

# RHB RETIREMENT SERIES - ISLAMIC BALANCED 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 - Islamic Balanced Fund

Fund Category - Feeder Fund - Balanced (Shariah-Compliant)

Fund Type - Private Retirement Scheme

### **Investment Objective, Policy and Strategy**

### Objective of the Fund

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

### **Strategy**

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

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

The Fund's asset allocation is as follows:-

At least 95% of Net Asset Value ("NAV")

- Investments in units of Dana Hazeem.

### 1% to 5% of NAV

- Investments in liquid assets including Islamic money market instruments and placements of cash.

#### Note:

- ^ "long term" in this context refers to a period between 5 7 years.
- # Income is in the form of units.
- \* The Fund is not a capital protected or a capital guaranteed fund.

### **Performance Benchmark**

Effective from 31 August 2023, the performance of the Fund is benchmarked against composite benchmark comprising 50% FTSE Bursa Malaysia Emas Shariah Index or such other equivalent index as may be substituted by Bursa Malaysia Securities Berhad and 50% RHB Islamic Bank Berhad's 12-months Commodity Murabahah Deposit-i rate.

Prior to 31 August 2023, the performance of the Fund was benchmarked against composite benchmark comprising 50% of the performance of the FTSE Bursa Malaysia Emas Shariah Index and 50% of the Maybank Islamic Berhad's 12-month Islamic fixed deposit rate.

# **Permitted Investments**

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

### **Distribution Policy**

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

All distributions (if any) will be reinvested into additional units of the Fund based on the prevailing NAV per unit of the Business Day on which the distributions are declared. No sales charge or costs shall be incurred or payable by the members for the reinvestment.

### PRS PROVIDER'S REPORT

## **EQUITY MARKET REVIEW**

The Financial Times Stock Exchange ("FTSE") Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") Index was up by +3.70% in the third quarter of year 2024 ("3Q2024") but performed relatively weaker than other regional markets with the exceptions of Korea, Taiwan and Japan. The strong local currency, which was the best performing currency in the region in year 2024, has impacted the exporters' revenues whilst operating costs remains high. Although there was an upgrade in the corporate earnings, the upgrade was not as strong as expected due to the disappointing second quarter of 2024 ("2Q2024") corporate results announcement. Corporates earnings have not been able to display strong growth despite better than expected 2Q2024 Gross Domestic Product ("GDP") growth. As beneficiaries of the Malaysian Ringgit ("MYR") and foreign fund flows, the Financials sector was the best performer in 3Q2024 followed by Construction and Real Estate Investment Trusts ("REITs"). Fourth quarter of year 2024 ("4Q2024") was a quarter that saw lukewarm performance in KLCI -0.40% while FTSE Top 100 added some grounds +2.03% during said period. Having said that, the local KLCI outperformed regional the Association of Southeast Asian Nations ("ASEAN") peers such as Philippines Stock Exchange Index ("PSEI") -10.23%, Stock Exchange of Thailand ("SET") -3.36%, Jakarta Composite Index -5.95%. On the Asia Pacific ("APAC") front, KLCI outperformed Korean Composite Stock Price Indexes ("KOSPI") -7.47% and Hang Seng Index ("HSI") -5.08%, while underperforming others. Notably, the Malaysian Healthcare sector was buoyed by gloves sector rallying on United States ("US") tariff thematic while Tech played catchup as US Dollar ("USD") gained back its grounds vs MYR in the quarter.

Then moving in year 2025, the KLCI fell 5.00% month-on-month ("MoM") in January 2025, closing at 1,556 points owing to sell-offs in Artificial Intelligence ("AI") and data centre—related proxies. The decline followed tighter US restrictions on AI chips and the launch of Chinese AI chatbot DeepSeek, which operates with lower funding, computing power, and energy consumption than its US rivals. This marks the KLCI's steepest January 2025 decline since year 1995. Then, the KLCI closed the month of February 2025 higher by 1.14% MoM in February 2025 closing at 1,574.70. The KLCI was largely propped up by the banks in February 2025. FBMKLCI fell 3.90% MoM in March 2025, closing at 1,513 points, weighted down by concerns over escalating trade tensions raising the risks of recession. US President Donald Trump imposed 25.00% tariffs on Canada and Mexico effective 4 March 2025, and raised tariffs on Chinese goods by an additional 10.00%, bringing total tariffs on Chinese imports to 20.00%, also effective 4 March 2025.

The KLCI rebounded in April 2025, gaining 1.80% MoM to close at 1,540 points - its highest level since before US President Donald Trump's announcement of reciprocal tariffs on 2 April 2025, which triggered a volatile month for markets. April 2025 proved to be one of the most volatile months, with the KLCI plunging 7.50% to a low of 1,400 points on 9 April 2025 (the effective date of the reciprocal tariffs), before

rallying sharply after Trump paused the implementation of steep tariffs for 90 days on 10 April 2025 and signalled willingness to negotiate on trade. In May 2025, the KLCI fell 2.10% MoM to 1,508 points, its lowest monthly close in year 2025. Early gains, driven by a US-China tariff truce and MYR1.7 billion ("bil") foreign net inflow (13–16 May 2025), faded on weak first quarter earnings and poor visibility. Sentiment was further dampened by Malaysia's Morgan Stanley Capital International ("MSCI") weight cut, erasing all mid-month gains.

### FIXED INCOME MARKET REVIEW

Global financial markets had been volatile since the US President Donald Trump was re-elected in November 2024, amidst rising global trade tensions and rising tensions in the Middle East. In particular, Trump announced a series of reciprocal tariffs against all of its major trading partners – often dubbed as the "Liberation Day" tariffs with 10.00% baseline tariffs applied to all imports and country specific "reciprocal" tariffs imposed on 60 nations including China, Japan, Malaysia, the European Union and South Korea based on the individual countries' respective surplus against the US. The tariffs triggered tit-for-tat response from China while other countries struck a more conciliatory tone, trying to negotiate a trade deal. While the Liberation Day tariffs have subsequently been suspended for 90 days in May 2025, pending negotiations between the nations, the baseline tariffs have remained higher across the boards and have resulted in lower trading activities globally.

The impact rising uncertainty had a positive impact on the Malaysian fixed income market with bonds yields trending lower (lower yield equates to higher bond prices) as investors price-in the prospect of Bank Negara Malaysia ("BNM") cutting the Overnight Policy Rate ("OPR") to support growth. Notably, Governor Dato' Seri Abdul Rasheed Ghaffour spoke in a forum hosted by International Monetary Fund ("IMF") where he mentioned that the GDP projection of 4.50-5.50% for Malaysia this year may need to be revised lower due to the highly uncertain global trade landscape. Indeed, BNM have since cut its Statutory Reserve Requirement ("SRR") to 1.00%, from 2.00% previously, releasing an estimated MYR19 bil of additional liquidity into the domestic financial system as a pre-emptive measure to support the economy – raising market speculation that an OPR cut will follow soon.

In terms of economic release, Malaysia's GDP growth in first quarter of the year 2025 ("1Q2025") slowed to 4.40% year-on-year ("YoY") undershooting consensus estimates of 4.80% as economic activity slowed across most sectors dragged by slower private investments and contraction in oil and gas activities. Meanwhile, the latest inflation data i.e. Consumer Price Index ("CPI") declined to a four-year low of 1.40% YoY in March 2025 versus consensus of 1.60%. Taken together, the GDP and inflation numbers suggest the underlying momentum for the Malaysian economy have slowed significantly in recent months especially when considering that the civil service salary increase took effect around then and as the Raya holidays also coincided around the period.

Meanwhile, foreign investors' demand for Malaysian bonds grew healthily as global investors increased allocation into emerging market ("EM") bonds amid the US trade uncertainty and a self-reinforcing weakness in the USD. As of April 2025, year-to-date ("YTD") net inflows into the market amounted to MYR13.5 bil versus the full-year of 2024: inflow of MYR4.8 bil.

### EQUITY MARKET OUTLOOK AND STRATEGY

The Fund Manager remains cautiously optimistic on the equity outlook for year 2025 as we expect the positive catalysts in the local market to continue due to the structural reforms announced by the government to achieve long term sustainable economic growth. However, we expect heightened market volatility in year 2025 as investors grapple with the incoming policy risks from Trump's presidential comeback. The Fund Manager looks for pocket of opportunities to redeploy the cash into stocks we have taken profit and are still aligned with our investment thesis to generate alpha for the fund. The Fund Manager favours higher dividend stocks as the Fund Manager seeks to raise the consolidated dividend yield of the portfolio amidst the uncertainties and impact on sentiment post US Presidential election.

Key events to watch in June 2025 include the FTSE Bursa Malaysia index review (results on 4–5 June 2025, effective 23 June 2025) and the US Federal Reserve (Fed)'s FOMC meeting (17–18 June 2025). A potential Cabinet reshuffle is in focus, with Minister of Economy Datuk Seri Mohd Rafizi Ramli's and Natural Resources and Environmental Sustainability Minister Nik Nazmi Nik Ahmad's leaves ending on 16 June 2025 and 3 July 2025, respectively. Also on the radar: delayed Sales and Service Tax ("SST") rollout, RON95 subsidy rationalisation plans, power tariff revision (late June 2025), and US tariff talks ahead of the 8 July 2025 deadline.

### FIXED INCOME MARKET OUTLOOK AND STRATEGY

The suspension in US tariffs while ongoing trade negotiations taking place highlights the highly uncertain backdrop in current global macroeconomic environment. For businesses, this is expected to weigh on the companies' decision making as investment plans may be deferred considering that any trade policy enacted today could be reversed very quickly. The impact of this uncertainty in our view is two-prong, where the US is growing increasingly towards a stagflation scenario (lower growth and higher inflation due to tariffs) while the rest of the world are faced with a deflationary scenario as the lower growth and the rerouting of China's production towards markets outside the US will fuel a general price war.

For the US, the risk of stagflation meant that the US Fed is faced with the conundrum of choosing between its two mandates managing inflation versus its mandate to support the labour market (and hence growth). So far, the Fed have chosen to keep a steady hand by maintaining its Fed Fund Rate ("FFR") unchanged at 4.25-4.50%, although its dot plot is indicating that the Fed is expecting to cut rates twice or by a total of 50

basis points ("bps") by the end of year 2025. The choice is not immediately clear although we think should the US financial conditions remain stable, it is highly likely that the Fed could maintain its current stance of little to no cut scenario.

For Malaysia, as mentioned our economy is faced with real downside risks to growth even as Government is actively pursuing a trade deal with the US. Inflation had also been trending down where the CPI of 1.40% YoY recorded in March 2025 is firmly below the BNM's target of 2.00%. Even if Malaysia could eventually secure a deal, our take is that the underlying momentum of the economy had already downshifted and BNM alongside the government will be forced to do more to restart the growth momentum. Indeed, the next question is no longer 'if' BNM will be cutting OPR, but rather 'when' or by 'how much' in totality will the cuts be.

Meanwhile, global factors such as the weaker USD and lower old prices amid an Organization of Petroleum Exporting Countries ("OPEC") supply increase are also supportive of BNM to cut rates as the MYR will no longer be under pressure, while lower oil prices are also going to keep inflation in the region largely in check. 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 business investments do eventually dry up, BNM will be forced to implement even more supportive measures and fixed income assets such as bonds may see its gains likely to accelerate.

In summary, the Fund Manager holds 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.

### TARGET FUND'S TOP 10 HOLDINGS

The Target Fund's top 10 holdings as at 31 May 2025 are as follows:

		% of Net Asset
No.	Security Name	Value (%)
_	· ·	` ,
1	MEX I Capital Berhad 5.50% (21.01.2038)	14.85
2	Jimah East	7.08
3	OSK Rated Bond	6.51
4	Alliance Islamic	5.98
5	LBS Bina Group	5.61
6	WCT Holdings	5.44
7	Tenaga Nasional Berhad	5.35
8	MEX I Capital Berhad 5.50% (21.01.2039)	4.78
9	Gamuda Berhad	3.31
10	Sunway Berhad	3.10

The Target Fund's top 10 holdings as at 31 May 2024 are as follows:

		% of Net Asset
		Value
No.	Security Name	(%)
1	MEX I Capital Berhad 5.50% (21.01.2038)	27.25
2	MEX I Capital Berhad 5.50% (22.01.2029)	22.07
3	MEX I Capital Berhad 5.50% (21.01.2037)	10.31
4	MEX I Capital Berhad 5.50% (21.01.2028)	7.55
5	MEX I Capital Berhad 5.50% (21.01.2039)	2.25
6	Tenaga Nasional Berhad	1.80
7	Sunway Berhad	1.52
8	Supercomnet Technologies Berhad	1.13
9	MISC Berhad	1.08
10	Telekom Malaysia	1.08

# REVIEW OF FUND PERFORMANCE AND STRATEGY DURING THE FINANCIAL YEAR

For the financial year under review, the Fund registered a return of 4.17%\* compared with its benchmark return of -3.63%\*, outperforming its benchmark return by 7.80%. The Net Asset Value ("NAV") per unit of the Fund was RM0.6314 (2024: RM0.6061) as at 31 May 2025.

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

<sup>\*</sup>Source: Lipper Investment Management ("Lipper IM"), 13 June 2025

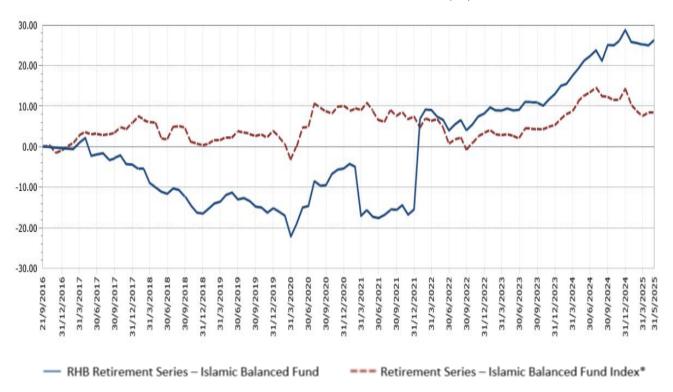
# PERFORMANCE DATA

	Annual Total Returns Financial Year Ended 31 May				
	2025 2024 2023 2022				2021
	%	%	%	%	%
RHB Retirement Series –					
Islamic Balanced Fund					
- Capital Return	4.17	11.35	2.12	28.71	(2.56)
- Income Return	-	-	-	-	-
- Total Return	4.17	11.35	2.12	28.71	(2.56)
Retirement Series –					
Islamic Balanced Fund					
Index*	(3.63)	9.50	(2.01)	(3.72)	3.89

	Average Annual Returns			
	1 Year 31.05.2024- 31.05.2025	31.05.2025	31.05.2020- 31.05.2025	Since Inception 21.09.2016**- 31.05.2025
RHB Retirement Series – Islamic Balanced Fund	4.17	5.80	8.23	2.72
Retirement Series – Islamic Balanced Fund Index*	(3.63)	1.15	0.69	0.94

<sup>\*\*</sup> Being the last day of the Initial Offer Period

### Performance of RHB Retirement Series – Islamic Balanced Fund For the period from 21 September 2016\*\* to 31 May 2025 Cumulative Return Over The Period (%)



\*\*Being the last day of Initial Offer 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 inception.

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

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

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

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

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

Note

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

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

	As at 31 May		
Fund Size	2025	2024	2023
Net Asset Value (RM million)	2.79	1.97	1.55
Units In Circulation (million)	4.42	3.26	2.85
Net Asset Value Per Unit (RM)	0.6314	0.6061	0.5443

	Financial Year Ended 31 May			
Historical Data	2025	2024	2023	
Unit Prices				
NAV - Highest (RM)	0.6445	0.6095	0.5490	
- Lowest (RM)	0.6001	0.5438	0.5120	
Distribution and Unit Split	-	-	-	
Others				
Total Expense Ratio (TER) (%) #	-	-	-	
Portfolio Turnover Ratio (PTR) (times) ##	0.15	0.11	0.12	

<sup>#</sup> The TER is not applicable as the expenses are borne by the PRS Provider.

# **DISTRIBUTION**

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

<sup>##</sup> The PTR for the financial year was higher compared with the previous financial year due to more investments 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			
Shariah-compliant collective investment scheme	97.15	97.44	94.65
Liquid assets and other net current assets	2.85	2.56	5.35
	100.00	100.00	100.00

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

### SECURITIES FINANCING TRANSACTIONS

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

### **CROSS TRADE**

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

# **SOFT COMMISSION**

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

# RHB RETIREMENT SERIES – ISLAMIC BALANCED FUND STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2025

	<b>Note</b>	<u>2025</u>	<u>2024</u>
		$\mathbf{R}\mathbf{M}$	$\mathbf{R}\mathbf{M}$
ASSETS			
Bank balances	5	75,400	49,240
Investments	6	2,711,909	1,922,399
Amount due from PRS Provider		1,899	1,214
Other receivables		2,328	96
TOTAL ASSETS		2,791,536	1,972,949
NET ASSET VALUE		2,791,536	1,972,949
MEMBERS' FUND			
Members' capital		2,328,182	1,589,773
Retained earnings		463,354	383,176
		2,791,536	1,972,949
		_	
UNITS IN CIRCULATION (UNITS)	8	4,421,000	3,255,000
NET ASSET VALUE PER UNIT (RM)		0.6314	0.6061

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

	<b>Note</b>	<u>2025</u>	<u>2024</u>
		$\mathbf{R}\mathbf{M}$	$\mathbf{R}\mathbf{M}$
INCOME			
Distribution income		41,982	15,870
Profit from licensed financial institutions		668	88
Net realised gain on disposal		-	10,261
Net unrealised gain on changes in fair values		37,528	168,631
	•	80,178	194,850
		_	
Net income before taxation		80,178	194,850
Taxation	12	-	_
Net income after taxation	- -	80,178	194,850
	•		
Net income after taxation is made up			
as follow:			
Realised amount		42,650	26,219
Unrealised amount		37,528	168,631
	- -	80,178	194,850
	-		

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

	Members' <u>capital</u> RM	Retained <u>earnings</u> RM	Total net asset value RM
Balance as at 1 June 2023	1,361,748	188,326	1,550,074
Movement in net asset value: Net income after taxation Creation of units arising from	-	194,850	194,850
applications	306,306	-	306,306
Cancellation of units	(78,281)	-	(78,281)
Balance as at 31 May 2024	1,589,773	383,176	1,972,949
Balance as at 1 June 2024	1,589,773	383,176	1,972,949
Movement in net asset value: Net income after taxation Creation of units arising from	-	80,178	80,178
applications	796,461	-	796,461
Cancellation of units	(58,052)		(58,052)
Balance as at 31 May 2025	2,328,182	463,354	2,791,536

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

	<u>2025</u>	<u>2024</u>
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of Shariah-compliant		54 120
investments	(710,000)	54,130
Purchase of Shariah-compliant investments	(710,000)	(330,500)
Profit received from licensed financial		0.0
institutions	668	88
Distribution received		15,870
Net cash used in operating activities	(709,332)	(260,412)
CASH FLOWS FROM FINANCING		
ACTIVITIES		
Cash proceeds from units created	793,544	312,630
Cash paid for units cancelled	(58,052)	(78,281)
Net cash generated from financing		
activities	735,492	234,349
Net increase/(decrease) in cash and cash		
equivalents	26,160	(26,063)
Cash and cash equivalents at the beginning		,
of the financial year	49,240	75,303
Cash and cash equivalents at the end	· · · · · · · · · · · · · · · · · · ·	· · · · · · · · · · · · · · · · · · ·
of the financial year	75,400	49,240
•		, -

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

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

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

The main objective of the Fund is to maximise total returns through a combination of long term growth of capital and current income consistent with the preservation of capital by investing in one Shariah-compliant Target Fund, i.e. RHB Dana Hazeem ("Dana Hazeem").

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

These financial statements were authorised for issue by the PRS Provider on 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 Fund's accounting policies. Although these estimates and judgement are based on the PRS Provider's best knowledge of current events and actions, actual results may differ. There were no areas involving higher degree of 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 noncurrent' 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.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as financial assets measured at fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely payments of principal and profit, 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 bank balances, amount due from PRS Provider and other receivables as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

### Recognition and measurement

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

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

### 2.2 Financial assets (continued)

## Recognition and measurement (continued)

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

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

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

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

### Impairment of financial assets

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

### Significant increase in credit risk

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

# Definition of default and credit-impaired financial assets

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

### 2.2 Financial assets (continued)

### Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial 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 other payables and accruals are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit method.

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

The Fund does not have any financial liabilities as at 31 May 2025 and 31 May 2024.

# 2.4 Members' capital

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

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

# 2.4 Members' capital (continued)

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

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

# 2.5 Income recognition

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

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

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

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

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

### 2.6 Taxation

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

## 2.7 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash and bank balances which is 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.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### Market risk

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

### Price risk

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

The Fund is exposed to Shariah-compliant collective investment scheme price risk (other than those arising from profit rate risk) for its investments of RM2,711,909 (2024: RM1,922,399) in Shariah-compliant collective investment scheme.

The sensitivity analysis is based on the assumption that the price of the Shariah-compliant collective investment schemes fluctuate by  $\pm$ /(-) 5% with all other variables held constant, the impact on statement of income and expenses and net asset value is  $\pm$ /(-) RM135,595 (2024: RM96,120).

### Profit rate risk

Profit rate risk is the risk that the cost or the value of the financial instruments will fluctuate due to changes in market profit rates.

As at 31 May 2025 and 31 May 2024, the Fund is not exposed to any profit rate risk.

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

### Credit risk

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

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

	Cash and cash <u>equivalents</u> RM	Other financial <u>assets*</u> RM	<u>Total</u> RM
<u>2025</u>			
AAA	75,400	-	75,400
Others	-	4,227	4,227
	75,400	4,227	79,627
<u>2024</u>			
AAA	49,240	-	49,240
Others	<u> </u>	1,310	1,310
	49,240	1,310	50,550

<sup>\*</sup> Comprise amount due from PRS Provider 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, possibly preventing the Fund from selling such investments at an advantageous time or price. As part of its risk management, the PRS Provider will attempt to manage the liquidity of the Fund through asset allocation and diversification strategies within the portfolio. The PRS Provider will also conduct constant fundamental research and analysis to forecast future liquidity of its investments.

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

# Shariah specific risk

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

# Capital risk

The capital of the Fund is represented by members' funds consisting of members' capital of RM2,328,182 (2024: RM1,589,773) and retained earnings of RM463,354 (2024: RM383,176). 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.

### 4. FAIR VALUE ESTIMATION (CONTINUED)

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

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

# Fair value hierarchy

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

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

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	<b>Total</b>
	$\mathbf{R}\mathbf{M}$	$\mathbf{R}\mathbf{M}$	$\mathbf{R}\mathbf{M}$	$\mathbf{R}\mathbf{M}$
2025				
Financial assets at FVTPL: - Shariah-compliant collective				
investment scheme	2,711,909	-	_	2,711,909
<ul> <li><u>2024</u></li> <li>Financial assets at FVTPL:</li> <li>Shariah-compliant collective</li> <li>investment scheme</li> </ul>	1 022 300			1 022 300
investment scheme	1,922,399	-	-	1,922,399

Investment in Shariah-compliant collective investment scheme, i.e. Shariah-compliant unit trust fund whose values is based on published market prices in active markets is classified within Level 1. The Fund does not adjust the published prices for these instruments. 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:

			2025 RM	2024 RM
Bank balances		75	5,400	49,240
6. INVESTMENTS				
			2025 RM	2024 RM
Investments: - Shariah-compliant collections	ctive investment scheme	2,7	11,909	1,922,399
Investments as at 31 May	2025 is as follows:			
Name of Counter	<u>Quantity</u>	Cost RM	<u>Fair Value</u> RM	% of Net Asset <u>Value</u> %
SHARIAH-COMPLIA INVESTMENT SCH				
RHB Dana Hazeem	4,347,401	2,318,689	2,711,909	97.15
Investments as at 31 May	2024 are as follows:			
Name of Counter	<u>Quantity</u>	Cost RM	<u>Fair Value</u> RM	% of Net Asset <u>Value</u> %
SHARIAH-COMPLIA INVESTMENT SCH				
RHB Dana Hazeem	3,164,443	1,566,707	1,922,399	97.44

### 7. SHARIAH INFORMATION OF THE FUND

The following are the Shariah information of the Fund.

### (a) Investment Portfolio

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

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

### 8. UNITS IN CIRCULATION

	<u>2025</u> Units	<u>2024</u> Units
At beginning of the financial year	3,255,000	2,848,000
Creation of units arising from applications during the financial year	1,259,000	544,000
Cancellation of units during the financial year	(93,000)	(137,000)
At end of the financial year	4,421,000	3,255,000

### 9. MANAGEMENT FEE

In accordance with the Disclosure Documents, the management fee provided in the financial statements 1.50% (2024:1.50%) per annum based on the net asset value of the Fund, calculated on a daily basis for the financial year. Effective 1 June 2017, the management fees are waived by the PRS Provider. The management fees are only charged at the Target Fund at 1.50% per annum of its net assets value in relation to the Fund's investments in the Target Fund.

### 10. SCHEME TRUSTEE'S FEE

In accordance with the Disclosure Documents, the scheme trustee'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. Effective 1 June 2017, the scheme trustee's fee will be borne by the PRS Provider.

### 11. PPA'S FEE AND OTHER EXPENSES

The Private Pension Administrator's ("PPA") 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. Effective 1 June 2017, the PPA fee will be borne by the PRS Provider.

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

### 12. TAXATION

(a) Tax charge for the financial year

<u> 2025</u>	<u>2024</u>
RM	RM
-	_
	RM

# (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	80,178	194,850
Tax calculated at a statutory income tax rate of 24% Tax effects of:	19,243	46,764
- Investment income not subject to tax Tax expense	(19,243)	(46,764)
- ···· - · · · · · · · · · · · · · · ·	_	-

### 13. TOTAL EXPENSE RATIO ("TER")

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

### 14. PORTFOLIO TURNOVER RATIO ("PTR")

	<u>2025</u>	<u>2024</u>
PTR (times)	0.15	0.11

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.

# 15. 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	5,508	3,478	5,618	3,405

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

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

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

### 16. TRANSACTIONS BY THE FUND

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

				Percentage
		Percentage		of total
	Value of	of total	Brokerage	brokerage
PRS Provider	<u>trades</u>	<u>trades</u>	<u>fees</u>	<u>fees</u>
	RM	%	$\overline{\mathbf{R}\mathbf{M}}$	%
RHB Asset Management Sdn				
Bhd*	710,000	100.00	-	-

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

				Percentage
		Percentage		of total
	Value of	of total	<b>Brokerage</b>	brokerage
PRS Provider	trades	trades	fees	<u>fees</u>
	$\overline{\mathbf{R}\mathbf{M}}$	<u>%</u>	$\overline{\mathbf{R}\mathbf{M}}$	<u>%</u>
RHB Asset Management Sdn				
Bhd*	400,500	100.00	-	

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

### 17. FINANCIAL INSTRUMENTS BY CATEGORIES

	2025 RM	2024 RM
Financial assets Financial assets at FVTPL • Shariah-compliant collective investment	NIVI	XIVI
scheme	2,711,909	1,922,399
Financial assets at amortised cost		
<ul> <li>Bank balances</li> </ul>	75,400	49,240
<ul> <li>Amount due from PRS Provider</li> </ul>	1,899	1,214
<ul> <li>Other receivables</li> </ul>	2,328	96
	79,627	50,550

# STATEMENT BY PRS PROVIDER RHB RETIREMENT SERIES - ISLAMIC BALANCED 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 13 to 33, 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 the 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 - Islamic Balanced 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 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

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

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

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

To the best of our knowledge, after having made all reasonable enquiries, the PRS Provider has operated and managed the Fund in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 May 2025.

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

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

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

Azizi Che Seman Chairman Shariah Committee of RHB Islamic Bank Bhd 25 July 2025

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RHB RETIREMENT SERIES – ISLAMIC BALANCED FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of RHB Retirement Series – Islamic Balanced 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 13 to 33.

# 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 – ISLAMIC BALANCED 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 – ISLAMIC BALANCED 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 – ISLAMIC BALANCED 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**

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

### PRINCIPAL AND BUSINESS OFFICE

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

Email address: 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)

### **AUDIT 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)

### **BRANCH OFFICE**

Shah Alam Office B-3-1, 1st Floor

Jalan Serai Wangi G16/G, Alam Avenue

Persiaran Selangor, Section 16

40200 Shah Alam

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Sri Petaling Office Level 1 & 2, No 53 Jalan Radin Tengah

Bandar Baru Seri Petaling

57000 Kuala Lumpur

Tel: 03-9054 2470 Fax: 03-9054 0934

Ipoh Office No.7A, Persiaran Greentown 9

Pusat Perdagangan Greentown

30450 Ipoh, Perak

Tel: 05-242 4311 Fax: 05-242 4312

Johor Bahru Office No 34 Jalan Kebun Teh 1

Pusat Perdagangan Kebun Teh

80250 Johor Bahru, Johor

Tel: 07-221 0129 Fax: 07-221 0291

2nd Floor, 21 & 23

Jalan Molek 1/30. Taman Molek

81100 Johor Bahru, Johor

Tel: 07-358 3587 Fax: 07-358 3581

Kuantan Office 1st Floor, Lot 10, Jalan Putra Square 1

Putra Square

25300 Kuantan, Pahang

Tel: 09-517 3611/09-517 3615

Fax: 09-517 3612

Kuching Office Lot 133, Section 20, Sublot 2 & 3

1st Floor, Jalan Tun Ahmad Zaidi Adruce

93200 Kuching, Sarawak

Tel: 082-550 838 Fax: 082-550 508

Yung Kong Abell, Units 1-10

2nd Floor Lot 365 Section 50 Jalan Abell

93100 Kuching, Sarawak

Tel: 082-245 611 Fax: 082-230 326

Kota Bharu Office Ground Floor, No 3486-G

Jalan Sultan Ibrahim

15050 Kota Bharu, Kelantan

Tel: 09-740 6891 Fax: 09-740 6890

Melaka Office 581B, Taman Melaka Raya

75000 Melaka Fax: 06-292 2212

Penang Office 3rd Floor, 44 Lebuh Pantai

Georgetown, 10300 Penang

Tel: 04-264 5639

Prai Office No 38, First Floor

Jalan Todak 2 Seberang Jaya

13700 Perai, Penang

Tel: 04-386 6670 Fax: 04-386 6528

**SCHEME TRUSTEE** CIMB Commerce Trustee Berhad

SHARIAH ADVISER RHB Islamic Bank 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 Investors Berhad

VKA Wealth Planners Sdn Bhd

UOB Kay Hian Securities (M) Sdn Bhd



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