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

May 2025

All data expressed as at 30 April 2025, unless otherwise stated.

RHB Retirement Series Review

The Morgan Stanley Capital International (“MSCI”) Asia Pacific ex Japan Index saw a 1.41% increase in April 2025, a recovery following an 11% drop earlier in the month triggered by the United States’ (“US”) "Liberation Day" tariff plans, which mirrored a pattern from August 2024. Equities gradually recovered starting from the 90-day implementation delay on 9 April 2025. The month also experienced volatility in the US Treasury market and a strengthening US Dollar (“USD”), raising questions about US exceptionalism. Regionally, Australia (+6.6%), Japan (+5.4%), Korea (+4.6%), and India (+4.7%) showed positive performance. Australia benefited from broad sector gains, while Japan's outperformance was attributed to upbeat earnings and capital inflows from the US and China. Korea's decent returns were supported by strong order flows in defense and shipbuilding and reduced risk premia after a peaceful resolution of domestic political uncertainty. India's growth was driven by a tariff pause, a second interest rate cut, Reserve Bank of India (“RBI”) cash injections, a weaker USD, lower oil prices, and strong domestic demand, despite global trade tensions. Association of Southeast Asian Nations (“ASEAN”) (+3.4%) also rose, mainly due to gains in Communications and Delta Electronics in Thailand. In contrast, Taiwan (+2.5%) underperformed due to weakening Artificial Intelligence (“AI”) sentiment and increased US restrictions on semiconductors. China (-4.3%) ended the month lower, impacted by external factors, weak domestic demand, and lackluster first-quarter earnings, although some easing of US-China tensions was noted late in April 2025.

In April 2025, the Kuala Lumpur Composite Index (“KLCI”) experienced a rebound, rising by 1.8% Month-on-Month (“MoM”) or 26 points to close at 1,540 points. This recovery was fuelled by renewed foreign investor interest and a decrease in tariff concerns. A significant 4.5% surge on 10 April 2025 followed an announcement by Trump regarding a 90-day pause on specific tariffs. Subsequent selective tariff exemptions on 11 April 2025 for smartphones and other consumer electronics, along with a softening of automotive tariffs on 29 April 2025, further boosted market sentiment. News that the US and China had agreed to initiate trade talks, reversing the initial panic sparked by the reciprocal tariff announcement on 2 April 2025, provided additional support. Local institutional investors emerged as the largest and only net buyers in April 2025, with total net purchases reaching RM2.2 billion. Foreign investors remained the largest net sellers for the seventh consecutive month, with net outflows of RM1.89 billion (a 59.3% MoM decrease). Meanwhile, nominee investors recorded net outflows of RM247 million, and retail investors saw net outflows of RM50 million. Sector-wise, Telecommunications, Consumer, and Healthcare indices were the top gainers in April 2025, while Energy, Transport, and Technology underperformed. Among KLCI constituents, MR DIY, Axiata, and Nestlé recorded the largest increases, while Sime Darby, Kuala Lumpur Kepong, and YTL Corp saw the steepest declines.

Only the RHB Retirement Series - Conservative Fund saw a positive performance during the month, while the RHB Retirement Series - Moderate Fund and RHB Retirement Series - Growth Fund were negative for the month. Axiata and Northern Star Resources were the top contributors to the performance for the RHB Retirement Series - Conservative Fund while share prices of Singapore Banks saw sharp declines. For the RHB Retirement Series - Moderate Fund and RHB Retirement Series - Growth Fund, the main drag came from the China exposure. At security level IJM Corp and HD Korea Shipbuilding contributed the most to the performances of both RHB Retirement Series - Moderate Fund and RHB Retirement Series - Growth Fund, while Wasco, Cowell and DBS Banks 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.

Although the KLCI rebounded MoM, the PRS Islamic funds’ performance were weaker vs benchmark in April 2025. The RHB Retirement Series - Islamic Equity Fund underperformed benchmark but above peers Month-to-Date (“MTD”) due to negative security selection, key draggers were Westport, MISC and Padini. Similarly, RHB Retirement Series – Islamic Balanced Fund underperformed benchmark and peers MTD due to negative sector allocation on weakness from fixed income as well as sectors like Communication Services and Consumer Staples did well MoM but the Fund were underweight on both sectors.

Strategy

Despite potential global slowdown impacts, Malaysia's corporate earnings are expected to grow by 5%-6% in 2025, supported by a favorable domestic backdrop and government initiatives. While market valuation is at its mean, a 7.4%

earnings yield remains attractive. Ongoing US trade policy uncertainty will likely fuel market volatility. The recommended strategy is to prioritize high-yielding stocks and domestic-focused sectors to buffer against risks from US trade policies, particularly for export-oriented sectors vulnerable to reciprocal tariffs and a weaker Malaysia Ringgit ("MYR"). Conversely, sectors benefiting from a stronger MYR (like Consumer and Auto) and those with limited USD exposure are favoured. Trade diversion from China and other countries may continue to benefit Malaysia as companies seek alternative manufacturing locations, potentially boosting Property Developers, Construction, and Utilities. Malaysia's long-term equity outlook remains positive, driven by government reforms for sustainable growth. Key investment themes for 2025 include: large infrastructure projects, benefiting from global trade shifts, strong domestic consumption, resilient supply chains, higher dividend-yielding stocks for portfolio stability amid uncertainty, and increased local liquidity and foreign ownership.

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DISCLAIMER

Source: RHB Asset Management Sdn Bhd ("RHBAM"), 30 April 2025.

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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.