

RHB-OSK INSTITUTIONAL ISLAMIC MONEY MARKET FUND

This Fund aims to provide investors with a high level of liquidity whilst providing reasonable returns by investing in low risk investments that complies with Shariah requirements.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

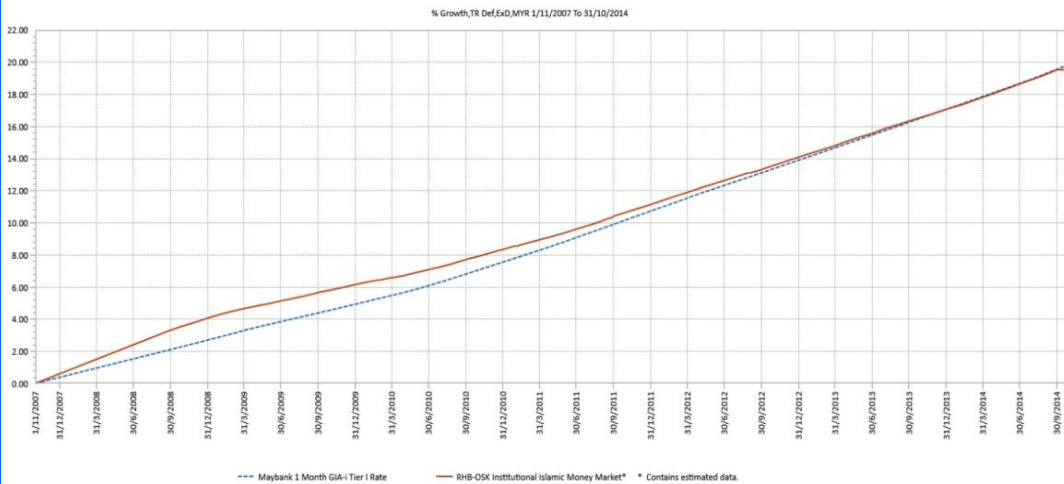
- require investments that comply with Shariah requirements;
- require a high level of liquidity;
- are conservative and seek capital preservation;
- seek reasonable returns that commensurate with the low risks; and
- prefer a short term investment horizon.

INVESTMENT STRATEGY

- 90% - 100% of NAV: Investments in sukuk, Islamic money market instruments and Islamic deposits with financial institutions ("permitted investments") which have a remaining maturity period of not more than 365 days.
- Up to 10% of NAV: Investments in permitted investments which have a remaining maturity period of more than 365 days but less than 732 days.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.00	0.51	1.23	2.09
Benchmark	0.25	0.76	1.46	2.38

	1 Year	3 Years	5 Years	Since Launch
Fund	2.52	8.06	12.99	19.55
Benchmark	2.85	8.80	14.63	19.86

Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	2.62	2.69	2.57	2.07	2.00
Benchmark	2.78	2.83	2.93	2.54	2.19

*Source: Lipper IM

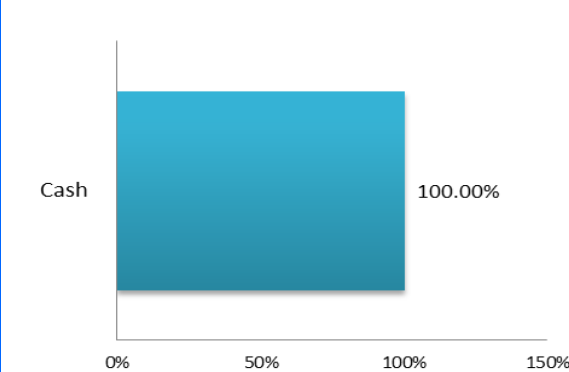
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Money Market (Shariah - compliant) fund
Fund Type	Income Fund
Launch Date	01 November 2007
Unit NAV	RM1.0000
Fund Size (million)	RM32.05
Units In Circulation (million)	32.05
Financial Year End	31 March
MER (as at 31 Mar 2014)	0.59%
Min. Initial Investment	RM50,000.00
Min. Additional Investment	RM10,000.00
Benchmark	Maybank Islamic Berhad 1 month GIA Tier 1 Rate
Sales Charge	None
Redemption Charge	None
Annual Management Fee	0.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV*
Switching Fee	RM25.00 per switch
Redemption Period	Redemption monies to be paid the next business day after receipt the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Monthly, if any

*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)			
	1 Month	12 Months	Since Launch
High	1.0026	1.0026	1.0092
Low	1.0000	1.0000	0.9965

Source: Lipper IM

Historical Distributions (Last 6 Months) (Net)

	Distribution (sen)	Yield (%)
30 Sep 2014	0.2696	0.2692
29 Aug 2014	0.2396	0.2393
31 Jul 2014	0.2333	0.2331
30 Jun 2014	0.2377	0.2374
31 May 2014	0.2390	0.2387
30 Apr 2014	0.2278	0.2276

Source: RHB Asset Management Sdn. Bhd.

RHB-OSK INSTITUTIONAL ISLAMIC MONEY MARKET FUND

This Fund aims to provide investors with a high level of liquidity whilst providing reasonable returns by investing in low risk investments that complies with Shariah requirements.

MANAGER'S COMMENTS

MARKET REVIEW

The Budget 2015 announced in October further emphasized on meeting fiscal deficit target in 2014 (3.50% of GDP) and 2015 (3.00% of GDP), by gradually removing fuel subsidy as well as implementation of Goods and Services Tax ("GST") in April 2015. During the IMF annual meeting in Washington, BNM Governor Dr. Zeti comments were dovish, noting that risks to global growth have increased and domestic growth will moderate closer to 5.00% in 2015 due to some moderation in consumption. While implementation of GST will likely to increase inflation in the short term, BNM still sees long term inflation trend of 3.00% as achievable. Both her comment as well as the temporary fall in September CPI to 2.60% YoY (August: 3.30% YoY) reinforces the rate hike pause in November. The last BNM Monetary Policy Committee meeting for the year is scheduled on 6th November.

As a result, the local government bond market bullish flattened with long-end yields compressed more than short-end yields. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year Malaysia Government Securities ("MGS") were traded at 3.50% (September: 3.47%), 3.63% (3.67%), 3.77% (3.80%), 3.83% (3.89%), 4.15% (4.21%), 4.25% (4.31%) and 4.63% (4.71%) respectively. Likewise, Government Investment Issues ("GII") mirrors the performance of MGS with bullish flattening trend. The 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.67% (September: 3.66%), 3.80% (3.80%), 4.00% (4.00%), 4.12% (4.14%), 4.39% (4.42%) and 4.57% (4.62%) respectively.

Trading volume in the Ringgit corporate bond increased moderately in October due to the positive spillover sentiment from strong govies performance. Average daily corporate bond trading volume increased to RM498mil from RM402mil reported a month ago. Longer duration PDS remained the outperformer for October as investors looking for higher yield pickup. On average, the longer end of the curve tightened by 4-5bps.

For the period under review, the Money Market rates for periods of 1, 3 and 6 months rates were offered higher between 3.70%, 3.80% and 3.90% respectively.

ECONOMIC REVIEW AND OUTLOOK

The August inflation number came slightly higher than expected at +3.3% yoy, in comparison to +3.2% consensus. Meanwhile, Malaysia's IPI showed a small 0.5% yoy growth in July, or its smallest gain since February 2013. In contrast, consensus amongst economists was growth of 4.3% after the 7.0% yoy growth the month before. BNM kept OPR steady at 3.25% as expected in the September MPC meeting and we continue to believe the interest rate outlook to remain stable for the rest of 2014. This is supported by the wordings in statement such as "absence of external price pressures" and "moderate demand conditions" to mitigate impact of cost factors on underlying inflation.

STRATEGY GOING FORWARD

Budget 2015's objective to reduce fiscal deficit was viewed positively by foreign investors and a credit positive to our foreign currency sovereign rating. The reduction in fiscal deficit may result to a smaller size of Government bond issuance for 2015. From a demand-supply perspective, this is positive for the bond market. We remained confident that BNM will not raise OPR in the next MPC meeting in November and therefore will continue to be tactically increasing duration with an overweight bias to longer term money market placements. We do not favour investing into short term PDS at the moment as deposit rates command relatively better returns.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 2014, the Volatility Factor (VF) for this fund is 0.1 and is classified as "Very Low". (source: Lipper) "Very Low" includes funds with VF that are not more than 1.1 (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 2014 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2014.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Master Prospectus dated 26 October 2014 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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 interest rate risk, credit / default risk and inflation / purchasing power 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.