

### 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:

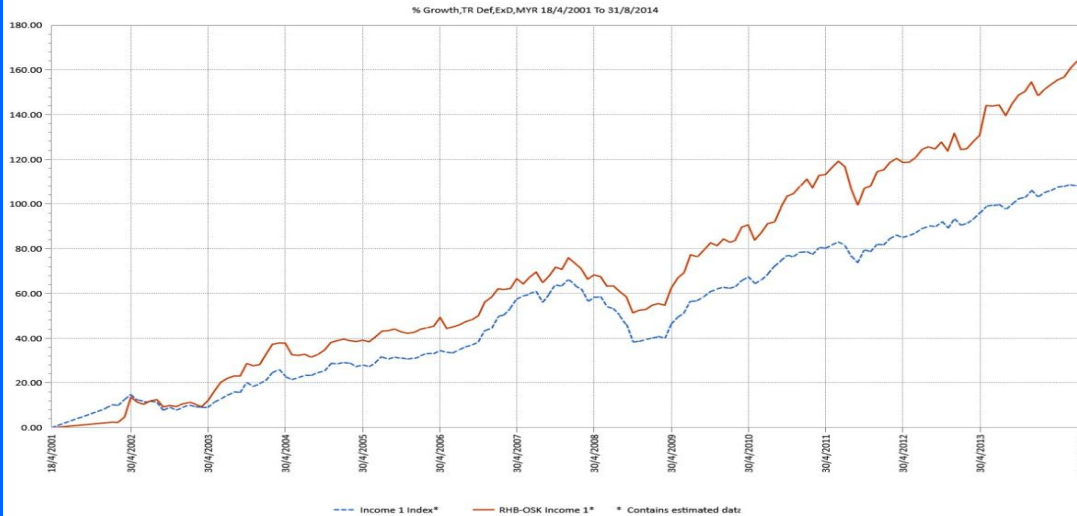
- primary investment requirement is income.

#### 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	-0.68	2.06	4.28	2.94
Benchmark	0.00	0.23	1.61	1.07

	1 Year	3 Years	5 Years	Since Launch
Fund	9.34	26.99	48.42	162.04
Benchmark	5.39	18.03	32.86	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

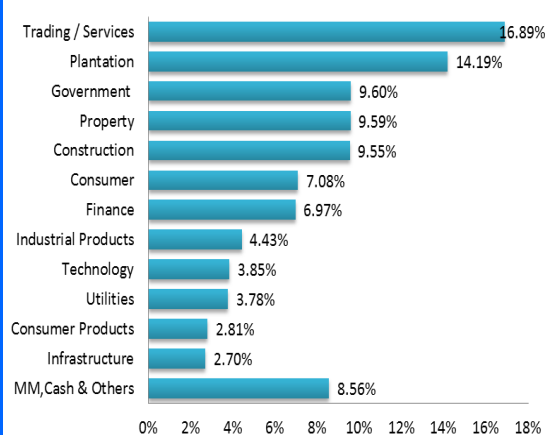
#### FUND DETAILS

<b>Investment Manager</b>	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn Bhd)
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Balanced Fund
<b>Fund Type</b>	Income Fund
<b>Launch Date</b>	18 April 2001
<b>Unit NAV</b>	RM0.8917
<b>Fund Size (million)</b>	RM8.37
<b>Units In Circulation (million)</b>	9.39
<b>Financial Year End</b>	30 April
<b>MER (as at 30 Apr 2014)</b>	1.80%
<b>Min. Initial Investment</b>	RM1,000.00
<b>Min. Additional Investment</b>	RM100.00
<b>Benchmark</b>	30% FBM KLCI + 70% Maybank's 12 mths FD Rate
<b>Sales Charge</b>	Up to 3.00% of NAV per unit
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	Up to 1.50% p.a. of NAV*
<b>Annual Trustee Fee</b>	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
<b>Switching Fee</b>	RM25.00 per switch
<b>Redemption Period</b>	Within 10 days after receipt of the request to repurchase
<b>Cooling-Off Period</b>	Within 6 business days from the date of receipt of application
<b>Distribution Policy</b>	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)	11.78
WESTSTAR CAPITAL SDN BHD (AA-)	6.05
BAHRAIN MUMTALAKAT HOLDING COMPANY B.S.C (AA2)	6.02
KONSORTIUM PROHAWK SDN BHD (AA2)	5.87
TANJUNG BIN ENERGY ISSUER BERHAD (AA3)	3.78

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9055	0.9598	1.1944
Low	0.8916	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**

August 2014 was another nervy month for the FBMKLCI, which witnessed selling pressure early of the month but slowly clawed back its losses thereafter on the back of gains in the U.S. The quarterly results season was again uninspiring as expected, with more misses compared to beats, whilst most companies reported in-line results. Penny stocks were in vogue during the month and experienced high volume, but mid and small cap stocks experienced selective profit taking, where the FBM Small Cap Index fell -2.4% in August. For the month, the FBMKLCI ended down -0.28% to close at 1,866.11 points. Average daily valued traded on Bursa increased 19% MoM to RM2.5b for the month.

On the domestic economic front, exports slowed down due to a sequential pullback in most major markets whilst imports slowed, which resulted in a narrowing trade surplus. Industrial Production rose again in June to 7.0% YoY (May 5.9% YoY), and the current account surplus narrowed to 6.1% of GDP. The stellar 6.4% 2Q2014 GDP growth figure (1Q2014 6.2%) was mainly led by the widening of net exports and a pickup in private investments. Meanwhile, inflation was contained with the CPI at 3.2% YoY in July (June 3.3%), moderately lower than the overnight policy rate ("OPR") that was revised to 3.25% in July.

In the bond market, investors took some profit ahead of the next Monetary Policy Committee ("MPC") meeting on 18th September, as there are still chances that Bank Negara may go for another rate hike. As a result, benchmark yields moved slightly higher compared to end-July levels. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.50% (July: 3.47%), 3.68% (3.66%), 3.81% (3.75%), 3.91% (3.89%), 4.21% (4.21%), 4.30% (4.29%) and 4.64% (4.64%) respectively. Corporate bond trading volume continued to surge in August with RM575mil of daily trades compared to RM550mil in July.

U.S. Treasuries ("UST") drew strong demand in August 2014 as yields in Europe fall to records amid speculation the European Central Bank ("ECB") will introduce additional stimulus. Fighting in Ukraine also increases investor appetite for the safest securities. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.49% (July: 0.53%), 1.63% (1.75%), 2.34% (2.56%) and 3.08% (3.32%) 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. All eyes will be on BNM especially for the September MPC meeting on whether the OPR rate of 3.25% since the 25bps hike in July may stay flat for the rest of the year. 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 August 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.