

RHB-OSK INCOME FUND 1 (formerly known as RHB INCOME FUND)

This Fund aims to provide investors with a balanced mix of income and potential growth through investments across various types of asset.

INVESTOR PROFILE

This Fund is suitable for Investors who:

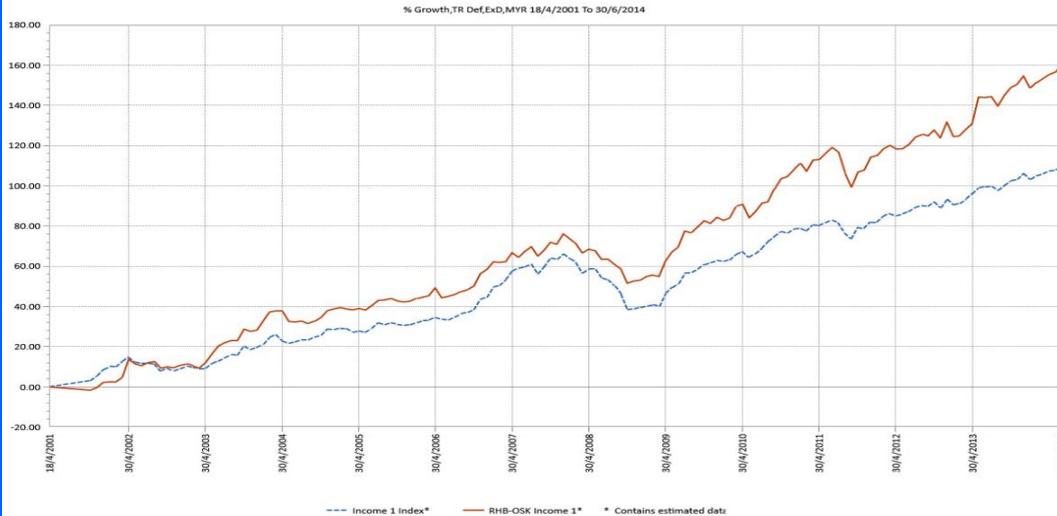
- primary investment requirement is income.

INVESTMENT STRATEGY

- Up to 70% of NAV: Investments in equities.
- Up to 70% of NAV: Investments in fixed income.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	1.53	2.84	2.40	2.40
Benchmark	0.38	1.27	1.21	1.21

	1 Year	3 Years	5 Years	Since Launch
Fund	6.87	19.01	53.86	160.69
Benchmark	4.57	14.06	38.00	108.65

Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	9.86	8.10	2.69	12.52	20.52
Benchmark	6.54	6.34	2.01	9.57	16.69

*Source: Lipper IM

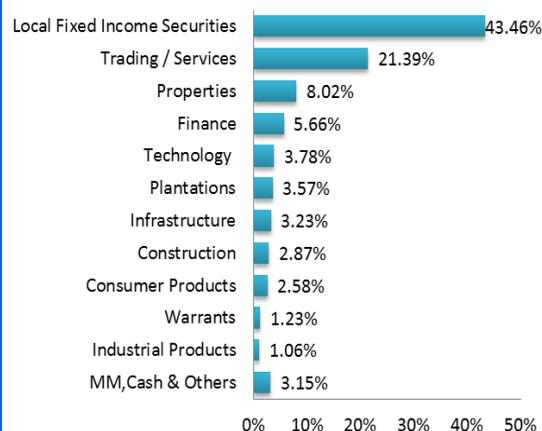
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn Bhd)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Balanced Fund
Fund Type	Income Fund
Launch Date	18 April 2001
Unit NAV	RM0.8870
Fund Size (million)	RM7.52
Units In Circulation (million)	8.48
Financial Year End	30 April
MER (as at 30 Apr 2014)	1.80%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	30% FBM KLCI + 70% Maybank's 12 mths FD Rate
Sales Charge	Up to 3.00% of NAV per unit
Redemption Charge	None
Annual Management Fee	Up to 1.50% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
Switching Fee	RM25.00 per switch
Redemption Period	Within 10 days after receipt of the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Annually, 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*



Top Holdings (%)*

FIRST RESOURCES LIMITED (AA2)	13.03
WESTSTAR CAPITAL SDN BHD (AA-)	6.68
BAHRAIN MUMTALAKAT HOLDING COMPANY B.S.C (AA2)	6.66
KONSORTIUM PROHAWK SDN BHD (AA2)	6.42
ORIX LEASING MALAYSIA BERHAD (A1)	4.00

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.8886	0.9598	1.1944
Low	0.8726	0.8668	0.7273

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)
30 Apr 2014	8.2000
30 Apr 2013	6.3368
30 Apr 2012	6.3351
29 Apr 2011	6.1524
30 Apr 2010	3.2726

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

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MANAGER'S COMMENTS**MARKET REVIEW**

The FBMKLCI edged up +0.50% in June to close the month at 1,882.71 points, registering a few new all-time high days in the process. The interest rate hike possibility, no major announcements at the annual Invest Malaysia forum, and a relatively more defensive and more expensive market compared to regional peers led the local bourse to underperform its regional peers. The broader market and small cap stocks outperformed the FBMKLCI. Average daily value traded on Bursa declined MoM to RM1.86b as foreign participation also decreased in May.

On the domestic economic front, April trade surplus narrowed only slightly as exports outpaced imports. April exports surged 18.9% YoY (Mar: 8.3% YoY) partly on base effects, above consensus of 9.7% YoY. Imports also rose 5.0% YoY (Mar: 0.5% YoY) above consensus of -0.5% YoY. With April seasonally adjusted export levels 4% above 1Q2014 levels, the continued resilience of exports is in-line with improving external demand. April industrial production was up sequentially to 4.2% YoY (Mar: 4.3% YoY), in-line with consensus. This points to a strong start to 2Q2014 GDP. May CPI inflation edged down to 3.2% YoY (April: 3.4%), led lower by food & beverages, utilities and communication.

The local bond market bullish flattened in June. The strengthening Ringgit and low market volatility prompted yield pick-up trades. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.51% (May: 3.48%), 3.72% (3.72%), 3.91% (3.94%), 4.03% (4.03%), 4.33% (4.36%), 4.40% (4.59%) and 4.74% (4.89%) respectively. The strong MGS also spurred buying interest on the local corporate bond market, with the average daily trading volume increased to RM408mil from RM370mil a month ago. Credit appetite also increased somewhat, with AA rated papers top trading volume reported at 55.8% of the total trade.

Over in the U.S., Treasuries ("UST") bearish flattened in June, as consumer price inflation was warmer than expected in May. However, geopolitical tension in the Middle East kept the 10-year UST firmly at 2.53%, as investors sought for safe heaven protection. Despite the sharp downward revision of U.S. 1Q2014 GDP to -2.9% YoY in June (from -1.0% YoY a month ago), most of the economic data released in June pointed to a modest recovery.

MARKET OUTLOOK

Global economic growth is slowly but surely improving, thanks to the various Quantitative easing (QE), accommodative and supportive packages by major world economies over the past few years. Despite hiccups along the way, there have been improvements in employment levels, business and consumer confidence, and industrial and manufacturing activities globally. With the U.S. poised to taper off completely its massive QE pumping by 2014 and start guiding on its current ultra-low interest rates, markets will continue to adjust to this transition from liquidity-driven to a more fundamental and growth-driven focus.

Malaysia is expected to grow between 4.5%-5.5% in 2014, likely nearer the upper band and higher than the 4.7% registered for 2013 and supported by a better global economy and investment spending. Inflation will be higher at 3.0%-4.0% from increased fuel and electricity costs and expectations of more reduction in subsidies moving forward and expected inflationary expectations prior to GST implementation. BNM is likely to hike the OPR by 25bps as early as July 2014. Fiscal restraints including those which were introduced by Prime Minister Dato' Seri Najib during the tabling of Budget 2014 are expected to continue.

For equities, the Fund will continue to be nimble and optimize any opportunities to take profits and accumulate back good fundamentally-sound stocks that demonstrate a sustainable business model with competitive advantage. On the fixed income side, the preference for corporate bonds is maintained given the yield pickup with vigilant credit selection at all times. Exposures will be managed in-line with volatilities and risks.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 June 2014, the Volatility Factor (VF) for this fund is 7.1 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.3 but not more than 7.9 (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 31 December 2013 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 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 Replacement Master Prospectus dated 1 December 2013 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 of the Fund are stock market risk, liquidity risk, interest rate risk, credit / default risk and issuer 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.