

RHB RETIREMENT SERIES – CONSERVATIVE FUND

ANNUAL REPORT 2025

For the financial year ended 31 May 2025





GENERAL INFORMATION ABOUT THE FUND

Name, Category and Type

Fund Name - RHB Retirement Series – Conservative Fund

Fund Category - Core (Conservative) Fund

Fund Type - Private Retirement Scheme

Investment Objective, Policy and Strategy

Objective of the Fund

The Fund seeks to provide capital preservation* for the Members' investment.

* Members are advised that their capital is neither guaranteed nor protected.

Strategy

The Fund will invest up to 100% of its Net Asset Value ("NAV") in fixed income instruments issued by Malaysian and foreign companies or Malaysian or foreign government. The Fund may also invest in equities listed in Malaysia and foreign markets and up to 50% of its NAV in equities with high dividend yield. Remaining of its NAV will be invested in liquid assets.

The Fund may invest in foreign equities with high dividend yield listed in the Asia Pacific ex-Japan markets (including, but not limited to, Malaysia, Australia, China, Hong Kong, India, Indonesia, New Zealand, South Korea, the Philippines, Singapore, Taiwan and Thailand) including equities with high dividend yield of Asia Pacific ex-Japan companies that are listed on or traded in non-Asia ex-Japan markets. There will be no restriction on country allocation. The objective is to invest into equities that have strong cash flow and strong balance sheet to support a sustainable dividend income, in order to reduce the volatility of the Fund.

The Fund may also opt to invest in the equities with high dividend yield either directly or via collective investment schemes of the PRS Provider or other collective investment schemes (including real estate investment trusts and exchange traded funds).

For the fixed income portion, the Fund may invest in fixed income instruments provided that at the point of purchasing the instruments, issuers or financial institutions carry a minimum rating of 'A3' as rated by any reputable Domestic Rating Agencies^^ or a minimum rating of 'BBB-' as rated by any reputable Global Rating Agencies^^, without restriction on the tenure of these fixed income instruments.

- ^ "Domestic Rating Agencies" refer to local credit assessment institutions that are recognised by the Securities Commission Malaysia.
- ^^ "Global Rating Agencies" refer to global credit assessment institutions that are recognised in line with relevant laws.

The Fund will also invest in liquid assets including money market instruments, deposits with financial institutions and collective investment schemes investing in money market instruments and/or deposits with financial institutions.

The Fund will employ both top-down and bottom-up approach to evaluate its investments in equities and fixed income instruments.

In the top-down approach, the fund manager will evaluate the global growth and economic outlook of the country.

In the bottom-up strategy, the fund manager will rely on fundamental research where the financial health, industry prospects, management quality and past track records of the companies are considered.

The trading of both the equities and fixed income instruments will be based on the market conditions and also the judgement of the fund manager and also guided by the internal policies of the PRS Provider and the investment committee of the PRS Provider.

The Fund may take temporary defensive positions that may be inconsistent with the Fund's investment strategy by increasing its allocation to cash or money market instruments, in an attempt to respond to adverse market conditions.

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

- Up to 100% of the NAV will be invested in fixed income instruments issued by Malaysian and foreign companies or Malaysian or foreign government;
- Up to 50% of the NAV will be invested in equities with high dividend yield; and
- Remaining of the NAV will be invested in liquid assets.

Performance Benchmark

Effective from 1 December 2020, the performance of the Fund is benchmarked against a weighted average of FTSE Bursa Malaysia KLCI Index ("FBM KLCI Index") (30%) and RHB Bank Berhad's 12 months fixed deposit rate (70%).

Prior to 1 December 2020, the performance of the Fund was benchmarked against a weighted average of FBM KLCI Index (10%) and Maybank's 12 months fixed deposit rate (90%).

Permitted Investments

This Fund may invest in securities of companies listed in the Eligible Markets; unlisted securities of companies in Eligible Markets; collective investment schemes; Government securities; Cagamas bonds, Bank Negara Malaysia certificates, treasury bills, Government investment certificates and other Government approved/guaranteed securities; fixed income instruments and corporate bonds; deposits and money market instruments; and any other form of investments as may be agreed upon by the PRS Provider and the Trustee from time to time that is in line with the Fund's objective.

Distribution Policy

Distribution is distributed annually and is subject to the availability of income at the end of the financial year. Distribution, if any, will be automatically reinvested into the Fund based on the NAV per unit of the business day on which the distribution is declared.

All distributions (if any) will be reinvested into additional Units based on the prevailing Net 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

MARKET REVIEW

In June 2024, the Kuala Lumpur Composite Index ("KLCI") saw a slight dip of 0.40% month-on-month ("mom"), closing at 1,591 points ("pts"), although its first half gains remained the best in the region. The KLCI underperformed compared to the Morgan Stanley Capital International ("MSCI") Emerging Market Index and the MSCI All Country Asia ex-Japan Index. Foreign investors became net sellers, while local institutional investors turned net buyers, and local retail investors continued their selling trend for the twelfth consecutive month. The construction, utilities, and property sectors led the first half gains, with Telekom Malaysia, MR DIY, and Tenaga Nasional being the top performing KLCI constituents. The MSCI Asia Pacific ex-Japan Index rose by 3.53%, with Taiwan and India leading with gains of 12.20% and 7.00% respectively, while Hong Kong and China experienced declines of 6.50% and 1.90%. In the first half of year 2024, Taiwan and India achieved impressive gains of 29.20% and 17.20%, whereas Thailand and Hong Kong dropped by 12.50% and 10.90%.

In July 2024, the KLCI rose by 2.20%, ending at 1,626pts, outperforming both the MSCI Emerging Market Index and the MSCI All Country Asia ex-Japan Index. Other Association of Southeast Asian Nations ("ASEAN") markets also performed well. Foreign investors were net buyers, marking a significant reversal from June 2024 net sell flows, resulting in cumulative net foreign flow turning positive for the first seven months of year 2024. Local institutional investors were net sellers, and local retail investors continued their selling streak for the thirteenth consecutive month. The construction sector recorded gains for the third consecutive month, and among the KLCI constituents, Sunway, CIMB, and MR DIY were the best performers. We saw a 0.22% decline in the MSCI Asia Pacific ex-Japan Index, influenced by anticipation of a September 2024 Federal Reserve ("Fed") rate cut and a rotation from Information Technology ("IT")/Artificial Intelligence ("AI")/Taiwan/Korea into Japan/South weakening United States ("US") Dollar ("USD") Index ("DXY") benefited ASEAN and Indian markets, with Thailand (+6.20%), Malaysia (+5.30%), Philippines (+4.10%), India (+4.00%), Indonesia (+3.60%), and Singapore (+3.00%) all seeing gains. MSCI Japan (+5.70%) outperformed asia pacific, while Taiwan (-4.00%) and IT (-1.70%) were the worst performing sectors.

August 2024 saw significant volatility for the KLCI, initially plunging due to US economic concerns, but then recovering to close at 1,678pts, a nearly 4-year high. The index rose 3.30% mom, driven by strong foreign investor interest, particularly in banks. Foreign investors were the largest net buyers for the second consecutive month, while local institutional investors were the largest net sellers. The finance sector was the best performing, and the technology sector was the worst. The MSCI Asia Pacific ex-Japan Index rose by 2.09%, recovering from initial losses due to Japanese Yen carry trade unwind and US recession fears. The DXY weakened from 104.10pts to 101.70pts, benefiting emerging markets, particularly ASEAN. Healthcare emerged as the best performing sector.

September 2024 highlighted several key economic developments, including the finalization of US tariffs on Chinese gloves, benefiting ASEAN glovemakers, and the Malaysian Ringgit ("MYR") achieving its best ever quarterly return. Despite a 1.80% decline in September 2024, the KLCI ended the quarter with a 3.70% increase quarter-on-quarter. The market underperformed both the MSCI Asia ex-Japan and emerging market indices. During the month, YTL Power's communications unit faced an investigation by the Malaysian Anti-Corruption Agency. We saw a 7.53% rise in the MSCI Asia Pacific ex-Japan Index, driven by the Fed's 50 basis points ("bps") rate cut and policy measures in China. China and Hong Kong were top performers with gains of 23.80% and 17.00%, while Korea lagged with a 3.60% decline.

October 2024 showed a 2.90% decline in the KLCI, closing at 1,601pts, primarily due to profit taking by foreign investors, rising operating costs, and US presidential election uncertainties. Despite the dip, the KLCI maintained a 10.10% year-to-date ("ytd") gain. Foreign and local non retail investors were net sellers, while local institutional and retail investors offset this with net buying. Malaysia remained the best performing market among the MIST countries but underperformed the MSCI Asia ex-Japan Index. The top performing sectors were construction, Real Estate Investment Trusts ("REIT"), and health care. Foreign investors turned net sellers after three months of net buying, while local institutional investors emerged as the largest net buyers. Significant political and economic events included the announcement of a broad based goods and services tax and Malaysia's recognition as the 18th BRICS partner country. The MSCI Asia Pacific ex-Japan Index declined by 4.90%, influenced by strong US job and retail data. US Treasury yields increased, and the DXY gained 3.20%. Most emerging markets in Asia experienced foreign outflows, except Taiwan, which saw a 3.90% increase. China and Hong Kong fell almost 6.00%, and Indian stocks corrected by 7.70%. Korea's market weakened due to disappointing earnings, especially from Samsung Electronics.

In November 2024, the KLCI experienced a 0.50% decline, closing at 1,594pts, mainly due to profit taking by foreign investors, trade tension concerns, and an underwhelming third quarter of year 2024 earnings season. Despite this, the KLCI's ytd gain was 9.60%. Institutional investors were the only net buyers, with foreign and retail investors being net sellers. The health care, plantation, and utilities sectors performed best. Foreign investors recorded their highest ytd net sell, while local institutional investors had their highest monthly net buy value. November 2024 experienced a 2.36% decline in the MSCI Asia Pacific ex-Japan Index, largely due to market reactions to Donald Trump's election win, leading to equity retreats and capital outflows. Singapore (+8.00%), Australia (+3.50%), and Japan (+0.90%) showed positive returns, while China saw a 4.40% decline. Taiwan and Korea also experienced declines, with Korea being the worst performing market ytd.

In December 2024, the KLCI rose 3.00%, closing at 1,642pts, with foreign investors leading net selling for the third consecutive month. Retail investors were the largest net sellers in year 2024, marking their largest annual net sell since year 2018. The KLCI outperformed both the MSCI Asia ex-Japan Index and MSCI Emerging Markets Index

for the year. Technology, health care, and utilities were the top three performing sectors in December 2024. Foreign investors were the sole net buyers in the property sector, driven by the expected Johor-Singapore Special Economic Zone agreement. Local institutional investors were the largest net buyers. Gamuda and 99 Speed Mart were added to the Financial Times Stock Exchange ("FTSE") Bursa Malaysia KLCI Index. The MSCI Asia Pacific ex-Japan Index fell by 1.22%. For the full year 2024, the index rose by 7.66%, exceeding its post global financial crisis annual total return trend. Year 2024 saw the largest gap between the best and worst performing major markets since year 2009, with MSCI Korea Index falling by 24.00%. Chinese equities faced volatility but stabilised by March 2024, and a sustained rally into July 2024 was seen across Asian markets, driven by AI in Taiwan and small-caps/Industrials in India. A policy shift in China in middle of September 2024 led to a significant rally in MSCI China, which stalled by middle of October 2024 due to focus on the US election and anticipated US tariffs.

The KLCI experienced a 5.00% decline in January 2025, closing at 1,556pts, due to sell offs in AI and data centre related proxies, triggered by tighter US restrictions on AI chips and the launch of Chinese AI chatbot DeepSeek. This was the steepest January 2025 decline since year 1995, driven by persistent net selling by foreign investors, marking the highest monthly net sell since year 2020. The REIT sector was the best performer, while construction was the worst. We saw the MSCI Asia Pacific ex-Japan Index improve by 1.27%. The month began with drawdowns in China and a strong USD, but these reversed as China hit oversold conditions and the US softened its tariff tone. The DXY hit a high of 110.00pts after strong labor market data. Australia (+5.50%) reached new all time highs, and Japan rose 1.80% in USD terms. China (1.00%) and Taiwan (3.50%) registered positive returns.

In February 2025, the KLCI saw an improvement of 1.14%, but the broader FTSE Bursa Malaysia ("FBM") 100 Index fell by 0.70%. The month was dominated by earnings reports. Malaysia's fourth quarter of year 2024 gross domestic product surpassed expectations, and the government chose a bus tram network over a light rail transit system for southern Johor. Foreign fund flows continued to be volatile, with Malaysia and Indonesia remaining unloved markets in emerging ASEAN, marking the fifth consecutive monthly outflow for foreign investors. The MSCI Asia Pacific ex-Japan Index was largely flat, up by 0.07%. The Chinese market experienced a strong rally, with offshore China equities continuing a post DeepSeek AI rally. Taiwan's AI names tumbled, dragging MSCI Taiwan down by 4.80%. India (-8.00%) saw retreats across all sectors, and ASEAN (-2.70%) underperformed.

March 2025 saw the KLCI decline by 3.88%. In the first quarter of year 2025, Malaysia faced a challenging economic landscape with 23 consecutive weeks of foreign outflows, despite a lack of major negative news. However, positive developments included Malaysia's ambition to become a key player in the global chip industry, with a partnership with Arm Holdings, and steps to rationalise fuel subsidies, with targeted measures for RON95 expected around June 2025. March saw the MSCI Asia Pacific ex-Japan Index decline by 0.71%, influenced by tariff uncertainties, US recession concerns, and

weakened AI sentiment. India stood out with a strong 9.20% gain, and China also saw positive growth of 2.00%. In contrast, Korea experienced a 1.40% decline, and Taiwan was the worst performing market with an 11.20% drop. ASEAN collectively rose by 1.60%.

In April 2025, the KLCI Index rebounded, rising by 1.80% mom to close at 1,540pts. This recovery was fuelled by renewed foreign investor interest and decreased tariff concerns, following announcements by Donald Trump regarding a pause and exemptions on specific tariffs, and news of US-China trade talks. Local institutional investors were the largest and only net buyers, while foreign investors remained the largest net sellers for the seventh consecutive month. Telecommunications, consumer, and health care indices were the top gainers. The MSCI Asia Pacific ex-Japan Index increased by 1.41%, recovering after an earlier 11.00% drop. Australia (+6.60%), Japan (+5.40%), Korea (+4.60%), and India (+4.70%) showed positive performance. ASEAN (+3.40%) also rose. In contrast, Taiwan (+2.50%) underperformed, and China (-4.30%) ended the month lower.

The KLCI experienced a decline in May 2025, falling 2.10% to 1,508pts, despite an initial peak driven by news of a US-China agreement to roll back tariffs. However, disappointing first quarter corporate earnings and an uncertain economic outlook led to the decline. A turnaround began in the third week of May 2025 as investor sentiment improved. Foreign investors were net buyers, ending a seven month selling streak, while local institutional investors were net sellers, and retail investors were net buyers. Construction, property, and technology sectors outperformed, and foreign net buying was concentrated in utilities, telecommunications, and construction sectors. We saw a 4.81% increase in the MSCI Asia Pacific ex-Japan Index, driven by strong demand for AI chips and optimism about US-China tariffs. Taiwan (+12.80%) was the top performer, followed by the IT sector (+9.10%). Korea (+7.90%) also saw gains, and Hong Kong (+9.30%) benefited from strong returns in China (+2.80%). India (+1.90%) saw a pause, and ASEAN (+3.90%) diverged. Japan and Australia both rose 4.30%.

(All returns above are quoted in USD terms, except for FBM KLCI returns which are quoted in MYR).

FIXED INCOME OUTLOOK & STRATEGY

The April 2025 International Monetary Fund ("IMF") World Economic Outlook Update saw a broad downgrade of growth forecasts from the January 2025 update; IMF is projecting global growth at 2.80% for year 2025, a 0.50% reduction from the January 2025 update and 3.00% for year 2026, primarily reflecting effective tariff rates at levels not seen in a century and a highly unpredictable environment. Global headline inflation is expected to decline at a slightly slower pace than what was expected in January 2025. Global headline inflation is expected to decline to 4.30% in year 2025 and further to 3.60% in year 2026. Nevertheless, IMF still sees intensifying downside risks to the outlook due to trade war escalations and elevated trade policy uncertainty, could further reduce near and long term growth, while eroded policy buffers weaken resilience to future shocks.

Trump's Liberation Day tariffs got a reprieve, as his administration says it will suspend most of these higher rates for 90 days, while maintaining the recently imposed 10.00% levy on nearly all global imports, with the exception being on China which faces up to 145.00% of tariffs. Globally all imports of Steel and Aluminium into the US would have a 25.00% tariff effective 12 March 2025, and 25.00% tariffs on automotive which came into effect in 3 April 2025 though some US automakers will qualify for exemptions on other tariffs. Following the 100bps of rate cuts in year 2024, we scale back on expecting the same quantum of cuts for year 2025, but expect at least 2 rate cuts, the view being highly dependent on macro events and data releases. In the current market environment, we are still biased towards allocation into higher quality credit issuers given rates still arguably remain elevated and the risk of slower than expected growth has risen in light of further additional tariffs likely to be announced in the coming weeks. The strategy for year 2025 is to position more for carry given a number of external factors (potentially looser fiscal policies, divergence of monetary policy, etc) could heighten volatility and stifle the potential upside in fixed income.

For Malaysia, the downside risks to growth remain elevated even as government is actively pursuing a trade deal with the US counterparty. We believe that even with an eventual deal, the underlying momentum of the economy had taken a step back while persistent uncertainty will weigh on business confidence ultimately hampering the pipeline for future businesses' expansion. Indeed, our long held view for a Bank Negara Malaysia overnight policy rate cut have now become the widely accepted consensus and we think the next question is no longer an if they cut rate, but rather when or by how much. Meanwhile, global factors such as a broadly weaker USD (USD/MYR at RM4.20, DXY at 99 at the time of writing) and lower oil prices as Organization of Petroleum Exporting Countries embark on a renewed price war are also deflationary in nature – supportive of a lower interest rate environment. That said, our base case is still for the slowdown in Malaysia to be a shallow one albeit risks are clearly tilted towards the downside. Should the risk case scenario eventually play out, bond gains are poised to accelerate.

In summary, we hold a positive view on the fixed income market and advocate investors to stay invested with an increased allocation to fixed income to generate steady returns amidst a weakening global growth prospect.

EQUITIES MARKET OUTLOOK AND 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 spill over 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 MYR against USD. We would overweight sectors or stocks that would benefit from the strengthening of MYR like consumer, automotive (beneficiary of rate cut) and underweight exporters with significant USD sales exposure.

REVIEW OF FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a return of 6.00%* against its benchmark return of 0.26%*. The Fund outperformed its benchmark by 5.74% over the financial year under review. The Net Asset Value per unit of the Fund was RM0.5885 (2024: RM0.5552) as at 31 May 2025.

During the financial year under review, the exposure to Malaysia was the top contributor to the fund's performance, while the main detractor was the exposure to South Korea. Sector wise, the Financials sector was the main contributor to the Fund's performance while the IT sector was the main drag.

The investment strategy and policy employed during the financial year under review were in line with the investment strategy and policy as stated in the prospectus.

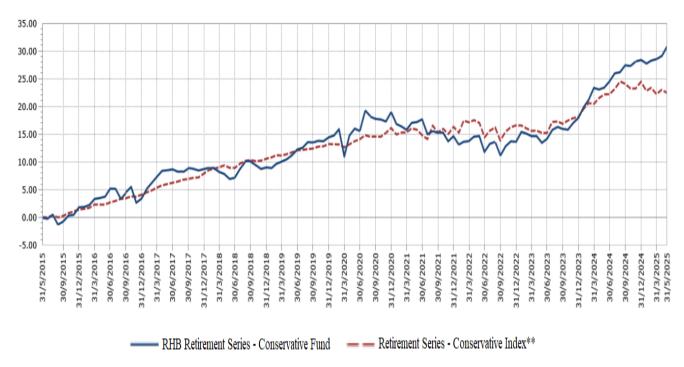
^{*} Source: Lipper Investment Management ("Lipper IM"), 13 June 2025

PERFORMANCE DATA

	Annual Total Returns Financial Year Ended 31 May				
	2025 2024 2023 2022			2021	
	%	%	%	%	%
RHB Retirement Series –					
Conservative Fund					
- Capital Return	6.00	8.76	(1.01)	(2.22)	(1.81)
- Income Return	_	_	-	-	2.85
- Total Return	6.00	8.76	(1.01)	(2.22)	1.00
Retirement Series –					
Conservative Index**	0.26	5.91	(1.52)	0.94	1.80

	Average Annual Returns				
	1 Year 31.05.2024- 31.05.2025 %	3 Years 31.05.2022- 31.05.2025 %	5 Years 31.05.2020- 31.05.2025 %	10 Years 31.05.2015- 31.05.2025 %	
RHB Retirement Series – Conservative Fund	6.00	4.50	2.42	2.72	
Retirement Series – Conservative Index**	0.26	1.53	1.49	2.05	

Performance of RHB Retirement Series – Conservative Fund for the period from 31 May 2015 to 31 May 2025 Cumulative Return Over The Period (%)



Source: Lipper IM, 13 June 2025

The abovementioned performance figures are indicative returns based on daily Net Asset Value of a unit (as per Lipper Database) since 31 May 2015.

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

** Effective 1 December 2020, the Fund's composite benchmark (Retirement Series – Conservative Index) was changed from FBM KLCI (10%) + Maybank's 12 Months Fixed Deposits Rate (90%) to FBM KLCI (30%) + RHB Bank Berhad's 12 Months Fixed Deposits Rate (70%). The Fund's composite benchmark performance has been adjusted to reflect the new benchmark.

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

From 18 December 2012 – 30 November 2020	FBM KLCI (10%) + Maybank's 12 Months Fixed Deposits Rate (90%)
1 December 2020 onwards	FBM KLCI (30%) + RHB Bank Berhad's 12 Months Fixed Deposits Rate (70%)

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.

	As at 31 May			
Fund Size	2025	2024	2023	
Net Asset Value (RM million)	36.57	33.38	29.32	
Units In Circulation (million)	62.14	60.12	57.43	
Net Asset Value Per Unit (RM)	0.5885	0.5552	0.5105	

	Financial Year Ended 31 May		
Historical Data	2025	2024	2023
Unit Prices			
NAV - Highest (RM)	0.5897	0.5572	0.5207
- Lowest (RM)	0.5534	0.5101	0.4993
Distribution and Unit Split			
Gross Distribution Per Unit (sen)	-	-	-
Net Distribution Per Unit (sen)	-	-	-
Distribution Date	-	-	-
NAV before distribution (cum)	-	-	-
NAV after distribution (ex)	-	-	-
Unit Split	-	-	-
Others			
Total Expense Ratio (TER) (%) #	1.21	1.23	1.34
Portfolio Turnover Ratio (times) (PTR) ##	0.48	0.74	1.02

[#] The TER for the financial year was lower compared with the previous financial year due to higher average net asset value during the financial year under review.

DISTRIBUTION

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

^{##} The PTR for the financial year was lower compared with the previous financial year due to lesser investment activities during the financial year under review.

PORTFOLIO STRUCTURE

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

	As at 31 May		
	2025	2024	2023
Sectors	%	%	%
Equities			
Communication	0.64	-	1.54
Construction	2.22	3.00	0.54
Consumer Discretionary	_	-	0.96
Consumer Products & Services	0.54	2.79	8.15
Energy	_	0.61	_
Financial Services	12.84	13.42	15.14
Health Care	2.53	1.98	2.93
Industrial Products & Services	_	0.38	0.98
Materials	3.11	0.71	1.19
Plantation	0.90	0.80	-
Technology	1.51	1.28	1.71
Telecommunications & Media	3.97	2.04	1.78
Transportation & Logistics	_	0.51	1.61
Utilities	0.98	-	3.06
	29.24	27.52	39.59
Collective investment scheme	4.92	2.30	1.96
Unquoted fixed income securities	61.70	54.27	31.15
Liquid assets and other net current assets	4.14	15.91	27.30
	100.00	100.00	100.00

The asset allocation was reflective of the PRS Provider's stance to risk manage its portfolio in an environment of volatile markets.

SECURITIES FINANCING TRANSACTIONS

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

CROSS TRADE

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

SOFT COMMISSION

Soft commissions were received by the PRS Provider for the financial year under review from brokers/dealers who have also executed trades for other funds or investment managed by the PRS Provider or Fund Manager. The soft commissions were utilised for research data and materials that assist in the decision making process relating to the Fund's investment. The soft commissions received were for the benefit of the funds and there were no churning of trades.

RHB RETIREMENT SERIES – CONSERVATIVE FUND STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2025

	Note	<u>2025</u>	<u>2024</u>
		RM	RM
ASSETS			
Bank balances	5	878,578	2,201,178
Deposits with licensed financial institutions	5	678,578	3,163,930
Investments	6	35,056,652	28,067,342
Amount due from PRS Provider		11,182	555
Dividend receivables		11,727	3,438
Tax recoverable	_	25,369	27,850
TOTAL ASSETS	_	36,662,086	33,464,293
LIABILITIES		15.550	10.421
Amount due to PRS Provider		17,653	19,431
Amount due to Scheme Trustee		1,240	1,132
Amount due to Private Pension Administrator		1 240	1 122
("PPA")		1,240	1,132
Accrued management fee		30,997	28,295
Other payables and accruals	_	40,381	36,055
TOTAL LIABILITIES	_	91,511	86,045
NET ASSET VALUE	_	36,570,575	33,378,248
MEMBERS' FUNDS			
Members' capital		32,479,851	31,306,478
Retained earnings		4,090,724	2,071,770
Retained earnings	-	36,570,575	33,378,248
	_	30,370,373	33,370,240
UNITS IN CIRCULATION (UNITS)	7	62,140,607	60,118,607
NET ASSET VALUE PER UNIT (RM)		0.5885	0.5552

RHB RETIREMENT SERIES – CONSERVATIVE FUND STATEMENT OF INCOME AND EXPENSES FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	<u>Note</u>	2025 RM	2024 RM
INCOME			
Dividend income		472,067	504,009
Interest income from investments		902,090	555,515
Interest income from deposits with licensed		, o - 1 , o > 0	222,212
financial institutions		62,785	146,085
Net realised gain on disposal		717,545	564,360
Net unrealised gain on changes in fair value		545,186	1,372,590
Net foreign currency exchange (loss)/gain		(145,769)	21,277
	_	2,553,904	3,163,836
	_		
EXPENSES			
Management fee	8	(349,547)	(312,767)
Scheme Trustee's fee	9	(13,982)	(12,511)
PPA's fee	10	(13,982)	(12,511)
Audit fee		(5,600)	(5,600)
Tax agent's fee		(15,327)	(15,658)
Transaction costs		(79,340)	(120,682)
Other expenses	_	(52,561)	(55,959)
		(530,339)	(535,688)
Net income before taxation		2,023,565	2,628,148
Taxation	11 _	(4,611)	25,841
Net income after taxation	_	2,018,954	2,653,989
Net income after taxation is made up of the following:			
Realised amount		1,504,985	1,354,948
Unrealised amount		513,969	1,299,041
		2,018,954	2,653,989
	_		

RHB RETIREMENT SERIES – CONSERVATIVE FUND STATEMENT OF CHANGES IN NET ASSET VALUE FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	Members' <u>capital</u> RM	(Accumulated losses)/ Retained earnings RM	Total net asset value RM
Balance as at 1 June 2023	29,900,448	(582,219)	29,318,229
Movement in net asset value: Net income after taxation Creation of units arising from	-	2,653,989	2,653,989
applications	2,812,001	-	2,812,001
Cancellation of units	(1,405,971)	-	(1,405,971)
Balance as at 31 May 2024	31,306,478	2,071,770	33,378,248
Balance as at 1 June 2024	31,306,478	2,071,770	33,378,248
Movement in net asset value:			
Net income after taxation	-	2,018,954	2,018,954
Creation of units arising from			
applications	3,151,262	-	3,151,262
Cancellation of units	(1,977,889)		(1,977,889)
Balance as at 31 May 2025	32,479,851	4,090,724	36,570,575

RHB RETIREMENT SERIES – CONSERVATIVE FUND STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

	<u>Note</u>	2025 RM	2024 RM
CASH FLOWS FROM OPERATING		KW	KIVI
ACTIVITIES			
Proceeds from redemption of investments		3,100,000	2,500,000
Proceeds from sale of investments		11,061,530	18,719,953
Purchase of investments		(19,971,679)	(26,300,497)
Dividend received		446,461	480,102
Interest received from deposits with licensed			
financial institutions		62,785	146,085
Interest received from unquoted fixed income			
securities		897,793	459,911
Management fee paid		(346,845)	(309,695)
Scheme Trustee's fee paid		(13,874)	(12,388)
Payment for other fees and expenses		(55,896)	(53,781)
Net realised foreign exchange (loss)/gain		(115,401)	90,446
Tax paid		(2,130)	(10,271)
Net cash used in operating activities		(4,937,256)	(4,290,135)
CASH FLOWS FROM FINANCING			
ACTIVITIES			
Cash proceeds from units created		3,140,635	2,812,991
Cash paid for units cancelled		(1,979,667)	(1,420,807)
Net cash generated from financing activities		1,160,968	1,392,184
Net decrease in cash and cash equivalents		(3,776,288)	(2,897,951)
Foreign currency translation differences		(31,664)	(82,951)
Cash and cash equivalents at the beginning of		,	,
the financial year		5,365,108	8,346,010
Cash and cash equivalents at the end of the			
financial year	5	1,557,156	5,365,108

RHB RETIREMENT SERIES – CONSERVATIVE FUND NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2025

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

The RHB Retirement Series – Conservative 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 its 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 18 December 2012 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 provide capital preservation for the Members' investment.

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 25 July 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 material accounting policy information, 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 year. It also requires the PRS Provider to exercise their judgement in the process of applying the PRS Provider'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 judgement or complexity, or areas where assumptions and estimates are material to the financial statements.

(a) Standards and amendments to existing standards effective 1 June 2024

The Fund has applied the following standards and amendments for the first time for the financial period beginning 1 June 2024:

• 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 adoption of the above accounting standard, annual improvement and improvement does not give rise to any material financial impact to the Fund.

2.1 Basis of preparation of the financial statements (continued)

- (b) New standards, amendments and interpretations effective after 1 June 2024 and have not been early adopted
 - Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)
 - The new MFRS introduces a new structure of profit or loss statement. The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition.).
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

2.1 Basis of preparation of the financial statements (continued)

- (b) New standards, amendments and interpretations effective after 1 June 2024 and have not been early adopted (continued)
 - MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
 - The new MFRS introduces a new structure of profit or loss statement.
 - a) Income and expenses are classified into three new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investment in associates and joint venture and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
 - b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

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.

2.2 Financial assets (continued)

Classification (continued)

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 asset measured at fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely payment of principal and interest, however, these securities 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 cash and cash equivalents, amount due from PRS Provider and dividend 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 at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of income and expenses.

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.

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 unrealised gains or losses on changes in fair value in the financial year in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of income and expenses within dividend income when the Fund's right to receive payments is established.

Interest on debt securities at fair value through profit or loss is recognised in the statement of income and expenses.

2.2 Financial assets (continued)

Recognition and measurement (continued)

Quoted investments and collective investment schemes are initially recognised at fair value and subsequently re-measured at fair value based on the market price quoted on the relevant stock exchanges at the close of the business on the valuation day, where the close price falls within the bid-ask spread. In circumstances where the close price is not within the bid-ask spread, the PRS Provider will determine the point within the bid-ask spread that is most representative of the fair value.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Scheme Trustee, then the securities are valued as determined in good faith by the PRS Provider, based on the methods or bases approved by the Scheme Trustee after appropriate technical consultation.

Unquoted fixed income securities denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the SC as per the SC's Guidelines on Private Retirement Schemes.

Where such quotations are not available or where the PRS Provider is of the view that the price quoted by the BPA for a specific unquoted fixed income security differs from the market price by more than 20 basis points, the PRS Provider may use the market price, provided that the PRS Provider:

- (i) Records its basis for using a non-BPA price;
- (ii) Obtains necessary internal approvals to use the non-BPA price; and
- (iii) Keeps an audit trail of all decisions and basis for adopting the market price.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of the statement of financial position, which is a reasonable estimate of fair value due to the short-term nature of the deposits.

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

2.2 Financial assets (continued)

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.

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 year.

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 PRS Provider, amount due to Scheme Trustee, amount due to PPA, accrued management fee and other payables and accruals are recognised initially at fair value plus directly attributable transaction cost and subsequently measured at amortised cost using the effective interest 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 holder 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.

The outstanding units are carried at the redemption amount that is payable at each financial year if 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

Dividend income from quoted investments and collective investment schemes are recognised when the Fund's right to receive payment is established. Dividend income is received from financial assets measured at FVTPL.

Interest income from short-term deposits with licensed financial institutions and unquoted fixed income securities are recognised on an accrual basis using the effective interest method.

Interest income is calculated by applying the effective interest 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 interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Realised gains or losses on disposal of quoted investments and collective investment schemes are arrived at after accounting for cost of investments, determined on the weighted average cost method.

Realised gains or losses on disposal of unquoted fixed income securities are measured by the difference between net disposal proceeds and the carrying amount of investments (adjusted for accretion of discount or amortisation of premium).

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 year.

2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions with original maturities of three months or less that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value.

2.8 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.

Due to mixed factors in determining the functional currency of the Fund, the PRS Provider has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- Part of the Fund's cash is denominated in RM for the purpose of making settlement of the creation and cancellation.
- The Fund's units are denominated in RM.
- The Fund's expenses are denominated in RM.

2.9 Foreign currency translation

Foreign currency transactions in the Fund are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the reporting date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in statement of income and expenses.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks, which include market risk, price risk, interest rate risk, currency risk, credit risk, liquidity 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's Guidelines on Private Retirement Schemes.

Market risk

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investors' sentiment generally. They may also decline due to factors that affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities. The market price of securities owned by the PRS Fund might go down or up, sometimes rapidly or unpredictably.

Price risk

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

The Fund is exposed to equity securities and collective investment schemes (other than those arising from interest rate risk) price risk for its investments of RM12,491,594 (2024: RM9,952,075) in quoted investments and collective investment schemes.

The Fund is also exposed to price risk arising from interest rate risk in relation to its investments of RM22,565,058 (2024: RM18,115,267) in unquoted fixed income securities. The Fund's exposure to price risk arising from interest rate risk and the related sensitivity analysis are disclosed in "Interest rate risk" below.

The sensitivity analysis is based on the assumption that the price of the quoted securities investment and collective investment schemes fluctuate by \pm /(-) 5% with all other variables held constant, the impact on the statement of income and expenses and net asset value is \pm /(-) RM624,580 (2024: RM497,604).

Interest rate risk

In general, when interest rates rise, fixed income securities prices will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. In order to mitigate interest rates exposure of the Fund, the PRS Provider will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the PRS Provider, which is based on its continuous fundamental research and analysis.

<u>Interest rate risk</u> (continued)

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

The table below summarises the sensitivity of the Fund's profit or loss after taxation and net asset value as at reporting date to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate fluctuation by +/(-) 1% with all other variables held constant.

	Imp or loss after	act on profit taxation and
% Change in interest rate		et asset value
	<u>2025</u>	<u>2024</u>
	RM	RM
+1%	(54,448)	(50,685)
-1%	54,634	50,903

The Fund's exposure to interest rate risk arises from investment in money market instruments is expected to be minimal as the Fund's investments comprise mainly short term deposits with approved licensed financial institutions.

Currency risk

Currency risk is associated with financial instruments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Ringgit Malaysia appreciates against the currencies in which the portfolio of the investment is denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. The Fund did not have any significant financial liabilities denominated in foreign currencies as at the financial year end date.

The PRS Provider or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it deemed necessary.

Currency risk (continued)

The analysis is based on the assumption that the foreign exchange rate fluctuates by +/ (-) 5%, with all other variables remain constants, the impact on statement of income and expenses and net asset value is +/(-) RM301,794 (2024: RM294,230).

The following table sets out the currency risk concentration of the Fund:

	<u>Investments</u>	Cash and cash equivalents	Other financial assets/ (liabilities)*	<u>Total</u>
2025	RM	RM	RM	RM
Australian Dollar	1,137,729	_	-	1,137,729
Hong Kong Dollar	550,399	1,953	-	552,352
Indonesian Rupiah	1,549,404	, -	-	1,549,404
Korean Won	844,797	-	1	844,798
Singapore Dollar	865,966	-	(2,870)	863,096
Taiwan Dollar	275,208	-	(23,385)	251,823
United States Dollar	-	836,675	-	836,675
_	5,223,503	838,628	(26,254)	6,035,877
2024				
Australian Dollar	237,122	_	_	237,122
Hong Kong Dollar	896,572	1,636	3,438	901,646
Indonesian Rupiah	1,170,842	-	-	1,170,842
Korean Won	497,937	-	-	497,937
Singapore Dollar	833,215	-	-	833,215
Taiwan Dollar	118,881	-	(22,855)	96,026
United States Dollar	-	2,147,811	-	2,147,811
_	3,754,569	2,149,447	(19,417)	5,884,599

^{*} Comprise of dividend receivables and other payables and accruals.

Credit risk

Credit risk refers to the possibility that the issuer of a particular investment will not be able to make timely or full payments of principal or income due on that investment. For investments in fixed income securities, risk is minimised by spreading its maturity profile. The credit risk arising from cash and cash equivalents is managed by ensuring that the Fund will only maintain cash balances and place deposits with reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The settlement terms of the proceeds from the creation of units receivable from the PRS Provider are governed by the SC's Guidelines on Private Retirement Schemes.

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

		Cash and cash	Other financial	
	Investments RM	<u>equivalents</u> RM	assets* RM	Total RM
<u>2025</u>				
AAA	5,162,585	1,557,156	-	6,719,741
AA3	1,092,186	-	-	1,092,186
AA2	2,200,399	-	-	2,200,399
AA1	6,461,323	-	-	6,461,323
AA-	3,192,786	-	-	3,192,786
A+	1,010,237	-	-	1,010,237
Non-rated	3,445,542	-	-	3,445,542
Others	-	-	22,909	22,909
	22,565,058	1,557,156	22,909	24,145,123
<u>2024</u>				
AAA	1,022,439	5,365,108	-	6,387,547
AA3	2,022,542	-	_	2,022,542
AA2	2,178,809	-	-	2,178,809
AA1	5,270,496	_	-	5,270,496
AA	3,173,572	-	-	3,173,572
A	1,103,235	-	-	1,103,235
Non-rated	3,344,174	-	-	3,344,174
Others	-	-	3,993	3,993
	18,115,267	5,365,108	3,993	23,484,368

^{*} Comprise of amount due from PRS Provider, dividend receivables and other receivables.

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. As such, the Fund may not be able to sell such illiquid investments at an advantageous time or price to meet its liquidity requirements. PRS with principal investment strategies that involve securities or securities with substantial market and/or credit risk tend to have the greater exposure to liquidity risk. 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.

	Less than 1 <u>month</u> RM	Between 1 month to 1 year RM
<u>2025</u>		
Amount due to PRS Provider	17,653	-
Amount due to Scheme Trustee	1,240	-
Amount due to PPA	1,240	-
Accrued management fee	30,997	-
Other payables and accruals		40,381
	51,130	40,381
2024		
Amount due to PRS Provider	19,431	-
Amount due to Scheme Trustee	1,132	-
Amount due to PPA	1,132	-
Accrued management fee	28,295	-
Other payables and accruals		36,055
	49,990	36,055

Capital risk

The capital of the Fund is represented by members' funds consisting of members' capital of RM32,479,851 (2024: RM31,306,478) and retained earnings of RM4,090,724 (2024: RM2,071,770). 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 financial 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 year 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 financial 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 year 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 and deposits with licensed financial institutions with maturities less than 1 year, 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.

4. FAIR VALUE ESTIMATION (CONTINUED)

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)

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:

	Level 1	Level 2	Level 3	<u>Total</u>
	$\mathbf{R}\mathbf{M}$	RM	$\mathbf{R}\mathbf{M}$	RM
<u>2025</u>				
Financial assets at FVTPL:				
- Quoted investments	10,693,855	-	-	10,693,855
- Collective investment scheme	1,797,739	-	-	1,797,739
- Unquoted fixed income				
securities		22,565,058	-	22,565,058
	12,491,594	22,565,058	-	35,056,652
<u>2024</u>				
Financial assets at FVTPL:				
- Quoted investments	9,185,601	-	-	9,185,601
- Collective investment scheme	766,474	-	-	766,474
- Unquoted fixed income				
securities		18,115,267		18,115,267
	9,952,075	18,115,267	-	28,067,342

Investments in active listed equities, i.e. quoted investments and collective investment schemes whose values are based on quoted and published market prices in active markets are classified within Level 1. The Fund does not adjust the quoted and published prices for these instruments.

4. FAIR VALUE ESTIMATION (CONTINUED)

Fair value hierarchy (continued)

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This includes unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

2025

2024

The Fund's policies on valuation of these financial assets are stated in Note 2.2.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	<u>2025</u>	<u>2024</u>
	$\mathbf{R}\mathbf{M}$	RM
Bank balances	878,578	2,201,178
Deposits with licensed financial institutions	678,578	3,163,930
	1,557,156	5,365,108
Weighted average effective interest rate	3.00%	3.00%
Weighted average effective interest rate	3.0070	3.0070
Average maturity date	4 days	4 days
6. INVESTMENTS		
	2025 RM	2024 RM
Investments:		
- Quoted investments - local	5,923,933	5,431,032
- Quoted investments - foreign	4,769,922	3,754,569
- Collective investment scheme - local	1,344,158	766,474
- Collective investment scheme - foreign	453,581	-
- Unquoted fixed income securities	22,565,058	18,115,267
	35,056,652	28,067,342

Investments as at 31 May 2025 are as follows:

Name of Counter	Quantity	Cost RM	Fair Value RM	% of Net Asset Value
QUOTED INVESTMENTS – LOC	AL	KIVI	KIVI	70
MALAYSIA				
Construction				
AME Elite Consortium Berhad	105,200	177,849	169,372	0.46
Gamuda Berhad	68,211	157,323	311,724	0.85
IJM Corporation Berhad	132,400 _	307,157	331,000	0.91
	_	642,329	812,096	2.22
Consumer Products & Services	12 600	165 540	106 200	0.54
QL Resources Berhad	43,600 _	165,542	196,200	0.54
Financial Services				
CIMB Group Holdings Berhad	102,602	606,193	711,032	1.94
Malayan Banking Berhad	33,728	291,812	329,860	0.90
Public Bank Berhad	315,700	1,324,814	1,360,667	3.72
	_	2,222,819	2,401,559	6.56
Healthcare				
IHH Healthcare Berhad	80,800	501,899	557,520	1.52
KPJ Healthcare Berhad	135,600 _	356,778	368,832	1.01
	_	858,677	926,352	2.53
Plantation				
SD Guthrie Berhad	73,600	360,296	329,728	0.90
5D Guille Belliau	73,000 _	300,270	327,120	0.70
Telecommunications & Media				
Axiata Group Berhad	176,400	394,719	361,620	0.99
Telekom Malaysia Berhad	82,600	479,397	539,378	1.48
	_	874,116	900,998	2.47
	_			
Utilities		0. 1 0. 0. - -		0.00
Tenaga Nasional Berhad	25,500	358,875	357,000	0.98
TOTAL OHOTED INVESTMENT	'C			
TOTAL QUOTED INVESTMENT LOCAL	5 -	5,482,654	5,923,933	16.20
LUCAL	_	3,404,034	3,743,733	10.20

Name of Counter	Quantity	Cost RM	Fair Value RM	% of Net Asset Value
QUOTED INVESTMENTS – FOI	REIGN	Kivi	KIVI	70
AUSTRALIA Material Northern Star Resources Ltd	19,817	950,940	1,137,729	3.11
TOTAL AUSTRALIA	_	950,940	1,137,729	3.11
HONG KONG Telecommunications & Media China Mobile Ltd Tencent Holdings Ltd	7,000 800 _	321,222 156,354 477,576	334,180 216,219 550,399	0.91 0.59 1.50
TOTAL HONG KONG	_	477,576	550,399	1.50
INDONESIA Communication PT Telkom Indonesia Persero Tbk	320,800 _	198,688	235,572	0.64
Financial Services PT Bank Central Asia Tbk PT Bank Mandiri Persero Tbk	266,900 478,600 _	692,428 758,540 1,450,968	653,307 660,525 1,313,832	1.79 1.81 3.60
TOTAL INDONESIA	_	1,649,656	1,549,404	4.24
KOREA Financial Services Hana Financial Group Inc	2,536 _	501,934	567,962	1.55
Technology Samsung Electronics Co Ltd	1,599	310,274	276,835	0.76
TOTAL KOREA	_	812,208	844,797	2.31

Name of Counter QUOTED INVESTMENTS – FOR (CONTINUED)	<u>Quantity</u> EIGN	Cost RM	<u>Fair Value</u> RM	% of Net Asset Value %
SINGAPORE				
Financial Services				
DBS Group Holdings Ltd	1,450	234,995	213,855	0.59
United Overseas Bank Ltd	1,700 _	209,190	198,530	0.54
	_	444,185	412,385	1.13
TOTAL SINGAPORE	_	444,185	412,385	1.13
TAIWAN Technology Taiwan Semiconductor Manufacturing Co Ltd TOTAL TAIWAN	2,000 _	234,079 234,079	275,208 275,208	0.75 0.75
TOTAL QUOTED INVESTMENT FOREIGN	'S –	4,568,644	4,769,922	13.04
COLLECTIVE INVESTMENT SO LOCAL	CHEME -			
Real Estate Investment Trusts				
AME Real Estate Investment Trust	60,000	67,800	97,800	0.27
Axis Real Estate Investment Trust	361,600	637,538	690,656	1.89
Sunway Real Estate Investment	201,000	327,223	3,3,323	1,0)
Trust	275,100	526,668	555,702	1.52
	_	1,232,006	1,344,158	3.68
TOTAL COLLECTIVE INVESTMENT LOCAL	IENT	1 222 007	1 244 150	2.60
SCHEME - LOCAL	_	1,232,006	1,344,158	3.68

Name of Counter COLLECTIVE INVESTMI FOREIGN	ENT SCI	Quantity HEME -	Cost RM	<u>Fair Value</u> RM	% of Net Asset <u>Value</u> %
Real Estate Investment Trus Keppel DC REIT	st	62,800	439,839	453,581	1.24
TOTAL COLLECTIVE IN SCHEME - FOREIGN	VESTM	, <u> </u>	439,839	453,581	1.24
Name of Instruments	Rating	Nominal <u>Value</u> RM	Cost RM	Fair Value RM	% of Net Asset Value %
UNQUOTED FIXED INCO	ME SE	CURITIES			
6.15% AFA Prime Berhad IMTN 29/11/20293.80% Hong Leong Bank Berhad Green Senior MTN	AA-	1,000,000	1,048,740	1,078,426	2.95
28/09/2029	AAA	3,000,000	3,008,119	3,038,697	8.31
5.31% Konsortium ProHAWK Sdn Bhd IMTN 28/06/2032 4.24% Malayan Cement	AA2	2,000,000	2,067,529	2,200,399	6.02
Berhad IMTN 03/07/2029	AA1	1,000,000	1,019,523	1,032,048	2.82
4.893% MalaysianGovernment Securities08/06/20386.05% Pujian Bayu Sdn Bhd	Non- Rated	3,000,000	3,479,869	3,445,542	9.42
MTN 31/07/2029	AA3	1,000,000	1,086,103	1,092,186	2.99
4.27% Sarawak Energy Berhad IMTN 04/07/2033	AAA	2,000,000	2,091,403	2,123,888	5.81
4.67% UEM Sunrise Berhad IMTN 14/02/2031	AA-	2,000,000	2,037,138	2,114,360	5.78

Name of Instruments	Rating	Nominal <u>Value</u> RM	Cost RM	Fair Value RM	% of Net Asset Value %	
UNQUOTED FIXED INCO (CONTINUED))ME SE(CURITIES				
5.65% WCT Holdings Berhad IMTN 20/04/2026	A+	1,000,000	1,008,411	1,010,237	2.76	
4.55% YTL Corporation Berhad MTN 27/09/2035 4.74% YTL Power	AA1	3,000,000	3,026,908	3,211,882	8.78	
International Berhad IMTN 24/08/2038	AA1	2,000,000	2,030,907	2,217,393	6.06	
TOTAL UNQUOTED FIXED INCOME						
SECURITIES			21,904,650	22,565,058	61.70	
TOTAL INVESTMENTS			33,627,793	35,056,652	95.86	
Investments as at 31 May 202	24 are as t	follows:				
					% of Net Asset	
Name of Counter		Quantity	Cost RM	Fair Value	Asset Value	
Name of Counter QUOTED INVESTMENTS	S – LOCA		Cost RM	Fair Value RM	Asset	
	S – LOCA				Asset Value	
QUOTED INVESTMENTS MALAYSIA Construction AME Elite Consortium Berh		AL 98,600	RM 162,184	RM 167,620	Asset Value % 0.50	
QUOTED INVESTMENTS MALAYSIA Construction AME Elite Consortium Berh Gamuda Berhad		98,600 48,979	RM 162,184 222,242	RM 167,620 297,303	Asset <u>Value</u> % 0.50 0.89	
QUOTED INVESTMENTS MALAYSIA Construction AME Elite Consortium Berh		AL 98,600	RM 162,184 222,242 421,772	RM 167,620 297,303 535,425	Asset <u>Value</u> % 0.50 0.89 1.61	
QUOTED INVESTMENTS MALAYSIA Construction AME Elite Consortium Berh Gamuda Berhad		98,600 48,979	RM 162,184 222,242	RM 167,620 297,303	Asset <u>Value</u> % 0.50 0.89	
QUOTED INVESTMENTS MALAYSIA Construction AME Elite Consortium Berh Gamuda Berhad IJM Corporation Berhad	ad	98,600 48,979	RM 162,184 222,242 421,772	RM 167,620 297,303 535,425	Asset <u>Value</u> % 0.50 0.89 1.61	
QUOTED INVESTMENTS MALAYSIA Construction AME Elite Consortium Berh Gamuda Berhad IJM Corporation Berhad Consumer Products & Serv	ad	98,600 48,979	RM 162,184 222,242 421,772 806,198	RM 167,620 297,303 535,425	Asset <u>Value</u> % 0.50 0.89 1.61	
QUOTED INVESTMENTS MALAYSIA Construction AME Elite Consortium Berh Gamuda Berhad IJM Corporation Berhad	ad	98,600 48,979 194,700	RM 162,184 222,242 421,772	RM 167,620 297,303 535,425 1,000,348	Asset Value % 0.50 0.89 1.61 3.00	

Name of Counter QUOTED INVESTMENTS – LOC (CONTINUED)	Quantity CAL	Cost RM	Fair Value RM	% of Net Asset Value %
MALAYSIA (CONTINUED) Energy				
Hibiscus Petroleum Berhad	81,300	218,240	203,250	0.61
Financial Services CIMB Group Holdings Berhad Malayan Banking Berhad Public Bank Berhad Healthcare	104,102 33,728 260,200	556,144 291,812 1,081,507 1,929,463	712,058 334,919 1,066,820 2,113,797	2.13 1.00 3.20 6.33
IHH Healthcare Berhad KPJ Healthcare Berhad	50,800 182,800	298,386 293,755	314,452 347,320	0.94 1.04
IXI & Healtheare Belliau	102,000 _	592,141	661,772	1.98
Industrial Products & Services Pantech Group Holdings Berhad	117,400 _	106,200	126,792	0.38
Plantation Ta Ann Holdings Berhad	67,400 _	251,471	267,578	0.80
Telecommunications & Media Telekom Malaysia Berhad	45,900 _	236,107	285,039	0.86
Transportation & Logistics MISC Berhad	20,200 _	162,030	168,468	0.51
TOTAL QUOTED INVESTMENT LOCAL	`S -	4,864,717	5,431,032	16.28

Name of Counter	Quantity	Cost	Fair Value	% of Net Asset Value
QUOTED INVESTMENTS – FO	REIGN	RM	RM	%
AUSTRALIA Material				
Northern Star Resources Ltd	5,282	249,568	237,122	0.71
TOTAL AUSTRALIA	-	249,568	237,122	0.71
HONG KONG				
Consumer Products & Services				
Alibaba Group Holding Ltd	3,500	172,381	157,683	0.47
ANTA Sports Products Ltd	3,400	177,057	170,255	0.51
	-	349,438	327,938	0.98
Financial Services				
AIA Group Ltd	4,800	169,699	174,531	0.52
Telecommunications & Media				
China Telecom Corporation Ltd	82,000	201,119	220,967	0.66
Tencent Holdings Ltd	800	149,363	173,136	0.52
C	-	350,482	394,103	1.18
TOTAL HONG KONG	_	869,619	896,572	2.68
INDONESIA				
Financial Services				
PT Bank Central Asia Tbk	239,200	668,375	640,326	1.92
PT Bank Mandiri Persero Tbk PT Bank Rakyat Indonesia Persero	176,900	307,439	302,050	0.91
Tbk	181,900	306,979	228,466	0.68
	′ - -	1,282,793	1,170,842	3.51
TOTAL INDONESIA	<u>-</u>	1,282,793	1,170,842	3.51

Name of Counter QUOTED INVESTMENTS – FORM (CONTINUED)	<u>Quantity</u> EIGN	Cost RM	<u>Fair Value</u> RM	% of Net Asset <u>Value</u> %
KOREA				
Financial Services Hang Financial Group Inc.	900	100 015	199 520	0.56
Hana Financial Group Inc	900 _	198,815	188,530	0.30
Technology				
Samsung Electronics Co Ltd	514	137,927	128,263	0.38
SK Hynix Inc	282	137,675	181,144	0.54
	-	275,602	309,407	0.92
TOTAL KOREA	_	474,417	497,937	1.48
SINGAPORE Financial Services DBS Group Holdings Ltd	6,650	738,046	833,215	2.50
TOTAL SINGAPORE	-	738,046	833,215	2.50
TAIWAN Technology Taiwan Semiconductor Manufacturing Co Ltd	1,000 _	94,142	118,881	0.36
TOTAL TAIWAN		94,142	118,881	0.36
TOTAL QUOTED INVESTMENTS FOREIGN	S –	3,708,585	3,754,569	11.24

Name of Counter COLLECTIVE INVESTM LOCAL	ENT SC	Quantity HEME -	Cost RM	<u>Fair Value</u> RM	% of Net Asset <u>Value</u> %
Real Estate Investment Tru AME Real Estate Investment IGB Real Estate Investment	Trust Trust	60,000 375,400 _ -	67,800 609,334 677,134	87,000 679,474 766,474	0.26 2.04 2.30
SCHEME - LOCAL			677,134	766,474	2.30
Name of Instruments	Rating	Nominal <u>Value</u> RM	Cost RM	Fair Value RM	% of Net Asset Value %
UNQUOTED FIXED INCO	OME SEC	CURITIES			
6.15% AFA Prime Berhad IMTN 29/11/2029 4.05% Bank Pembangunan	AA	1,000,000	1,058,182	1,077,276	3.23
Malaysia Berhad IMTN 06/06/2031	AAA	1,000,000	1,021,405	1,022,439	3.06
3.85% Hong Leong Assurance Berhad Sub Notes 31/01/2030 5.31% Konsortium	AA3	2,000,000	2,021,704	2,022,542	6.06
ProHAWK Sdn Bhd IMTN 28/06/2032	AA2	2,000,000	2,070,431	2,178,809	6.53
4.893% Malaysian Government Securities 08/06/2038 3.95% TG Excellence	Non- Rated	3,000,000	3,504,460	3,344,174	10.02
Berhad Sukuk Wakalah 27/02/2120	A	1,100,000	1,097,469	1,103,235	3.30
4.67% UEM Sunrise Berhad IMTN 14/02/2031	AA	2,000,000	2,038,882	2,096,296	6.28

Investments as at 31 May 2024 are as follows: (continued)

Name of Instruments	Rating	Nominal <u>Value</u> RM	Cost RM	Fair Value RM	% of Net Asset Value %
UNQUOTED FIXED INCO (CONTINUED)	OME SEC	CURITIES			
4.55% YTL Corporation Berhad MTN 27/09/2035 4.74% YTL Power	AA1	3,000,000	3,027,086	3,119,662	9.35
International Berhad IMTN 24/08/2038	AA1	2,000,000	2,030,973	2,150,834	6.44
TOTAL UNQUOTED FIX SECURITIES	ED INCO	OME	17,870,592	18,115,267	54.27
TOTAL INVESTMENTS			27,121,028	28,067,342	84.09
7. UNITS IN CIRCULA	ATION				
				<u>2025</u> Units	<u>2024</u> Units
At the beginning of the finan			60,118	8,607	57,429,607
Creation of units arising from the financial year	n applicat	ions during	5.475	5,000	5,322,000
Cancellation of units during	the financ	ial year	(3,453	*	(2,633,000)
At the end of the financial ye	ear		62,140	0,607	60,118,607

8. MANAGEMENT FEE

In accordance with the Disclosure Documents, the management fee provided in the financial statements is 1.00% (2024: 1.00%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

9. SCHEME TRUSTEE'S FEE

In accordance with the Disclosure Documents, the Scheme Trustee's fee provided in financial statement is 0.04% (2024: 0.04%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

10. PPA'S FEE

The PPA's fee provided in the financial statements is 0.04% (2024: 0.04%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year.

11. TAXATION

(a) Tax charge for the financial year

	2025 RM	2024 RM
Current taxation	-	(4,829)
Under/(Over) provision of tax in prior year	4,611	(21,012)
	4,611	(25,841)

(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:

	2025 RM	2024 RM
Net income before taxation	2,023,565	2,628,148
Tax calculated at statutory income tax rate of 24% Tax effects of:	485,655	630,756
- Investment income not subject to tax	(612,937)	(764,150)
- Expenses not deductible for tax purposes	40,058	51,348
- Restriction on tax deductible expenses	87,224	77,218
- Under/(Over) provision of tax in prior year	4,611	(21,012)
Tax expense	4,611	(25,841)

12. TOTAL EXPENSE RATIO ("TER")

	2025 %	2024 %
TER	1.21	1.23

The TER ratio is calculated based on total expenses excluding investment transaction related costs of the Fund to the average net asset value of the Fund calculated on a daily basis.

13. PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2025</u>	<u>2024</u>
PTR (times)	0.48	0.74

The PTR ratio is calculated based on average of acquisition and disposals of the Fund for the financial year 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 is as follows:

	2025			2024
	Units	RM	Units	RM
The PRS Provider	5,653	3,327	5,242	2,910

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 the above, there were no units held by parties related to the PRS Provider.

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

15. TRANSACTIONS BY THE FUND

Details of transactions by the Fund for the financial year ended 31 May 2025 are as follows:

PRS Providers/Brokers	Value of <u>trades</u> RM	Percentage of total <u>trades</u> %	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
RHB Investment Bank				
Berhad*	16,488,680	53.12	27,563	49.00
Maybank Investment Bank				
Berhad	3,673,293	11.84	8,806	15.66
CGS-CIMB Securities Sdn				
Bhd	1,419,404	4.57	3,637	6.47
CIMB Securities Sdn Bhd	1,384,972	4.46	3,109	5.53
CGS-CIMB Securities				
(South Korea) Ltd	1,264,936	4.08	2,530	4.50
Macquarie Securities				
(Australia) Ltd	1,063,567	3.43	2,127	3.78
Haitong International				
Securities Co Ltd	1,028,444	3.31	2,057	3.66
Hong Leong Investment				
Bank Berhad	1,008,000	3.25	-	-
CIMB Bank Berhad	1,002,700	3.23	-	-
MIDF Amanah Investment				
Bank Berhad	441,469	1.42	1,324	2.35
Others	2,263,193	7.29	5,092	9.05
	31,038,658	100.00	56,245	100.00

15. TRANSACTIONS BY THE FUND (CONTINUED)

Details of transactions by the Fund for the financial year ended 31 May 2024 are as follows:

PRS Providers/Brokers	Value of <u>trades</u> RM	Percentage of total trades	Brokerage <u>fees</u> RM	Percentage of total brokerage <u>fees</u> %
RHB Investment Bank				
Berhad*	13,924,607	31.25	26,444	32.17
Maybank Investment Bank				
Berhad	9,471,194	21.26	18,506	22.52
CGS-CIMB Securities Sdn				
Bhd	4,601,545	10.33	11,996	14.60
CIMB Investment Bank				
Berhad	3,002,700	6.74	-	-
CGS-CIMB Securities				
(South Korea) Ltd	2,255,338	5.06	4,510	5.49
Hong Leong Bank Berhad	1,618,117	3.63	-	-
Macquarie Securities				
(Australia) Ltd	1,439,844	3.23	3,166	3.85
Hong Leong Investment				
Bank Berhad	1,411,084	3.17	818	1.00
KAF Equities Sdn Bhd	1,276,675	2.87	3,830	4.66
Affin Hwang Investment				
Bank Berhad	1,175,287	2.64	3,415	4.16
Others	4,378,928	9.82	9,504	11.55
	44,555,319	100.00	82,189	100.00

^{*} Included in transactions by the Fund are trades with RHB Investment Bank Berhad, the holding company of the PRS Provider. 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

	<u>2025</u> RM	2024 RM
Financial assets	KIVI	KIVI
Financial assets at FVTPL		
 Quoted investments 	10,693,855	9,185,601
Collective investment scheme	1,797,739	766,474
 Unquoted fixed income securities 	22,565,058	18,115,267
	35,056,652	28,067,342
Financial assets at amortised cost		
 Bank balances 	878,578	2,201,178
 Deposits with licensed financial institutions 	678,578	3,163,930
 Amount due from PRS Provider 	11,182	555
 Dividend receivables 	11,727	3,438
	1,580,065	5,369,101
Einensiel liebilities		
Financial liabilities		
Financial liabilities at amortised cost	17 (52	10 421
• Amount due to PRS Provider	17,653	19,431
Amount due to Scheme Trustee	1,240	1,132
• Amount due to PPA	1,240	1,132
 Accrued management fee 	30,997	28,295
 Other payables and accruals 	40,381	36,055
	91,511	86,045

STATEMENT BY PRS PROVIDER RHB RETIREMENT SERIES – CONSERVATIVE FUND

We, Dato' Darawati Hussain and Ng Chze How, 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 statement of financial position, statement of income and expenses, statement of changes in net asset value, statement of cash flows and the accompanying notes, as set out on pages 15 to 51, 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 31 May 2025 and of its financial performance and cash flows for the financial year then ended and comply with provisions of the Deeds.

On behalf of the PRS Provider,

Dato' Darawati Hussain Director Ng Chze How Director

25 July 2025

SCHEME TRUSTEE'S REPORT

To the members of RHB Retirement Series – Conservative Fund ("Fund")

We have acted as Scheme Trustee of the Fund for the financial year ended 31 May 2025 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 year 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 SC's 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

Tok Puan Datin Ezreen Eliza binti Zulkiplee Chief Executive Officer

Kuala Lumpur, Malaysia 25 July 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHB RETIREMENT SERIES – CONSERVATIVE FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Retirement Series – Conservative Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 May 2025 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 May 2025, and the statement of income and expenses, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a material accounting policy information, as set out on pages 15 to 51.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHB RETIREMENT SERIES – CONSERVATIVE FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The PRS Provider of the Fund is responsible for the other information. The other information comprises PRS Provider's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the PRS Provider for the financial statements

The PRS Provider of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The PRS Provider is also responsible for such internal control as the PRS Provider determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the PRS Provider is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the PRS Provider either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHB RETIREMENT SERIES – CONSERVATIVE FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the PRS Provider.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHB RETIREMENT SERIES – CONSERVATIVE FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (d) Conclude on the appropriateness of the PRS Provider's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the PRS Provider regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the members of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT LLP0014401-LCA & AF 1146 Chartered Accountants

Kuala Lumpur 25 July 2025

CORPORATE INFORMATION

PRS PROVIDER

RHB Asset Management Sdn Bhd

REGISTERED OFFICE

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PRINCIPAL AND BUSINESS OFFICE

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Email address: rhbam@rhbgroup.com

Tel: 03-2330 8000

Toll free Number: 1800-88-3175

Website: https://rhbgroup.com/myinvest

BOARD OF DIRECTORS

Mr Chin Yoong Kheong (Independent Non-Executive Chairman)

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

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

YBhg Datuk Chung Chee Leong (Independent Non-Executive Director)

(Appointed with effect from 1 July 2025)

Mr Ng Chze How (Chief Executive Officer / Managing Director)

(Appointed with effect from 11 September 2024)

INVESTMENT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (Independent Committee Chairperson)

Mr Chin Yoong Kheong

Puan Sharizad Binti Juma'at

YBhg Datuk Chung Chee Leong (Independent Committee Member)

(Appointed with effect from 1 July 2025)

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

Mr Ng Chze How (Appointed with effect from 11 September 2024)

SECRETARIES

Encik Azman Shah Md Yaman (LS No. 0006901)

Izafaniz Binti Abdullah Kamir (MACS01851)

Filza Zainal Abidin (LS No: 0008413)

CORPORATE INFORMATION (CONTINUED)

AUDIT COMMITTEE MEMBERS

YBhg Dato' Darawati Hussain (Independent Committee Chairperson)
Mr Chin Yoong Kheong (Independent Committee Member)
Puan Sharizad Binti Juma'at (Independent Committee Member)
YBhg Datuk Chung Chee Leong (Independent Committee Member)
(Appointed with effect from 1 July 2025)

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SCHEME TRUSTEE CIMB Commerce Trustee Berhad

BANKER RHB Bank Berhad

AUDITORS PricewaterhouseCoopers PLT

TAX ADVISER PricewaterhouseCoopers Taxation Services Sdn Bhd

PRIVATE PENSION

ADMINISTRATOR Private Pension Administrator Malaysia

INSTITUTIONAL/ RHB Asset Management Sdn Bhd

CORPORATE RHB Bank Berhad

PRIVATE AHAM Asset Management Berhad

RETIREMENT iFAST Capital Sdn Bhd

SCHEME ADVISERS Kenanga Investment Bank Berhad

Phillip Mutual Berhad

VKA Wealth Planners Sdn Bhd

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