

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

**October 2025**

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

## RHB Retirement Series Review

In September 2025, Morgan Stanley Capital International (“MSCI”) Asia Pacific ex Japan rose by 5.79%, significantly outperforming the MSCI World which gained 3.6%. This growth was attributed to factors like global equity upside, policy easing, and the ongoing technology upside, suggesting a “goldilocks” market scenario. Global Money Supply Aggregate 2 (“M2”) growth remains robust, and the market anticipates a well-expected rate cut from the Federal Reserve (“Fed”). Geopolitical risks from events like the Trump-Xi phone call and new tariffs on furniture and pharmaceuticals did not significantly impact the markets. The month’s performance was largely dominated by the technology/artificial intelligence (“AI”) theme. North Asia was the strongest region. Korea was the best-performing market globally (+10.3%), driven by memory exposure large-caps like Samsung Electronics Co Ltd and SK Hynix Inc benefiting from tight supply and rising prices, plus news flow like SK Hynix Inc’s High Bandwidth Memory 4 (“HBM4”) mass production announcement and Securities and Exchange Commission (“SEC”)’s approval from Nvidia Corporation on High Bandwidth Memory 3 Extended (“HBM3E”). Taiwan (+9.5%) also saw strong gains from AI capex and robust Apple Inc demand. China (+9.7%) advanced its self-reliance AI projects, with tech giants like Alibaba Group Holding Limited and Baidu Inc developing their own chips and expanding AI business, though its rally was somewhat constrained by capital outflows. In contrast, Association of Southeast Asian Nations (“ASEAN”) (+0.3%) and Australia (–0.2%) lagged due to more modest upside in non-technology sectors. ASEAN was weighed down by political uncertainties, including protests in Indonesia, the Philippines, and a change in the Prime Minister (“PM”) in Thailand. The Philippines (–5.2%) was the worst-performing market, trading more than 2 standard deviations below its 10-year historical average.

The Kuala Lumpur Composite Index (“KLCI”) experienced a 2.3% Month-on-Month (“MoM”) rise in September 2025, closing at 1,612 points. This growth was driven by several factors, including the United States (“US”) Fed’s rate cut, a reduction in Research Octane Number 95 (“RON95”) petrol prices by 6 sen to Ringgit Malaysia (“RM”) 1.99/litre for eligible Malaysians, and continued net foreign fund inflows. Following two months of recovery, the KLCI’s Year-to-Date (“YTD”) loss narrowed to 1.9% as of the first nine months of 2025 (“9M25”). However, foreign shareholding (by market capitalisation) slipped to 18.7% from 18.8% in August 2025, indicating underperformance by heavy-equity stocks. Local institutional investors were the dominant players, emerging as the largest net buyers with a significant inflow of RM580 million. This brought their cumulative net purchases for 9M25 to RM13.6 billion, surpassing the total net buying of RM11.6 billion for the whole of 2024. Their primary focus was on financial services, utilities, and healthcare, with CIMB Group Holdings Berhad, Public Bank Berhad, and Tenaga Nasional Berhad being their top three buys. Regionally, the KLCI was the second-worst performing market in the Malaysia, Indonesia, Singapore, Thailand (“MIST”) in September 2025, only outperforming Thailand’s Stock Exchange of Thailand (“SET”). Despite underperforming the MSCI All Country ex-Japan Index (+6.6% MoM), the KLCI still outperformed Singapore’s Straits Times Index (“STI”) (+0.7% MoM). For 9M25, Malaysia (–1.9%) and Thailand (–9.0%) lagged the MIST markets, while Indonesia (+13.9%) and Singapore (+13.5%) led. At the sector level, utilities, industrial, and consumer outperformed the market. Among the KLCI constituents, the top gainers were Sunway Group (+14.8% MoM), IHH Healthcare Berhad (+11.2%), and MR DIY Group (M) Berhad (+10.8%), while the biggest losers were Petronas Chemicals Group Berhad (–2.3%), MISC Berhad (–1.6%), and CIMB Group Holdings Berhad (–2.3%).

All three Private Retirement Scheme (“PRS”) Core funds saw a strong positive performance during the month. For the PRS Growth Core fund, the China and Malaysia exposures were the top contributors to performance and at security level, Australian gold miner Northern Star Resources Limited, Malayan Cement Berhad and Zhejiang Sanhua Intelligent Controls Co Ltd were top performance contributors. For both the PRS Moderate Core and Conservative Core funds, Malaysia and Australia were top performance contributors. At security level the Australia gold miner Northern Star Resources Limited, IHH Healthcare Berhad and Malayan Cement Berhad have been top contributors to performance.

The Retirement Series -I-allocator Fund recorded a strong positive performance for the month. The main contributor was the RHB Shariah China Focus Fund. There were no performance detractors during the month.

Both PRS funds have continued to deliver in terms of Month-to-Date (“MTD”) and YTD performance in September 2025. For the RHB Retirement Series - Islamic Balanced fund outperformed benchmark and peers MTD. Positive stock selection did well for the fund cushioning the negative contribution from sukuk. Key contributors were Velesto Energy Berhad, United Wira Commercial Berhad and Malayan Cement Berhad. Similarly, RHB Retirement Series - Islamic Equity Fund also outperformed benchmark and peers MTD on positive stock selection. Key contributors were IHH Healthcare Berhad, Tenaga Nasional Berhad and Malayan Cement Berhad.



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## Strategy

The uncertainty surrounding US trade policy remains high and is likely to keep the market volatile. In this environment, the strategy is to focus on high yielding stocks and focusing on domestically driven sectors economy to help mitigate some of the risks stemming from US trade policy and slowdown in the global economy. The expected slowdown in the overall economy would have an impact on the corporate earnings growth prospects in 2025. The disappointing first quarter 2025 and second quarter 2025 earnings have led to the downgrade in the corporate earnings growth to below 2% for 2025 from 10% since the beginning of the year. However, we believe that the earnings downgrade might have been bottoming and investors are now looking into 2026 earnings growth. We remain cautiously optimistic on Malaysia's equity outlook for the second half of 2025, which is supported by the government's structural reforms aimed at fostering long-term sustainable economic growth. Key investment themes are: 1). Implementation of large-scale infrastructure projects, 2). Interest rate cut 3). Stable domestic consumption trends, 4). Continued supply chain relocation under the China+1 strategy. We maintain a fundamental KLCI index target of 1,580, which factored in earnings downgrade. However, the index may trade higher to 1,650 level on liquidity push and expectations of higher earnings growth in 2026. We believe that the government to continue with its favorable and a progressive policy backdrop and will lead to sustain domestic demand and corporate earnings growth in 2026. Looking into 2026, the market is expecting decent earnings growth of around 6%-7%, which would translate, into higher index level. We are positive on the impact on the consumer sector following the government unveiled a new round of fiscal support measures aimed at alleviating living costs, stimulating domestic consumption, and boosting household spending. Higher development expenditure of RM430 billion (+3.6% vs the revised 12th Malaysia Plan (“12MP”) target) and the RM61 billion in private sector funding via public-private partnership (“PPP”) initiatives, will help to pave way for broader sectoral participation and growth opportunities. The government has reiterated its commitment to enhance digital infrastructure to create new economic opportunities and attract strategic Data Center (“DC”) investments. This ongoing focus is seen to continue benefitting sectors such as construction, utilities, power infra, and renewable energy (in light of the acceleration in The National Energy Transition Roadmap (“NETR”) initiatives. We focus on domestic orientated sector such as construction, utilities, consumer discretionary, property and Real Estate Investment Trusts (“REITs”). The banking sector may suffer from lower net interest margin but offer and attractive dividend yield and potentially may see a better loan growth.

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## DISCLAIMER

Source: RHB Asset Management Sdn Bhd (“RHBAM”), 30 September 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).

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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, investors should compare and consider the fees, charges and costs 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](http://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, reclassification of shariah status risk and the specific risks related to the underlying investments of the Islamic collective investment schemes are equity risk, profit rate risk, credit/default risk, inflation risk, non-compliance risk, capital and returns are not guaranteed, fund manager risk, risks



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associated with default option, legal and regulatory risk, market risk, credit risk, interest rate risk, liquidity risk, income distribution risk, derivatives risk. These risks and other general risks are elaborated in the Disclosure Document.

This update has not been reviewed by the SC.