

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.

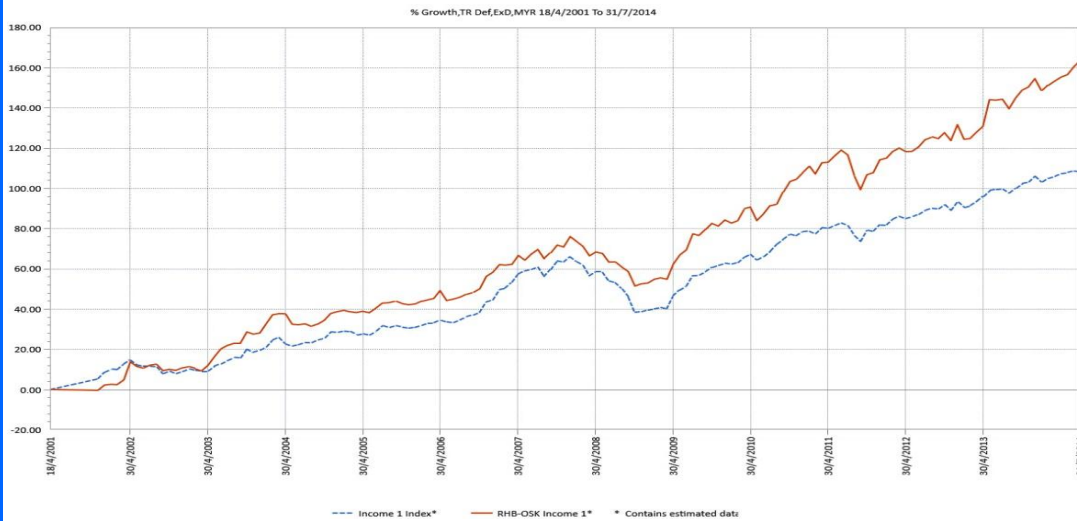
INVESTOR PROFILE

This Fund is suitable for Investors who:

- primary investment requirement is income.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	1.21	3.27	6.14	3.64
Benchmark	-0.15	0.41	2.57	1.06

	1 Year	3 Years	5 Years	Since Launch
Fund	7.96	21.81	48.66	163.83
Benchmark	4.28	14.74	33.01	108.34

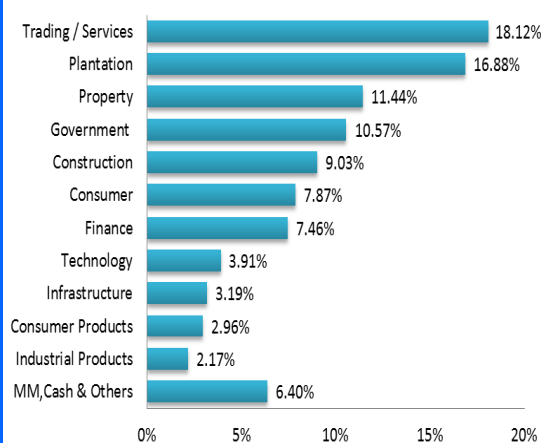
Calendar Year Performance (%)*

	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 PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

FIRST RESOURCES LIMITED (AA2)	12.97
WESTSTAR CAPITAL SDN BHD (AA-)	6.65
BAHRAIN MUMTALAKAT HOLDING COMPANY B.S.C (AA2)	6.62
KONSORTIUM PROHAWK SDN BHD (AA2)	6.43
ORIX LEASING MALAYSIA BERHAD (A1)	3.97

*As percentage of NAV

INVESTMENT STRATEGY

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

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	RM0.8977
Fund Size (million)	RM7.58
Units In Circulation (million)	8.45
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 STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9005	0.9598	1.1944
Low	0.8870	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 experienced some volatility in July, with the index scaling new all-time highs early in the month but met with profit taking activities. As anticipated and as per earlier guidance, Bank Negara Malaysia (BNM) increased the Overnight Policy Rate (OPR) by 25bps to 3.25%, the first hike in over three years. The tragic and unfortunate loss of flight MH17, just four months after MH370 was also a headline news for the country. The FBMKLCI ended the month 11 points lower or -0.6% to close at 1,871 points, underperforming its regional peers. The broader market however outperformed the key index with selected small caps rallying. Average daily value traded for the month on Bursa increased 13% MoM to RM2.1b.

On the domestic economic front, May trade surplus narrowed again to RM5.72bil (April: RM8.89bil) as imports outpaced exports. May's Industrial Production rose 6.0% YoY (April: 4.9% YoY), led by manufacturing activities. June inflation edged up slightly to 3.3% YoY (May: 3.2% YoY), in line with market consensus. The local bond market bullish flattened across the curve in July despite the 25bps hike in OPR on 10th July, which came in as expected with the market interpreting the accompanying MPC statement as neutral. As a result, investors were seen adding duration causing the MGS yield curve to flatten. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.47% (June: 3.51%), 3.66% (3.72%), 3.75% (3.91%), 3.89% (4.03%), 4.21% (4.33%), 4.29% (4.40%) and 4.64% (4.74%) respectively. Corporate bond trading volume continued to surge in July with RM550mil of daily trades compared to RM408mil a month ago. Similar to govies, credit investors were seen extending duration as most of the trades in July were long dated bonds.

It was a volatile month for US Treasuries ("UST") with the 10-year UST plunging to 2.44% at the height of geopolitical tension mid-month and subsequently rebounded back to 2.56% as second quarter 2014 GDP surprised on the upside. At close, the 2-, 5-, 10- and 30-year UST were at 0.53% (June: 0.46%), 1.75% (1.63%), 2.56% (2.53%) and 3.32% (3.36%) respectively.

MARKET OUTLOOK

Global economic growth is ticking up, 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 before the end of 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 maintain its 3.25% OPR level for the rest of 2014 after the hike in July. 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 July 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 1.1 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 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 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.