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

June 2025

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

RHB Retirement Series Review

The Morgan Stanley Capital International (“MSCI”) Asia Pacific ex Japan Index saw a 4.81% increase in May 2025, with equity markets seeing an upward trend despite concerns over United States (“US”) recession risks and renewed optimism about Artificial Intelligence (“AI”). The increase was driven by strong demand for AI chips and expectations of a positive outcome from US-China tariffs. Asian stocks performed well, initially catching up to laggards and then boosted by excitement surrounding Microsoft Corporation and Meta Platforms Inc's capex outlooks. Developed Markets (“DM”) bond yields also moved higher due to a combination of fiscal, inflation, and supply-demand issues. Moody's downgrade of the US credit rating was a key factor in bond movements, leading to a weaker US dollar against most Asian currencies.

Within Asia, Taiwan (+12.8%) was the top performer, driven by strong currency and AI optimism, followed by the Information Technology (“IT”) sector (+9.1%). Korea (+7.9%) also saw gains, supported by strong earnings in Financials and Defense, and investor discounts on upcoming Presidential election. Hong Kong (+9.3%) benefited from impressive returns in China (+2.8%), with strong listing queues and a sharp fall in Hong Kong Interbank Offered Rate (“HIBOR”). Real estate firms and operational results from companies like AIA Group Limited (“AIA”) and Macau gaming also contributed to Hong Kong's performance. However, China remained range-bound due to external pressure and domestic competition in sectors like food delivery and auto. India (+1.9%) saw a pause in May 2025 due to structural forces and a tepid fourth quarter of fiscal year 2025 earnings season, but primary markets and a tariff truce between the US and China, benefiting export-oriented nations and higher crude oil prices, were supportive. Association of Southeast Asian Nations (“ASEAN”) (+3.9%) diverged, with Vietnam and Indonesia rebounding significantly, while Thailand (-3.5%), Malaysia (-0.4%) and the Philippines (+0.7%) responded more mutedly. Japan and Australia both rose 4.3% due to the tariff pause. Additionally, central banks in Australia and Korea may cut rates in May 2025.

The Kuala Lumpur Composite Index (“KLCI”) experienced a decline in May 2025, falling 2.1% (32 points) to 1,508, despite an initial peak of 1,583 points on 15 May 2025. This initial optimism was driven by news of a US-China agreement to roll back tariffs for 90 days. However, the positive sentiment was short-lived due to disappointing first-quarter corporate earnings and an uncertain economic outlook, which also led to a reduction in Malaysia's index weight in the MSCI All Country Ex-Japan Index. A turnaround began in the third week of May, as investors increased buying and reduced selling over four days, signaling an improvement in sentiment. For the month, foreign investors were net buyers of Ringgit Malaysia (“RM”)1.03 billion, a significant reversal from the RM1.89 billion net sell in April 2025, bringing the 5-month cumulative outflow to RM10.8 billion. In contrast, local institutional investors were net sellers, with outflows of RM2.2 billion, while retail investors were net buyers of RM143 million. Foreign investors ended a seven-month selling streak to become the largest net buyers. Proprietary and nominee investors also registered net buys of RM138 million and RM115 million, respectively. Sector-wise, construction, property, and technology outperformed, along with healthcare, consumer, and telecommunications. The top three gainers among KLCI constituents in May 2025 were Gamuda Berhad. Sunway Berhad and Press Metal Aluminium Holdings Berhad, while Sime Darby Berhad, Nestlé S.A, and PPB Group Berhad were the biggest decliners. In terms of fund flows, foreign net buying was concentrated in the utilities, telecommunications, and construction sectors, with Tenaga Nasional Berhad (“Tenaga”), CIMB Group Holdings Berhad (“CIMB”), and Telekom Malaysia Berhad being key beneficiaries. Conversely, foreign investors were net sellers in the consumer, energy, and technology sectors. Local institutional investors primarily focused on selling in the financial services, utilities, and telecommunications sectors, with Tenaga, Malayan Banking Berhad (“Maybank”), and CIMB seeing the largest three disposals.

All three Private Retirement Scheme (“PRS”) Core funds saw a strong positive performance during the month. Australian gold miner Northern Star Resources Limited together with Hana Financial Group Inc were top contributors to the performance for the Conservative Core fund while Korean cosmetics manufacturer Cosmax Inc and Taiwanese AI server assembler WiWynn Corporation were top performance contributors for the Growth and Moderate Core funds.

The Retirement Series -I-allocator Fund recorded a slight positive performance for the month. The main contributor was RHB Global Shariah Dynamic Income Fund, while the main drag came from the RHB Global Sukuk Fund.

Both PRS funds did well Month-on-Month (“MoM”) basis on low base effect as April 2025 was at the weakest point Year-to-Date (“YTD”). For RHB Retirement Series Islamic Equity outperformed benchmark but came in below peers Month-to-Date (“MTD”), thanks to positive sector allocation, the Overweight in Industrial Information Technology and Real estates, coupled with the Underweight in the Energy lifted the fund performance during May 2025. Meanwhile, RHB

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Retirement Series Islamic Balanced outperformed benchmark and peers MTD thanks to positive asset allocation on sukuk contribution and security selection. Key contributors were Southern Cable Group Berhad, MN Holdings Berhad and MISC Berhad. On a YTD basis, both funds continued to outperform benchmark respectively.

Strategy

The uncertainty surrounding the evolution of US trade policy remains high and is likely to continue to feed market volatility ahead. In this environment, the strategy is to focus on high yielding stocks and also focusing on domestically driven sectors to help mitigate some of the risks stemming from US trade policy. Downside risks exist, including the application of “reciprocal” tariffs and broader spillover of policy uncertainty, which could lead to a decline of global goods trade and hurt export-oriented sectors. We would underweight exporters due to the tariffs issue as well as strengthening Malaysian Ringgit (“MYR”) against United States Dollar (“USD”). We would overweight sectors/stocks that would benefit from the strengthening of MYR like consumer, auto (beneficiary of rate cut) and underweight exporters with significant USD sales exposure.

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DISCLAIMER

Source: RHB Asset Management Sdn Bhd ("RHBAM"), 31 May 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.