

RHB-OSK MUHIBBAH INCOME FUND (formerly known as OSK-UOB MUHIBBAH INCOME FUND)

This Fund aims to maximise total returns through a combination of medium to long term growth of capital and current income consistent with the preservation of capital.

INVESTOR PROFILE

This Fund is Suitable For Investors Who:

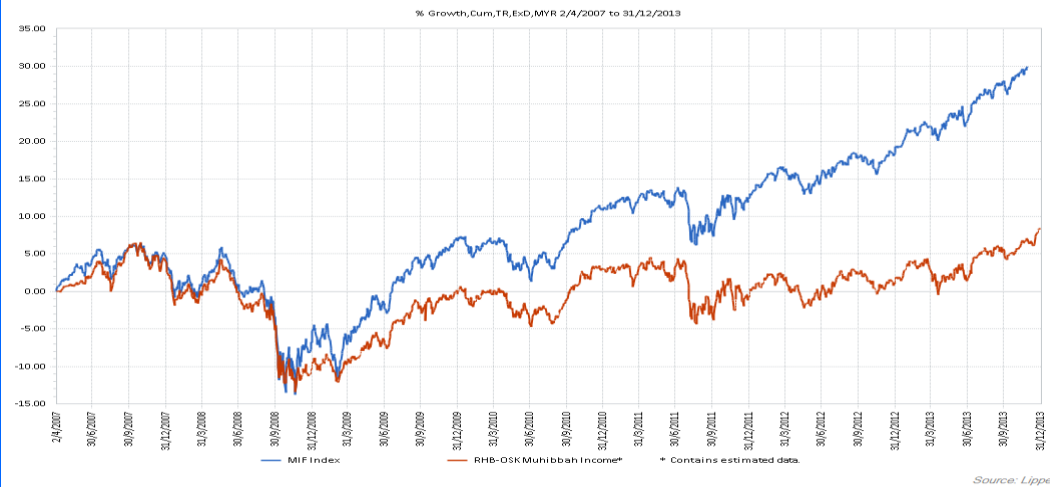
- are conservative and willing to accept moderate risk in their investment;
- wish to have some Shariah-compliant equities exposure in a predominantly sukuk portfolio;
- require investments that comply with Shariah requirements; and
- are concerned with socially responsible investing and ethical issues, such as drugs and tobacco, proliferation of weapons, pollution and fair labour practices.

INVESTMENT STRATEGY

- Up to 40% of NAV: Investments in Shariah-compliant securities of and Shariah-compliant securities relating to companies that have dividend and / or growth potential.
- 60% - 100% of NAV: Investments in Malaysian sukuk, Islamic money market instruments, cash and Islamic deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	1.37	2.59	6.97	7.12
Benchmark	1.53	3.03	7.63	11.36

	1 Year	3 Years	5 Years	Since Launch
Fund	7.12	5.36	20.96	8.42
Benchmark	11.36	19.00	41.58	32.19

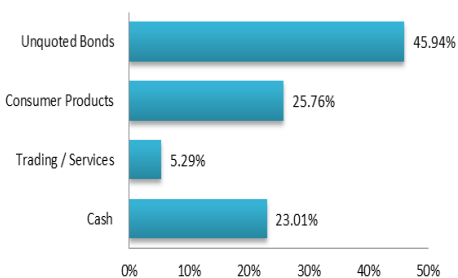
Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	7.12	1.96	-3.54	3.32	11.12
Benchmark	11.36	5.37	1.23	3.79	14.84

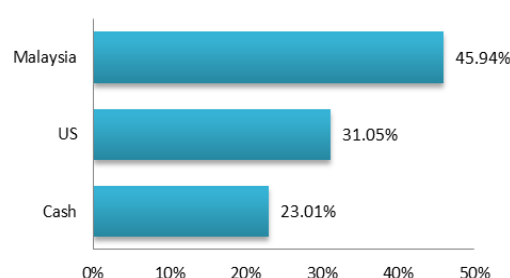
*Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SARAWAK ENERGY BHD-5.15%(23/6/2021)	11.92
FIRST RESOURCES-4.45%(31/7/2017)	11.54
GAMUDA BHD -4.17% (21/3/2018)	11.46
KUALA LUMPUR KEPONG-4.00%(02/09/22)	11.03
BAXTER INTERNATIONAL INC.	10.49

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5114	0.5114	0.5114
Low	0.5006	0.4694	0.4084

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Mar 2013	-	-
31 Mar 2012	-	-
31 Mar 2011	-	-
31 Mar 2010	-	-
31 Mar 2009	-	-

Source: RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)

RHB-OSK MUHIBBAH INCOME FUND (formerly known as OSK-UOB MUHIBBAH INCOME FUND)

This Fund aims to maximise total returns through a combination of medium to long term growth of capital and current income consistent with the preservation of capital.

MANAGER'S COMMENTS

EQUITY MARKET REVIEW

The Fund registered an increase of 1.37% on month-on-month basis and 7.12% for year to date basis.

In the December FOMC meeting, the Fed announced the start of its QE tapering, worth USD10b starting in January 2014. The Fed's minutes stated that Fed will continue to reduce its bond buying program in measured steps if the economy improves. However, it also pointed to the Fed's flexibility in reducing its QE program as they asserted that the purchases "are not on a pre-set course" and they could adjust the pace based on jobs and inflation outlook. The equity market cherished the announcement as Dow Jones Ind.Avg was up by 3.05%, Nikkei increased 4.02%, DAX Index was up by 1.56% and FTSE 100 Index was up by 1.48%.

China's official non-manufacturing PMI eased for the second consecutive month in Dec, pointing to a further slowing of non-manufacturing activity in line with the moderation seen in manufacturing. The index fell from 56.0 in Nov to 54.6 in Dec, the lowest in four months, suggesting that the economy may remain in the stage of stabilization. Hang Seng Index closed lower by 2.41% month-on-month basis.

Dec was a strong month for the KLCI as it traditionally has been, as the index scaled new all-time highs on numerous occasions on the back of window dressing activities and investors building positions ahead of 2014 and the January effect. The announcement of a tapering of \$10 billion per month failed to cool down the local market in December. For the month, the KLCI gained 2.99% to close at 1,866.97, near an all-time high of 1,872.52pts achieved on 30 December 2013. Average daily value traded on Bursa in Dec was a whopping 58% higher mom at RM3.21bn, which includes a 4bn (volume) off-market transaction for Maxis.

BOND MARKET REVIEW

On the bond market, the investors are already priced in their belief the US Federal Reserve to start QE tapering beginning January 2014. As at 31 December 2013, 5 year US Treasury yield showed an increased of up to 38 basis points month-on-month while the 10 years UST increased by 29 basis points to close at 3.03%, its highest level since July 2011.

Locally, the Islamic benchmark yield curve shifted upward moderately in December 2013 for shorter tenure after the sharp movement in the previous month. The yields for 3, 5 and 7 years GII increased by 6 to 9 basis points to 3.44%, 3.96% and 4.13% respectively. The 10 years GII was closed unchanged at 4.41% while the 20 years GII increased by 36 basis points to close at 4.98%.

Our strategy for the Fund going forward, we will maintain our overweight strategy on IDS. As for our investment in equities, we continue to look for higher dividend yield stocks and will take profit on stocks that reach full valuation.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 December 2013, the Volatility Factor (VF) for this fund is 5.1 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.3 but not more than 8.0 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2013 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2013.

Investors are advised to obtain, read and understand the Product Highlights Sheet ("PHS") and the contents of the Master Prospectus dated 1 December 2013 and its supplementary(ies)(if any) ("the Master Prospectus"), which has been registered with the Securities Commission who takes no responsibility for its contents, before investing. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV. Any issue of units to which the Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks for the Fund are reclassification of Shariah status risk, interest rate risk, credit/default risk, foreign investment risks such as country risk and currency risk and equity investment risks such as market risk and particular security risk. These risks and other general risks are elaborated in the Master Prospectus.

This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide to future performance. Returns may vary from year to year.