

**RHB RETIREMENT SERIES -  
ISLAMIC BALANCED FUND**

**SEMI-ANNUAL REPORT 2023**

For the financial period ended 30 November 2023

## GENERAL INFORMATION ABOUT THE FUND

### Name, Category and Type

Fund Name	-	RHB Retirement Series - Islamic Balanced Fund
Fund Category	-	Feeder Fund - Balanced (Shariah-Compliant)
Fund Type	-	Private Retirement Scheme

### Investment Objective, Policy and Strategy

#### Objective of the Fund

The Fund aims to maximise total returns through a combination of long term<sup>^</sup> growth of capital and current income<sup>#</sup> consistent with the preservation of capital\* by investing in one Target Fund.

#### Strategy

The Fund will invest principally in the Target Fund, i.e. the RHB Dana Hazeem (“Dana Hazeem”), a Malaysia domiciled fund established on 28 February 2013 and managed by the Private Retirement Scheme (“PRS”) Provider. Both the PRS Provider and Dana Hazeem are regulated by the Securities Commission Malaysia (“SC”) under the Capital Markets and Services Act 2007. The investment objective of Dana Hazeem is to maximize total returns through a combination of long term<sup>^</sup> growth of capital and current income consistent with the preservation of capital.

Although the Fund is passively managed, the investments of the Fund will be rebalanced from time to time to meet sales and redemption transactions and to enable the proper and efficient management of the Fund.

The asset allocation of the Fund will be as follows:-

At least 95% of Net Asset Value - Investments in units of Dana Hazeem

1% to 5% of Net Asset Value - Investments in liquid assets including Islamic money market instruments and placements of cash

Note:

<sup>^</sup> “long term” in this context refers to a period between 5 - 7 years.

<sup>#</sup> Income is in the form of units.

<sup>\*</sup> The Fund is not a capital protected or a capital guaranteed fund.

## **Performance Benchmark**

The performance of this Fund is benchmarked against composite benchmark comprising 50% FTSE Bursa Malaysia EMAS Shariah Index or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad and 50% RHB Islamic Bank Berhad's 12-months Commodity Murabahah Deposit-i rate\*.

*\* the performance benchmark of the Fund has been replaced from 50% of the performance of the FTSE Bursa Malaysia EMAS Shariah Index and 50% of the Maybank Islamic Berhad's 12-month Islamic fixed deposit rate to 50% of the performance of the FTSE Bursa Malaysia EMAS Shariah Index and 50% of the RHB Islamic Bank Berhad's 12-months Commodity Murabahah Deposit-i rate with effect from 31 August 2023.*

## **Permitted Investments and Restrictions**

This Fund may invest in one collective investment scheme i.e. RHB Dana Hazeem, participate in Islamic financial derivatives for hedging purpose, invest in Islamic money market instruments and make placements of cash, and any other investment permitted by the SC from time to time.

In undertaking the Fund's investments, the Fund must not invest in a fund-of-funds, a feeder fund, or any other sub-fund of an umbrella scheme which is a fund-of-funds or a feeder fund.

## **Distribution Policy**

The Fund will declare distributions, if any, depending on the level of income generated at each relevant period. Distributions, if any, after deduction of taxation and expenses (i.e. net distributions) are declared annually.

All distributions (if any) will be reinvested into additional Units based on the prevailing NAV per Unit of the Business Day on which the distributions are declared. No Sales Charge or costs shall be incurred or payable by the Members for the reinvestment.

## **PRS PROVIDER'S REPORT**

### **EQUITY MARKET REVIEW**

Global equity markets as represented by the Morgan Stanley Capital International All-Country World Index (“MSCI ACWI”) had a positive momentum in the month of June 2023, having returned of 5.64% thanks to the resolution of the United States (“US”) debt ceiling crisis and the Artificial Intelligence (“AI”) rally. Locally, the FTSE Bursa Malaysia Kuala Lumpur Composite Index (“FBM KLCI”) and the FBM EMAS Shariah Indices declined by 0.75% and 1.81% respectively. Sentiment was further dampened due to the weak China manufacturing data which raised concerns over the strength of its economic recovery as well as spillover effect to Association of Southeast Asian Nations (“ASEAN”) countries. The weak Malaysian Ringgit (“MYR”) and the upcoming states election have also added to the cautious sentiment. Malaysia’s headline Consumer Price Index (“CPI”) inflation slowed to 2.80% Year-on-Year (“YoY”) in May 2023 (versus (“vs”) 3.30% YoY in April 2023) mainly driven by lower food and transportation inflation. Separately, there were several government announcements made including plans to phase out blanket subsidies in favour of targeted subsidies for electricity, gasoline and diesel. It also announced steps to boost the Malaysia’s capital markets in order to improve confidence and underpin any significant downside via stamp duty reduction and other measures.

It was another good month for the global equity markets, as represented by the MSCI ACWI, having gained 3.70% in July 2023 and bringing the year-to-date gains to 18.10%. The benign inflation print coupled with resilient Gross Domestic Product (“GDP”) data and employment numbers helped to push the markets further upwards. Both the US Federal Reserve (“Fed”) and the European Central Bank hiked rates by 25 basis points (“bps”) in line with market expectation but the Bank of Japan surprised the market with a tweak in its yield curve control. In line with the rally seen in ASEAN markets overall, FBM KLCI and FBM EMAS Shariah Index gained 6.01% and 5.20% respectively in July 2023. The Monetary Policy Committee of Bank Negara Malaysia (“BNM”) decided to maintain the Overnight Policy Rate (“OPR”) at 3.00%. Separately, Malaysia's headline CPI inflation slowed to 2.40% YoY in June 2023 (vs 2.80% YoY in May 2023), mainly driven by lower food and transportation inflation, while core inflation, which excludes fresh food, energy and administered prices, also moderated to 3.10% YoY in June 2023 (vs 3.50% YoY in May 2023). The launch of National Energy Transition Roadmap, which comprise of RM25 billion (“bn”) worth of national projects in its first phase to support the government’s structural reforms to the economy could provide new opportunities to Malaysia’s utilities and renewable energy companies.

The MSCI ACWI declined 2.96% on a Month-on-Month (“MoM”) basis in August 2023 as the market continued to digest Chairman Powell’s comments out of Jackson Hole meeting at the end of the month. Over in Malaysia, the FBM KLCI and FBM EMAS Shariah Index declined by 0.51% and 0.29% respectively on a MoM basis in line with regional market weakness. Malaysia’s real GDP expanded by 2.90% YoY

in second quarter of year 2023, a marked slowdown from 5.60% in the first quarter of year 2023 mainly due to a larger external drag and slower private consumption growth. Headline CPI inflation slowed to 2.00% YoY in July 2023 (vs 2.40% YoY in June 2023) mainly driven by lower food and transportation prices. The conclusion of the state elections has largely removed concerns on political uncertainty, and this is evident in the price surge in some sectors such as utilities and property, in which investors are expecting the government to move ahead with its projects in relating to energy reforms as well as mega infrastructure projects such as the High Speed Rail. On a negative note, the earnings season in August 2023 concluded on a muted note as a high proportion of companies reported earnings that were below consensus expectations.

In September 2023, the MSCI ACWI saw further correction, having declined by 4.10% on a MoM basis. The market took negatively upon the Fed's hawkish, higher for longer interest rate environment commentary. Over in Malaysia, the FBM KLCI and FBM EMAS Shariah Index declined by 1.90% and 0.40% respectively on a MoM basis in line with regional market weakness. BNM maintained OPR at 3.00% in line with expectations, as Malaysia's headline inflation stayed at 2.00% YoY in August 2023. The government tabled the 12th Malaysia Plan, which is expected to boost the current mega infrastructure pipeline and support the economic growth for the country.

The MSCI ACWI saw further correction in October 2023, having declined 3.10% on a MoM basis on renewed concerns that the strong US macroeconomic indicators would enable high-for-long monetary policy stances, as well as risk of escalation of the Middle East conflict. Chairman Powell's speech also confirmed that there will be no move at the November 2023 meeting, but left the door open for later hikes. Over in Malaysia, the FBM KLCI gained 1.30% on a MoM basis, while the FBM EMAS Shariah Index lost marginally at 0.30%. Malaysia's headline inflation, as measured by the CPI, eased to 1.90% YoY in September 2023 compared with August 2023 of 2.00% YoY. The government unveiled Budget year 2024, which aims to broaden its revenue base while pushing for reform agendas.

November 2023 turned favorable where MSCI ACWI, increased by 9.10% during the month. Early readings of spending over the Thanksgiving weekend suggest that US consumers spent more than they did last year 2022, raising concerns whether the US Fed would stop hiking its interest rate going forward. On commodities, oil price declined on weak China trade data which raised concerns over sluggish demand, as well as Organization of Petroleum Exporting Countries decision to delay a critical meeting towards the end of the month November 2023. Over in Malaysia, the FBM KLCI gained 0.70% on a MoM basis, while the FBM EMAS Shariah Index gained 0.80%. Domestically, Malaysia's headline CPI inflation edged down to 1.80% YoY in October 2023 (vs 1.90% YoY in September 2023) mainly driven by modestly lower food prices. The government is set to roll out a targeted Research Octane Number 95 ("RON95") subsidy program in the second half of year 2024 ("2H24"). Alongside the subsidy changes, the Economy Ministry would present the Progressive Wage Policy to Parliament, addressing low wages in Malaysia and emphasizing the need for

productivity driven wage growth through upskilling efforts. Lastly, the government is setting aside the generational endgame component in the revised tobacco bill.

## **FIXED INCOME MARKET REVIEW**

The Malaysia's fixed income market had a good year in year 2023 with index returns largely on track to achieve 5.00% to 7.00% return in year 2023. The strong fixed income market is largely attributed to a more stable macroeconomic environment in Malaysia where growth have moderated to its long term trend of circa 4.00% this year 2023 from high of 8.70% last year 2022, while inflation have also moderated to sub 2.00% level from high of circa 4.00% inflation readings last year. As a result of the stable macroeconomic environment, interest rate environment in Malaysia have benefitted with bond yields largely lower, providing the catalyst for the outperformance of the Malaysia's fixed income market.

In terms of central bank policy action, BNM increased the OPR by 25bps to 3.00% during the first half of the year in May 2023 and have since kept the OPR unchanged. This was a sharp contrast from the four straight increases in OPR in year 2022 from 1.75% to 2.75%. At the current level of 3.00%, BNM assessed that the monetary policy stance remains supportive of the economy but highlighted the risk to inflation from potential rationalisation in subsidy and price controls in year 2024.

Elsewhere in the global stage, the US fixed income market has had volatile year as the fixed income market attempted to anticipate the pivot in the US Fed, only to have expectations pushed back by the Fed several times for most part of the year. During the course of the year, the Fed had increased the Federal Funds Target Rate ("FFTR") by a total of 100bps, capping off one of the most aggressive interest rate hike cycle in decades which saw the Fed increasing the FFTR upper bound from a low of 0.25% in early year 2022 to 5.50% currently, in its effort to combat inflation.

Despite the large rate increase by the Fed, the US fixed income market is actually on track to close the year in positive territory as interest rate expectation by the market was adjusted lower in tandem with the moderation in US economic data and inflationary readings. As at the end of November 2023, the US interest rate futures market have already priced-in as much as 100bps of cut in the FFTR for the whole year of 2024. This positive momentum in the US fixed income market have since provided the impetus for other global bond markets to stage a strong rally. Notably, the Malaysia's market benefitted from the improving global sentiment which saw foreign net inflow of RM20.4 bn in the 10-month ending October 2023.

On a 6-month basis comparison from May 2023 to November 2023, Malaysian Government Securities ("MGS") saw yields increased by 5 to 15bps with respective benchmark levels closing at the following levels: 3-year at 3.445% (+5 bps), 5-year at 3.605% (+13 bps), 10-year at 3.806% (+11 bps), 15-year at 4.018% (+4 bps), 20-year at 4.164% (+9 bps) and 30-year at 4.303% (+12 bps). Similarly, the Government Investment Issue ("GII") market also saw yields increased by 4 to 21bps as follow: 3-

year at 3.565% (+21 bps), 5-year at 3.692% (+17 bps), 10-year at 3.887% (+8 bps), 15-year at 4.038% (+4 bps), 20-year at 4.224% (+9 bps) and 30-year at 4.394% (+13 bps).

Benchmark	MGS yield (%)			GII yield (%)		
	31-May-23	30-Nov-23	Change	31-May-23	30-Nov-23	Change
3-Year	3.392	3.445	+5 bps	3.352	3.565	+21 bps
5-Year	3.471	3.605	+13 bps	3.523	3.692	+17 bps
10-Year	3.701	3.806	+11 bps	3.805	3.887	+8 bps
15-Year	3.975	4.018	+4 bps	3.999	4.038	+4 bps
20-Year	4.073	4.164	+9 bps	4.139	4.224	+9 bps
30-Year	4.181	4.303	+12 bps	4.263	4.394	+13 bps

## EQUITY MARKET OUTLOOK AND STRATEGY

The Malaysian economy is expected to improve further in year 2024, supported by the services sector, which would remain the key driver of the overall economic performance. Malaysia's labour market conditions remained encouraging as unemployment remained at pandemic low and it is supported by decent wage growth. While there is potential upside risk to inflation rate next year mainly due to further subsidy rationalization, specifically on the targeted RON95 fuel subsidy which would be rolled out in 2H24 and despite the implementation of targeted electricity subsidy and the end of chicken price subsidy this year, we do not think inflation would be a major concern as the consensus is looking at marginal increase in the inflation numbers in year 2024 of 3.00% compared with year 2023 of 2.60%.

Overall, we maintain our view that the local index is likely to continue with its range-bound trade in the absence of local fresh leads, pending clarity on the US Fed's next move, unresolved developments in the Middle East and the health of the Chinese economy. In the absence of strong catalyst to push earnings growth, we are of the opinion that liquidity would be the main market driver in the short-term. Should US achieve soft landing commodity-based country like Malaysia, it would benefit and also help MYR to recover and driving in-flows of funds. Overall, expectations of peaking US interest rates, we believe the strengthening of the regional currencies and the return of foreign buying would be positive for the index in the long term.

## FIXED INCOME MARKET OUTLOOK AND STRATEGY

The outlook for fixed income market in year 2024 remains highly positive in our view as global inflationary pressures retreated and the balance of probabilities have also now shifted towards major central banks reversing some of their aggressive tightening in the past two years. The International Monetary Fund in its year 2023 World Economic Outlook Update had also projected for global GDP growth to be lower at 2.90% in year 2024 from 3.00% projected previously, and typically slower GDP

growth translates into a better outlook for fixed income market due to the lower interest rate expectation.

For Malaysia, we expect BNM to keep the OPR unchanged in year 2024 as inflation had moderated lower (inflation at +1.80% YoY in October 2023) while growth remains uneven in the country. While BNM indicated that it is monitoring closely for any inflationary impact from the government's subsidy rationalisation, we believe that the subsidy rationalisation by the government would be gradual and hence inflation is likely to be contained. This stable OPR environment, coupled by improving supply (e.g. lower government deficit) and demand dynamics by local institutions (e.g. pension funds, insurance companies) augur well for the local fixed income market in our opinion.

Meanwhile, the Malaysia's corporate bond and sukuk market are also likely to benefit from the positive momentum in the overall bond market as we expect credit conditions in Malaysia to be broadly stable in year 2024 supported by resilient domestic growth and a more benign inflationary outlook. We remain positive on the corporate sub-sector and believe that it could continue to provide yield enhancement for the bond portfolios.

In summary, we are constructive of the bond market as we still see opportunities within the government and corporate credit securities market. We advocate on positioning the bond portfolio to increase investments whenever exacerbated selling occurs, as yield levels are expected to come off in lower year 2024 growth and inflation expectations. The stance to monetary policy locally by BNM would continue to be determined by new data but we expect this to be still supportive in light of a broadly stable macroeconomic outlook.



## TARGET FUND'S TOP 10 HOLDINGS

The Target Fund's top 10 holdings as at 30 November 2023 are as follows:

No.	Security Name	Fair Value (RM)	% of Net Asset Value (%)
1	MEX I Capital Berhad 2.60% (21.01.2038)	2,940,403	28.26
2	MEX I Capital Berhad 2.60% (22.01.2029)	2,397,301	23.04
3	MEX I Capital Berhad 5 (21.01.2037)	1,113,356	10.70
4	MEX I Capital Berhad 2.60% (21.01.2028)	822,257	7.90
5	MEX I Capital Berhad 2.60% (21.01.2039)	242,400	2.33
6	Tenaga Nasional Berhad	203,796	1.96
7	MBM Resources Berhad	171,600	1.65
8	UWC Berhad	155,296	1.49
9	Farm Fresh Berhad	127,605	1.23
10	Hartalega Holdings Berhad	119,760	1.15

The Target Fund's top 10 holdings as at 30 November 2022 are as follows:

No.	Security Name	Fair Value (RM)	% of Net Asset Value (%)
1	MEX I Capital Berhad 2.60% (21.01.2038)	2,771,585	27.53
2	MEX I Capital Berhad 2.60% (22.01.2029)	2,295,889	22.80
3	MEX I Capital Berhad 5 (21.01.2037)	1,054,071	10.47
4	MEX I Capital Berhad 2.60% (21.01.2028)	791,038	7.86
5	MISC Berhad	293,040	2.91
6	MEX I Capital Berhad 2.60% (21.01.2039)	226,997	2.25
7	IOI Corporation Berhad	218,122	2.17
8	Telekom Malaysia Berhad	198,800	1.97
9	Sime Darby Plantation Berhad	187,014	1.86
10	Petronas Chemicals Group Berhad	157,136	1.56

## REVIEW OF FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL PERIOD

For the financial period under review, the RHB Retirement Series – Islamic Balanced Fund registered a return of 2.61%\* compared with its benchmark return of 2.08%\*, outperforming its benchmark return by 0.53%. The Net Asset Value (“NAV”) per unit of the Fund was RM0.5585 (31 May 2023: RM0.5443) as at 30 November 2023.

The investment strategy and policy employed during the period under review were in line with the investment strategy and policy as stated in the Disclosure Documents.

\*Source: Lipper Investment Management (“Lipper IM”), 12 December 2023

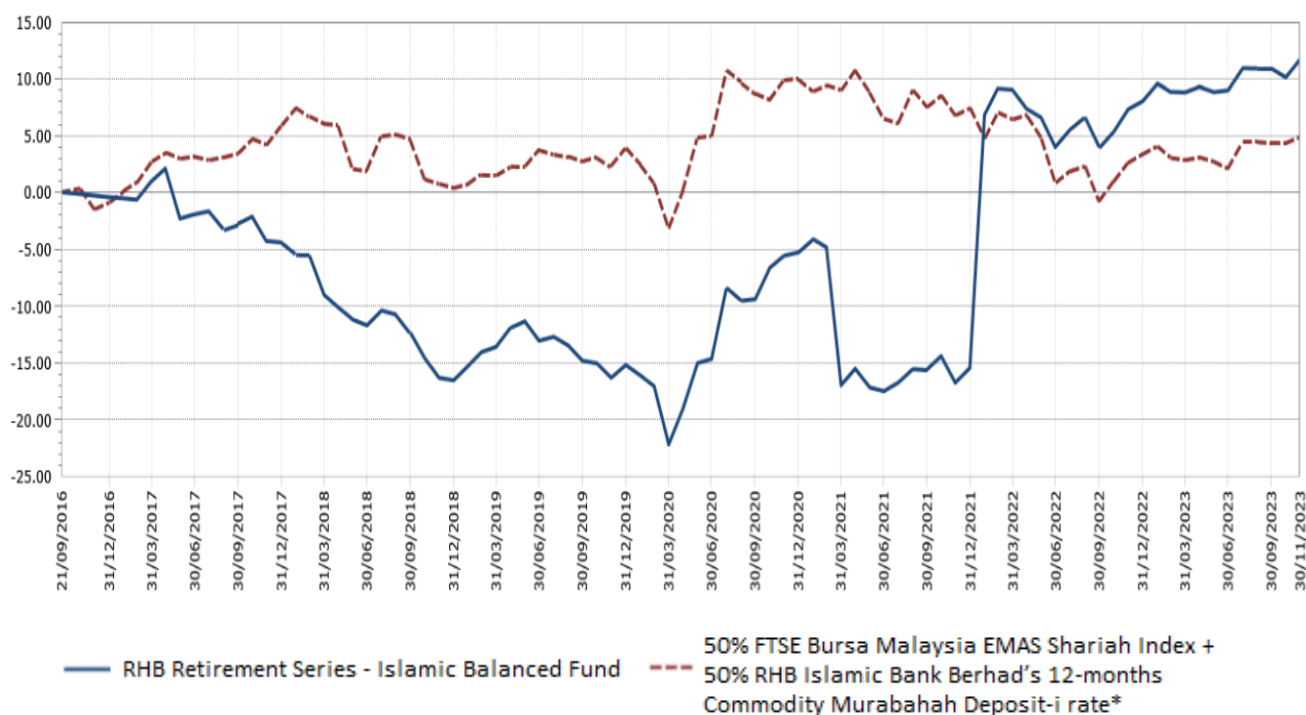
## PERFORMANCE DATA

	31.05.2023- 30.11.2023 %	Annual Total Returns Financial Year Ended 31 May				
		2023 %	2022 %	2021 %	2020 %	2019 %
RHB Retirement Series – Islamic Balanced Fund						
- Capital Return	2.61	2.12	28.71	(2.56)	(4.15)	(0.20)
- Income Return	-	-	-	-	-	-
- Total Return	2.61	2.12	28.71	(2.56)	(4.15)	(0.20)
50% FTSE Bursa Malaysia EMAS Shariah Index + 50% RHB Islamic Bank Berhad 12-month Commodity Murabahah Deposit-i rate*	2.08	(2.01)	(3.72)	3.89	2.46	0.22

	Average Annual Returns			
	1 year 30.11.2022- 30.11.2023 %	3 years 30.11.2020- 30.11.2023 %	5 years 30.11.2018- 30.11.2023 %	Since Inception 21.09.2016**- 30.11.2023 %
RHB Retirement Series – Islamic Balanced Fund	4.04	5.76	5.93	1.55
50% FTSE Bursa Malaysia EMAS Shariah Index + 50% RHB Islamic Bank Berhad 12- month Commodity Murabahah Deposit-i rate*	2.20	(1.55)	0.80	0.66

\*\* Being the last day of the Initial Offer Period

**Performance of RHB Retirement Series – Islamic Balanced Fund  
For the period from 21 September 2016\*\* to 30 November 2023  
Cumulative Return Over The Period (%)**



**\*\*Being the last day of Initial Offer Period**

Source: Lipper IM, 12 December 2023

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since inception.

The calculation of the above returns is based on computation methods of Lipper.

*\* Effective 31 August 2023, the performance benchmark of the Fund has been replaced from 50% of the performance of the FTSE Bursa Malaysia EMAS Shariah Index and 50% of the Maybank Islamic Berhad's 12-month Islamic fixed deposit rate to 50% of the performance of the FTSE Bursa Malaysia EMAS Shariah Index and 50% of the RHB Islamic Bank Berhad's 12-months Commodity Murabahah Deposit-i rate.*

A combination of benchmark/composite benchmark has been used for the performance computation as follows:

From 21 September 2016 – 30 August 2023	50% of the performance of the FTSE Bursa Malaysia EMAS Shariah Index and 50% of the Maybank Islamic Berhad's 12-month Islamic fixed deposit rate
31 August 2023 onwards	50% of the performance of the FTSE Bursa Malaysia EMAS Shariah Index and 50% of the RHB Islamic Bank Berhad's 12-months Commodity Murabahah Deposit-i rate

The calculation of the above returns is based on computation methods of Lipper.

Note : Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

The abovementioned performance computations have been adjusted to reflect distribution payments and unit splits wherever applicable.

<b>Fund Size</b>	<b>As at 30 November 2023</b>	<b>As at 31 May</b>		
		<b>2023</b>	<b>2022</b>	<b>2021</b>
Net Asset Value (RM million)	1.68	1.55	1.21	0.94
Units In Circulation (million)	3.01	2.85	2.26	2.26
Net Asset Value Per Unit (RM)	0.5585	0.5443	0.5330	0.4141

<b>Historical Data</b>	<b>01.06.2023- 30.11.2023</b>	<b>Financial Year Ended 31 May</b>		
		<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Unit Prices</b>				
NAV - Highest (RM)	0.5587	0.5490	0.5484	0.4857
- Lowest (RM)	0.5438	0.5120	0.4114	0.4118
<b>Distribution and Unit Split</b>	-	-	-	-
<b>Others</b>				
Total Expense Ratio (TER) (%) #	-	-	-	-
Portfolio Turnover Ratio (PTR) (times) ##	0.03	0.12	0.01	0.05

# The TER is not applicable as the expenses are borne by the PRS Provider.

## The PTR for the financial period was lower as compared with previous financial period due to lower investment activities for the financial period under review.

## **DISTRIBUTION**

For the financial period under review, no distribution has been proposed by the Fund.

## PORTFOLIO STRUCTURE

The asset allocations of the Fund as at reporting date were as follows:

<b>Sectors</b>	<b>As at</b>	<b>As at 31 May</b>		
	<b>30 November 2023</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Shariah-compliant collective investment scheme	96.42	94.65	96.64	97.15
Liquid assets and other net current assets	3.58	5.35	3.36	2.85
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

The asset allocation was reflective of the Fund's investment strategy.

## SECURITIES FINANCING TRANSACTIONS

The Fund has not undertaken any securities lending or repurchase transactions for the financial period under review.

## CROSS TRADE

The Fund has not carried out any cross trade transactions for the financial period under review.

## SOFT COMMISSION

There were no soft commissions received by the PRS Provider for the financial period under review.

**RHB RETIREMENT SERIES – ISLAMIC BALANCED FUND  
UNAUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 30 NOVEMBER 2023**

	<u>Note</u>	<u>30.11.2023</u> RM	<u>31.05.2023</u> RM
<b>ASSETS</b>			
Bank balances		79,895	75,303
Investments	5	1,618,642	1,467,137
Amount due from PRS Provider		20,101	7,615
Other receivables		66	19
<b>TOTAL ASSETS</b>		<u>1,718,704</u>	<u>1,550,074</u>
<b>LIABILITY</b>			
Amount due to brokers		40,000	-
<b>TOTAL LIABILITY</b>		<u>40,000</u>	<u>-</u>
<b>NET ASSET VALUE</b>		<u>1,678,704</u>	<u>1,550,074</u>
<b>MEMBERS' FUNDS</b>			
Members' capital		1,449,356	1,361,748
Retained earnings		229,348	188,326
		<u>1,678,704</u>	<u>1,550,074</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	7	<u>3,006,000</u>	<u>2,848,000</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5585</u>	<u>0.5443</u>

The accompanying notes are an integral part of the financial statements.

**RHB RETIREMENT SERIES – ISLAMIC BALANCED FUND  
UNAUDITED STATEMENT OF INCOME AND EXPENSES  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023**

	<u>Note</u>	<u>01.06.2023- 30.11.2023</u> RM	<u>01.06.2022- 30.11.2022</u> RM
<b>INCOME</b>			
Profit from licensed financial institutions		17	68
Net unrealised gain on changes in fair values		41,005	10,997
		<hr/>	<hr/>
Net income before taxation		41,022	11,065
Taxation	11	-	-
		<hr/>	<hr/>
Net income after taxation		41,022	11,065
		<hr/>	<hr/>
Net income after taxation is made up as follows:			
Realised amount		17	68
Unrealised amount		41,005	10,997
		<hr/>	<hr/>
		41,022	11,065
		<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.



**RHB RETIREMENT SERIES – ISLAMIC BALANCED FUND**  
**UNAUDITED STATEMENT OF CHANGES IN NET ASSET VALUE**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023**

	<b><u>Members’ capital</u></b> RM	<b><u>Retained earnings</u></b> RM	<b><u>Total net asset value</u></b> RM
Balance as at 1 June 2022	1,049,629	156,049	1,205,678
Movement in net asset value:			
Net income after taxation	-	11,065	11,065
Creation of units arising from applications	169,471	-	169,471
Cancellation of units	(19,540)	-	(19,540)
Balance as at 30 November 2022	<u>1,199,560</u>	<u>167,114</u>	<u>1,366,674</u>
Balance as at 1 June 2023	1,361,748	188,326	1,550,074
Movement in net asset value:			
Net income after taxation	-	41,022	41,022
Creation of units arising from applications	106,995	-	106,995
Cancellation of units	(19,387)	-	(19,387)
Balance as at 30 November 2023	<u>1,449,356</u>	<u>229,348</u>	<u>1,678,704</u>

The accompanying notes are an integral part of the financial statements.

**RHB RETIREMENT SERIES – ISLAMIC BALANCED FUND**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023**

	<b>01.06.2023- 30.11.2023</b>	<b>01.06.2022- 30.11.2022</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Purchase of investments	(70,500)	(110,000)
Profit received from licensed financial institutions	17	68
Net cash used in operating activities	<u>(70,483)</u>	<u>(109,932)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from units created	94,462	159,276
Cash paid for units cancelled	<u>(19,387)</u>	<u>(16,856)</u>
Net cash generated from financing activities	<u>75,075</u>	<u>142,420</u>
Net increase in cash and cash equivalents	4,592	32,488
Cash and cash equivalents at the beginning of the financial period	<u>75,303</u>	<u>37,353</u>
Cash and cash equivalents at the end of the financial period	<u>79,895</u>	<u>69,841</u>

The accompanying notes are an integral part of the financial statements.

**RHB RETIREMENT SERIES – ISLAMIC BALANCED FUND  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 NOVEMBER 2023**

**1. THE FUND, THE PRS PROVIDER AND THEIR PRINCIPAL ACTIVITIES**

The RHB Retirement Series – Islamic Balanced Fund (hereinafter referred to as “the Fund”) was constituted pursuant to the execution of a Deed (RHB Retirement Series Scheme) dated 28 November 2012 as modified via supplemental deed dated 23 September 2014, second supplemental deed dated 6 January 2015, third supplemental deed dated 28 September 2015, fourth supplemental deed dated 3 December 2015, and fifth supplemental deed dated 15 April 2019, between RHB Asset Management Sdn Bhd (“the PRS Provider”) and Deutsche Trustees Malaysia Berhad prior to 1 December 2020. The sixth supplemental deed dated 7 August 2020, seventh supplemental deed dated 14 July 2021 and eighth supplemental deed dated 22 June 2023 (collectively referred to as “the Deeds”) were entered into between the PRS Provider and CIMB Commerce Trustee Berhad (“the Scheme Trustee”) in relation to the replacement of trustee for the Scheme with effective date 1 December 2020.

The Fund was launched on 1 September 2016 and will continue its operations until terminated according to the conditions provided in the Deeds. The principal activity of the Fund is to invest in Permitted Investments as defined in the Deeds.

All investments will be subject to the Securities Commission Malaysia (“SC”)’s Guidelines on Private Retirement Schemes, SC’s requirements, the Deeds, except where exemptions or variations have been approved by the SC, internal policies and procedures and objective of the Fund.

The main objective of the Fund is 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 Shariah-compliant target fund, i.e. RHB Dana Hazeem (“Dana Hazeem”).

The PRS Provider, a company incorporated in Malaysia, is a wholly-owned subsidiary of RHB Investment Bank Berhad, effective 6 January 2003. Its principal activities include rendering of investment management services, management of unit trust funds and private retirement schemes and provision of investment advisory services.

These financial statements were authorised for issue by the PRS Provider on 16 January 2024.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation of the financial statements**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, except those as disclosed in the summary of significant accounting policies, and in accordance with Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the financial period. It also requires the PRS Provider to exercise its judgement in the process of applying the Fund’s accounting policies. Although these estimates and judgement are based on the PRS Provider’s best knowledge of current events and actions, actual results may differ. There were no areas involving higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

#### **(a) Standards and amendments to existing standards effective 1 June 2023**

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 June 2023 that have a material effect on the financial statements of the Fund.

#### **(b) New standards, amendments and interpretations effective after 1 June 2023 and have not been early adopted**

A number of new standards and amendments to standards and interpretations are effective for the financial period beginning after 1 June 2023. None of these is expected to have a significant effect on the financial statements of the Fund, except the following set out below:

- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’ clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting period beginning on or after 1 June 2024.

The amendment shall be applied retrospectively.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Financial assets**

#### Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (“FVTPL”), and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as financial assets measured at fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principal and profit, however, these instruments are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies bank balances, amount due from PRS Provider and other receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Financial assets (continued)**

#### Recognition and measurement (continued)

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in statement of income and expenses within net gain or losses on investments in the period in which they arise.

Shariah-compliant collective investment scheme is valued based on the last published net asset value per unit or share of such Shariah-compliant collective investment scheme or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in such selling price).

Financial assets at amortised cost are subsequently carried at amortised cost using the effective profit method.

#### Impairment of financial assets

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. PRS Provider considers both historical analysis and forward-looking information in determining any expected credit loss. PRS Provider considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on the 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

#### Significant increase in credit risk

A significant increase in credit risk is defined by PRS Provider as any contractual payment which is more than 30 days past due or a counterparty credit rating which has fallen below BBB/Baa.

#### Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Financial assets (continued)**

#### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

### **2.3 Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

The Fund's financial liabilities which include amount due to brokers is recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in statement of income and expenses when the liabilities are derecognised, and through the amortisation process.

### **2.4 Members' capital**

The members' contributions to the Fund meet the criteria of the definition of puttable instruments to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the member to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligation to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the statement of income and expenses of the Fund.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.4 Members' capital (continued)**

The outstanding units are carried at the redemption amount that is payable at each financial period if the members exercise the right to put the units back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to members with the total number of outstanding units.

### **2.5 Income recognition**

Profit income from Islamic deposits with licensed financial institutions is recognised on an accrual basis using the effective profit method.

Profit income is calculated by applying the effective profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gain or loss on sale of Shariah-compliant collective investment scheme is arrived at after accounting for cost of investments, determined on the weighted average cost method.

Net income or loss is the total of income less expenses.

### **2.6 Taxation**

Current tax expense is determined according to Malaysian tax laws at the current rate and includes all taxes based upon the taxable income earned during the financial period.

### **2.7 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances which is subject to an insignificant risk of changes in value.

### **2.8 Amount due from/to brokers**

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the date of the statement of financial position respectively. The amount due from brokers balance is held for collection.



## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **2.8 Amount due from/to stockbrokers (continued)**

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the brokers and counterparties, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

### **2.9 Presentation and functional currency**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s presentation and functional currency.

## **3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Fund is exposed to a variety of risks, which include market risk, price risk, profit rate risk, credit risk, liquidity risk, Shariah specific risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the PRS Provider and adherence to the investment restrictions as stipulated in the SC Guidelines on Private Retirement Schemes.

### Market risk

Market risk is a risk that arises when the prices of investments in the marketplace are affected by circumstances such as political or economic events. These circumstances, which may be a local or global event can affect the markets where Dana Hazeem is invested in and subsequently the value of Dana Hazeem’s investments.

### Price risk

Price risk is the risk that the fair value of the investments of the Fund will fluctuate because of changes in market prices.

The Fund is exposed to Shariah-compliant collective investment scheme price risk (other than those arising from profit rate risk) for its investments of RM1,618,642 (31.05.2023: RM1,467,137) in Shariah-compliant collective investment scheme.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Price risk (continued)

The sensitivity analysis is based on the assumption that the price of the Shariah-compliant collective investment schemes fluctuate by +/-(-) 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is +/-(-) RM80,932 (31.05.2023: RM73,357).

#### Profit rate risk

Profit rate risk is the risk that the cost or the value of the financial instruments will fluctuate due to changes in market profit rates. The Fund's exposure to the profit rate risk is mainly from short term Islamic placements with licensed financial institutions. The PRS Provider overcomes the exposure by way of maintaining Islamic deposits on short term basis. Therefore, exposure to profit rate fluctuation is minimal.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in financial loss to the Fund. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place Islamic deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the PRS Provider are governed by the SC Guidelines on Private Retirement Schemes.

The following table sets out the credit risk concentrations of the Fund:

	<b>Cash and cash <u>equivalents</u> RM</b>	<b>Other financial <u>assets*</u> RM</b>	<b><u>Total</u> RM</b>
<b><u>30.11.2023</u></b>			
AAA	79,895	-	79,895
Others	-	20,167	20,167
	<u>79,895</u>	<u>20,167</u>	<u>100,062</u>
<b><u>31.05.2023</u></b>			
AAA	75,303	-	75,303
Others	-	7,634	7,634
	<u>75,303</u>	<u>7,634</u>	<u>82,937</u>

\* Comprise amount due from PRS Provider and other receivables.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations.

Liquidity risk exists when particular investments are difficult to sell, possibly preventing the Fund from selling such investments at an advantageous time or price. As part of its risk management, the PRS Provider will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The PRS Provider will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period from the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	<b><u>Less than 1 month</u></b> RM	<b><u>Between 1 month to 1 year</u></b> RM
<b><u>30.11.2023</u></b>		
Amount due to brokers	40,000	-

There is nil balance of financial liabilities as at 31 May 2023.

#### Shariah specific risk

The risk that the investments do not conform to the principle of Shariah may result in those investments being not Shariah-compliant. Should the situation arise, necessary steps shall be taken to liquidate of such investments in accordance with the rules of divestment of non Shariah-compliant investments. If this occurs, the Fund could suffer losses from the liquidation and thus, adversely affecting the value of the Fund.

#### Capital risk

The capital of the Fund is represented by members' funds consisting of members' capital of RM1,449,356 (31.05.2023: RM1,361,748) and retained earnings of RM229,348 (31.05.2023: RM188,326). The amount of members' funds can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of members. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### 4. FAIR VALUE ESTIMATION

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets and liabilities traded in an active market (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial period end date.

An active market is a market in which transactions for the assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial period end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair values are based on the following methodologies and assumptions:

- (i) For bank balances, the carrying value is a reasonable estimate of fair value.
- (ii) The carrying value of receivables and payables are assumed to approximate their fair values due to their short term nature.

##### Fair value hierarchy

The Fund adopted MFRS 13 “Fair Value Measurement” in respect of disclosures about the degree of reliability of fair value measurement. This requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs)

#### 4. FAIR VALUE ESTIMATION (CONTINUED)

The following table analyses within the fair value hierarchy the Fund's financial assets at fair value through profit or loss (by class) measured at fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM	RM	RM	RM
<b><u>30.11.2023</u></b>				
<b>Financial assets at</b>				
<b>FVTPL:</b>				
- Shariah-compliant collective investment scheme	1,618,642	-	-	1,618,642
<b><u>31.05.2023</u></b>				
<b>Financial assets at</b>				
<b>FVTPL:</b>				
- Shariah-compliant collective investment scheme	1,467,137	-	-	1,467,137

Investment in Shariah-compliant collective investment scheme, i.e. Shariah-compliant unit trust fund whose values is based on quoted market prices in active markets is classified within Level 1. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2.2.

#### 5. INVESTMENTS

	<u>30.11.2023</u>	<u>31.05.2023</u>
	RM	RM
Investments:		
- Shariah-compliant collective investment scheme	1,618,642	1,467,137

## 5. INVESTMENTS (CONTINUED)

Investments as at 30 November 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
RHB Dana Hazeem	2,876,562	1,390,576	1,618,642	96.42

Investments as at 31 May 2023 are as follows:

<u>Name of Counter</u>	<u>Quantity</u>	<u>Cost</u> RM	<u>Fair Value</u> RM	<u>% of</u> <u>Net Asset</u> <u>Value</u> %
<b>SHARIAH-COMPLIANT COLLECTIVE INVESTMENT SCHEME</b>				
RHB Dana Hazeem	2,677,746	1,280,076	1,467,137	94.65

## 6. SHARIAH INFORMATION OF THE FUND

The following are the Shariah information of the Fund.

(a) Investment Portfolio

The Shariah Adviser has confirmed that investment portfolio of the Fund is Shariah-compliant, which comprises:

- (i) Shariah-compliant Collective Investment Scheme which are regulated by the Securities Commission of Malaysia under the Capital Market and Services Act 2007;
- (ii) Investment or cash placements in Islamic liquid assets in local market, including Islamic financial derivatives, Islamic money market and/or Islamic deposits with Islamic financial institutions.

## 7. UNITS IN CIRCULATION

	<u>30.11.2023</u>	<u>31.05.2023</u>
	Units	Units
At beginning of the financial period/year	2,848,000	2,262,000
Creation of units arising from applications during the financial period/year	193,000	777,000
Cancellation of units during the financial period/year	(35,000)	(191,000)
At end of the financial period/year	<u>3,006,000</u>	<u>2,848,000</u>

## 8. MANAGEMENT FEE

In accordance with the Disclosure Documents, the management fee provided in the financial statements 1.50% (01.06.2022 - 30.11.2022:1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period. Effective 1 June 2017, the management fees are waived by the PRS Provider. The management fees are only charged at the Target Fund at 1.50% per annum of its net assets value in relation to the Fund's investments in the Target Fund.

## 9. SCHEME TRUSTEE'S FEE

In accordance with the Disclosure Documents, the scheme trustee's fee provided in the financial statements is 0.04% (01.06.2022 - 30.11.2022:0.04%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period. Effective 1 June 2017, the scheme trustee's fee will be borne by the PRS Provider.

## 10. PPA'S FEE AND OTHER EXPENSES

The Private Pension Administrator's ("PPA") fee provided in the financial statements is 0.04% (01.06.2022 - 30.11.2022:0.04%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial period. Effective 1 June 2017, the PPA fee will be borne by the PRS Provider.

All expenses which are directly related and necessary to the business of the Fund such as auditor's remuneration and other relevant professional fee, cost of distribution of semi-annual/annual reports, tax certificates, distribution charges and other notices to members will be borne by PRS Provider effective 1 June 2017.

## 11. TAXATION

(a) Tax charge for the financial period

	<b><u>01.06.2023-</u> <u>30.11.2023</u></b> RM	<b><u>01.06.2022-</u> <u>30.11.2022</u></b> RM
Current taxation	-	-

(b) Numerical reconciliation of income tax expense

The numerical reconciliation between the net income before taxation multiplied by the Malaysian statutory income tax rate and the tax expense of the Fund is as follows:

	<b><u>01.06.2023-</u> <u>30.11.2023</u></b> RM	<b><u>01.06.2022-</u> <u>30.11.2022</u></b> RM
Net income before taxation	41,022	11,065
Tax calculated at a statutory income tax rate of 24%	9,845	2,656
Tax effects of:		
- Income not subject to tax	(9,845)	(2,656)
Tax expense	-	-

## 12. TOTAL EXPENSE RATIO (“TER”)

The TER ratio for the financial period is not applicable, mainly due to the expenses are borne by the PRS Provider during the financial period.

## 13. PORTFOLIO TURNOVER RATIO (“PTR”)

	<b><u>01.06.2023-</u> <u>30.11.2023</u></b>	<b><u>01.06.2022-</u> <u>30.11.2022</u></b>
PTR (times)	0.03	0.04

The PTR ratio is calculated based on average of acquisition and disposals of the Fund for the financial period to the average net asset value of the Fund calculated on a daily basis.



#### 14. UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER

The number of units held by the PRS Provider are as follows:

	<b>30.11.2023</b>		<b>31.05.2023</b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
The PRS Provider	6,000	3,351	5,673	3,087

The units are held beneficially by the PRS Provider for booking purposes. The PRS Provider is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

Other than above, there were no units held by Directors or parties related to the PRS Provider.

The holding company and the ultimate holding company of the PRS Provider is RHB Investment Bank Bhd and RHB Bank Bhd respectively. The PRS Provider treats RHB Bank Bhd group of companies including RHB Investment Bank Bhd and its subsidiaries as related parties.

#### 15. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial period ended 30 November 2023 is as follows:

<b><u>PRS Provider</u></b>	<b>Value of <u>trades</u> RM</b>	<b>Percentage of total <u>trades</u> %</b>	<b>Brokerage <u>fees</u> RM</b>	<b>Percentage of total brokerage <u>fees</u> %</b>
RHB Asset Management Sdn Bhd*	110,500	100.00	-	-

## 15. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 31 May 2023 is as follows:

<b><u>PRS Provider</u></b>	<b><u>Value of trades</u></b> RM	<b><u>Percentage of total trades</u></b> %	<b><u>Brokerage fees</u></b> RM	<b><u>Percentage of total brokerage fees</u></b> %
RHB Asset Management Sdn Bhd*	340,000	100.00	-	-

\* Included in transactions by the Fund are trades with PRS Provider of the Fund, RHB Asset Management Sdn Bhd. The PRS Provider is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

## 16. FINANCIAL INSTRUMENTS BY CATEGORIES

	<b><u>30.11.2023</u></b> RM	<b><u>31.05.2023</u></b> RM
<b>Financial assets</b>		
Financial assets at FVTPL		
• Shariah-compliant collective investment scheme	1,618,642	1,467,137
Financial assets at amortised cost		
• Bank balances	79,895	75,303
• Amount due from PRS Provider	20,101	7,615
• Other receivables	66	19
	<u>100,062</u>	<u>82,937</u>
<b>Financial liability</b>		
Financial liability at amortised cost		
• Amount due to brokers	40,000	-
	<u>40,000</u>	<u>-</u>

**STATEMENT BY PRS PROVIDER  
RHB RETIREMENT SERIES - ISLAMIC BALANCED FUND**

We, Dato' Darawati Hussain and Mohd Farid bin Kamarudin, two of the Directors of RHB Asset Management Sdn Bhd, do hereby state that in the opinion of the Directors of the PRS Provider, the accompanying unaudited statement of financial position, unaudited statement of income and expenses, unaudited statement of changes in net asset value, unaudited statement of cash flows and the accompanying notes, are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 30 November 2023 and of its financial performance and cash flows for the financial period then ended and comply with the provisions of the Deeds.

On behalf of the PRS Provider,

Dato' Darawati Hussain  
Director

Mohd Farid bin Kamarudin  
Director

16 January 2024

## SCHEME TRUSTEE'S REPORT

To the members of RHB Retirement Series - Islamic Balanced Fund (“Fund”)

We have acted as Scheme Trustee of the Fund for the financial period ended 30 November 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **RHB Asset Management Sdn Bhd** has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
16 January 2024

**REPORT OF THE SHARIAH ADVISER  
RHB RETIREMENT SERIES – ISLAMIC BALANCED FUND**

To the members of RHB Retirement Series - Islamic Balanced Fund (“the Fund”),

We have acted as the Shariah Adviser of the Fund. Our responsibility is to ensure that the procedures and processes employed by RHB Asset Management Sdn Bhd (“the PRS Provider”) and that the provisions of the Deeds are in accordance with Shariah principles.

To the best of our knowledge, after having made all reasonable enquiries, the PRS Provider has operated and managed the Fund in accordance with Shariah principles and requirement and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial period ended 30 November 2023.

In addition, we also confirm that the investment portfolio of the Fund comprises instruments which have been classified as Shariah-compliant.

I, Azizi Che Seman, hereby confirm that all members of the Shariah Committee have been consulted and made aware of all the Shariah issues in relation to this report.

For and on behalf of Shariah Committee of RHB Islamic Bank Berhad  
(Company No: 200501003283)

Azizi Che Seman  
Chairman  
Shariah Committee of RHB Islamic Bank Berhad  
16 January 2024

## CORPORATE INFORMATION

### PRS PROVIDER

RHB Asset Management Sdn Bhd

### REGISTERED OFFICE

Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

### PRINCIPAL AND BUSINESS OFFICE

Level 8, Tower Two & Three, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur

Email address: [rham.enquiry@rhbgroup.com](mailto:rham.enquiry@rhbgroup.com)

Tel: 03 – 9205 8000

Fax: 03 – 9205 8107

Website: [www.rhbgroup.com](http://www.rhbgroup.com)

### BOARD OF DIRECTORS

Mr Yap Chee Meng (*Independent Non-Executive Chairman*)

(*Resigned with effect from 22 May 2023*)

Mr Chin Yoong Kheong (*Independent Non-Executive Chairman*)

(*Redesignated with effect from 22 May 2023*)

YBhg Dato' Darawati Hussain (*Senior Independent Non-Executive Director*)

(*Redesignated with effect from 22 May 2023*)

Tuan Syed Ahmad Taufik Albar (*Non-Independent Non-Executive Director*)

Encik Mohd Farid Bin Kamarudin (*Chief Executive Officer/Managing Director*)

(*Appointed with effect from 1 August 2023*)

Puan Hijah Arifakh Binti Othman (*Independent Non-Executive Director*)

(*Resigned with effect from 1 June 2023*)

Puan Sharizad Binti Juma'at (*Independent Non-Executive Director*)

(*Appointed with effect from 22 May 2023*)

### INVESTMENT COMMITTEE MEMBERS

Mr Yap Chee Meng (*Independent Chairman*)

(*Resigned with effect from 22 May 2023*)

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

(*Redesignated with effect from 22 May 2023*)

Puan Hijah Arifakh Binti Othman

(*Resigned with effect from 1 June 2023*)

Mr Chin Yoong Kheong (*Appointed with effect from 22 May 2023*)

Puan Sharizad Binti Juma'at (*Appointed with effect from 22 May 2023*)

## CORPORATE INFORMATION (CONTINUED)

### **CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR**

Encik Mohd Farid Bin Kamarudin (*Appointed with effect from 01 August 2023*)

### **SECRETARIES**

Encik Azman Shah Md Yaman (LS N: 0006901)

Izafaniz Binti Abdullah Kamir (MACS01851)

Filza Zainal Abidin (LS No: 0008413)

### **AUDIT COMMITTEE MEMBERS**

YBhg Dato' Darawati Hussain (*Independent Chairperson*)

(*Redesignated with effect from 22 May 2023*)

Mr Chin Yoong Kheong (*Redesignated with effect from 22 May 2023*)

Puan Hijah Arifakh Binti Othman

(*Resigned with effect from 1 June 2023*)

Puan Sharizad Binti Juma'at (*Appointed with effect from 22 May 2023*)

## **BRANCH OFFICE**

- Shah Alam Office**  
B-3-1, 1st Floor  
Jalan Serai Wangi G16/G, Alam Avenue  
Persiaran Selangor, Section 16  
40200 Shah Alam  
Tel: 03-5523 1909 Fax: 03-5524 3471
- Sri Petaling Office**  
Level 1 & 2, No 53 Jalan Radin Tengah  
Bandar Baru Seri Petaling  
57000 Kuala Lumpur  
Tel: 03-9054 2470 Fax: 03-9054 0934
- Ipoh Office**  
No.7A, Persiaran Greentown 9  
Pusat Perdagangan Greentown  
30450 Ipoh, Perak  
Tel: 05-242 4311 Fax: 05-242 4312
- Johor Bahru Office**  
No 34 Jalan Kebun Teh 1  
Pusat Perdagangan Kebun Teh  
80250 Johor Bahru, Johor  
Tel: 07-221 0129 Fax: 07-221 0291
- 2nd Floor, 21 & 23  
Jalan Molek 1/30, Taman Molek  
81100 Johor Bahru, Johor  
Tel: 07-358 3587 Fax: 07-358 3581
- Kuantan Office**  
1st Floor, Lot 10, Jalan Putra Square 1  
Putra Square  
25300 Kuantan, Pahang  
Tel: 09-517 3611/ 09-517 3612/ 09-531 6213  
Fax: 09-517 3615
- Kuching Office**  
Lot 133, Section 20, Sublot 2 & 3  
1st Floor, Jalan Tun Ahmad Zaidi Adruce  
93200 Kuching, Sarawak  
Tel: 082-550 838 Fax: 082-550 508
- Yung Kong Abell, Units 1-10  
2nd Floor Lot 365  
Section 50 Jalan Abell  
93100 Kuching, Sarawak  
Tel: 082-245 611 Fax: 082-230 326



Kota Bharu Office	Ground Floor, No 3486-G Jalan Sultan Ibrahim 15050 Kota Bharu, Kelantan Tel: 09-740 6891 Fax: 09-740 6890
Kota Kinabalu Office	Lot No. C-02-04, 2nd Floor Block C, Warisan Square Jalan Tun Fuad Stephens 88000 Kota Kinabalu Sabah Tel: 088-528 686/ 088-528 692 Fax: 088-528 685
Melaka Office	581B, Taman Melaka Raya 75000 Melaka Tel: 06-284 4211/ 06-281 4110 Fax: 06-292 2212
Penang Office	3rd Floor, 44 Lebuh Pantai 10300 Georgetown, Penang Tel: 04-264 5639 Fax: 04-264 5640
Prai Office	No 38, First Floor Jalan Todak 2 Seberang Jaya 13700 Perai, Penang Tel: 04-386 6670 Fax: 04-386 6528

<b>SCHEME TRUSTEE</b>	CIMB Commerce Trustee Berhad
<b>SHARIAH ADVISER</b>	RHB Islamic Bank Berhad
<b>BANKER</b>	RHB Bank Berhad
<b>AUDITORS</b>	PricewaterhouseCoopers PLT
<b>TAX ADVISER</b>	PricewaterhouseCoopers Taxation Services Sdn Bhd
<b>PRIVATE PENSION ADMINISTRATOR</b>	Private Pension Administrator Malaysia
<b>INSTITUTIONAL/ CORPORATE PRIVATE RETIREMENT SCHEME ADVISERS</b>	RHB Asset Management Sdn Bhd RHB Bank Berhad iFAST Capital Sdn Bhd Kenanga Investment Bank Berhad Phillip Mutual Berhad VKA Wealth Planners Sdn Bhd UOB Kay Hian Securities (M) Sdn Bhd

**RHB**  **Asset Management**

RHB Asset Management Sdn Bhd 198801007231 (174588-X)

Head Office

Level 8, Tower 2 & 3,

RHB Centre, Jalan Tun Razak,

50400 Kuala Lumpur

Tel: +603 9205 8000

Fax: +603 9205 8100

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