, where necessary and should not make an investment decision based solely on this update. A copy of the PHS and the Disclosure Document can be obtained from any of our offices or website. For more information, please visit our website at www.rhbgroup.com/myinvest.

The Private Retirement Series Provider wishes to highlight the specific risks of RHB Retirement Series-Growth Fund are equity risk, credit risk, interest rate risk, liquidity risk, income distribution risk, derivatives risk, collective investment scheme risk, currency risk and country risk. The specific risks of RHB Retirement Series-Moderate Fund are equity risk, credit risk, interest rate risk, liquidity risk, income distribution risk, derivatives risk, collective investment scheme risk, currency risk and country risk. The specific risks of RHB Retirement Series-Conservative Fund are equity risk, credit risk, interest rate risk, liquidity risk, income distribution risk, collective investment scheme risk, currency risk and country risk. The specific risks of RHB Retirement Series-Islamic Equity Fund are management risk and the specific risks of the Target Fund are reclassification of shariah status risk, market risk and particular security risk. The specific risks of RHB Retirement Series-Islamic Balanced Fund are management risk and the specific risks of the Target Fund are reclassification of shariah status risk, market risk, particular security risk, interest rate risk and credit/default risk. The specific risks of RHB Retirement Series-i-Allocator Fund are liquidity risk, country risk, currency risk, islamic collective investment schemes risk, profit rate risk, credit/default risk and reclassification of shariah status risk. These risks and other general risks are elaborated in the Disclosure Document.

This update has not been reviewed by the SC.



RHB Asset Management Sdn Bhd 198801007231 (174588-X)