

RHB-OSK INSTITUTIONAL ISLAMIC MONEY MARKET FUND (formerly known as OSK-UOB 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:

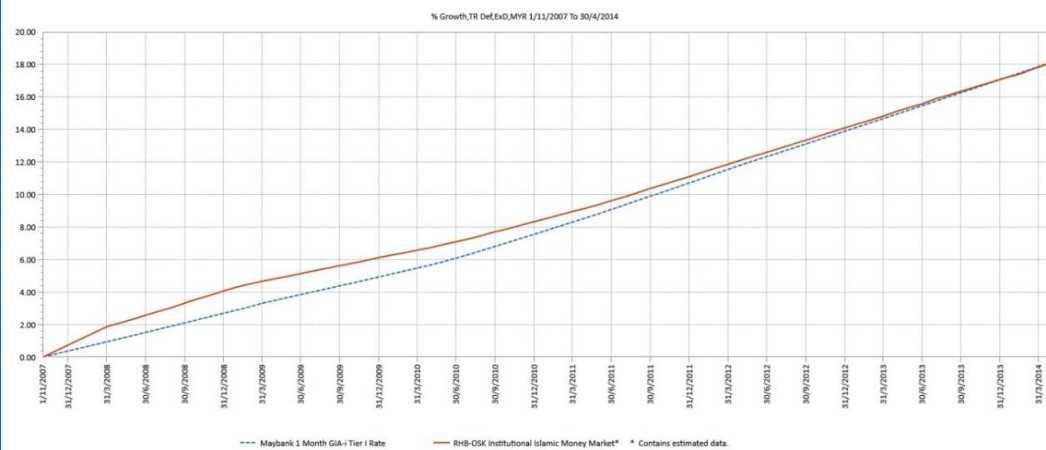
- require investments that comply with Shariah requirements;
- require a high level of liquidity;
- are conservative and seek capital preservation;
- seek reasonable returns that commensurate with the low risks; and
- prefer a short term investment horizon.

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 | 0.23 | 0.66 | 1.28 | 0.86 |
| Benchmark | 0.23 | 0.67 | 1.37 | 0.91 |

| | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund | 2.60 | 8.18 | 12.68 | 18.10 |
| Benchmark | 2.78 | 8.84 | 14.16 | 18.14 |

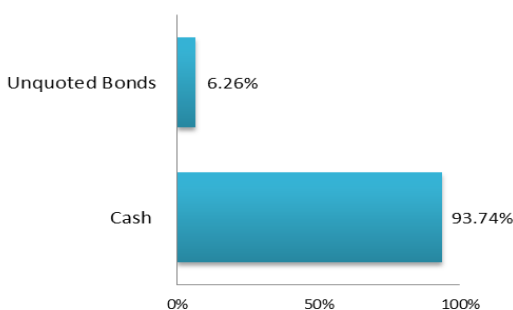
Calendar Year Performance (%)*

| | 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 PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

NATION BK ABU DHABI-4.75% (29/6/15) 6.26

*As percentage of NAV

FUND DETAILS

| | |
|---------------------------------------|--|
| Investment Manager | RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.) |
| Trustee | HSBC (Malaysia) Trustee Bhd |
| Fund Category | Money Market Fund (Islamic / Shariah-Compliant Fund) |
| Fund Type | Income Fund |
| Launch Date | 01 November 2007 |
| Unit NAV | RM1.0000 |
| Fund Size (million) | RM32.27 |
| Units In Circulation (million) | 32.27 |
| Financial Year End | 31 March |
| MER (as at 31 Mar 2013) | 0.60% |
| Min. Initial Investment | RM50,000.00 |
| Min. Additional Investment | RM10,000.00 |
| Benchmark | Maybank 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 STATISTICS

| Historical NAV (RM) | Historical NAV (RM) | | |
|---------------------|---------------------|-----------|--------------|
| | 1 Month | 12 Months | Since Launch |
| High | 1.0022 | 1.0026 | 1.0092 |
| Low | 1.0000 | 1.0000 | 0.9965 |

Source: Lipper IM

Historical Distributions (Last 6 Months) (Net)

| | Distribution (sen) | Yield (%) |
|-------------|--------------------|-----------|
| 30 Apr 2014 | 0.2278 | 0.2276 |
| 31 Mar 2014 | 0.2324 | 0.2321 |
| 28 Feb 2014 | 0.2027 | 0.2025 |
| 31 Jan 2014 | 0.1926 | 0.1924 |
| 31 Dec 2013 | 0.2227 | 0.2225 |
| 30 Nov 2013 | 0.1981 | 0.1979 |

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

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MANAGER'S COMMENTS

MALAYSIAN ECONOMIC REVIEW

Malaysia's March exports growth slowed to 8.4%YoY (Feb: 12.3%), below consensus (9.2%) and imports slowed sharply to 0.5%YoY (Feb: 9.5%), below consensus (5.7%) . Meanwhile headline inflation taking a pause at 3.50%. March data continued to substantiate BNM's view that rates are "accommodative" in addition to Gov Zeti's recent comments downplaying inflation and indicating moderating demand – especially, a likely slowdown in consumption to below 7% and Jan-Feb IP data hinting at a small sequential contraction in 1Q GDP.

Nevertheless, bias remains towards higher rates, though the exact timing of the rate hike hinges on the growth data and the outlook. Should 1H14 GDP recorded promising number with private consumption growth coming in above the 7% threshold and external demand uncertainties recede in 2H14, this may warrant a resumption of policy rate normalization. Hence, we opine an outlook of higher rates environment to kick start after July or September this year.

Hence the Money Market deposit profit rates will remain stable for at least the next 3 months. Current excess market liquidity added stability to the short term deposit rates.

BOND MARKET REVIEW

The domestic bond market reacted to global market rally as investors clamoured for bonds primarily to replace huge government bond maturities this month. As a result, yield curves on MGS and GII shifted lower by 5 – 10 bps across the board with 7 and 15 years dipped the most by 10bps.

The reopening auction of the 15-year GII ended with firm demand, though the amount on offer was pretty small at RM1.5 billion. The bid-to-cover ratio was 2.773 times, above market expectation with an average yield of 4.547%. GII for 5, 7 and 10 years closed lower month-on-month at 3.82% (vs. 3.87%), 4.10% (4.13%) and 4.24% (4.27%) respectively.

Trading along the Ringgit corporate bond market was pretty volatile. We noted appetite by investors on beginning midmonth, as investors showed better buying interest towards longer term bonds, as well as lower rated credits. However, general interest remained focused towards the short to medium term bonds as investors were playing defensively. At the close, yield curves generally shifted lower 3-5bps for AAA and AA credit curves.

The overall liquidity condition in the market remained flush and is expected to increase given the exceptionally large MGS maturity in the month of April in comparison with rather small size of new replacement issues.

STRATEGY

Anticipation of rising interest rates outlook, will bode well for the overall Fund's expected return in the coming months. The Manager will continue to have longer cash portfolio duration i.e. to overweight placements up to 3 months with approved financial institutions in order to strategize portfolio for possible next rate hike.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 April 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 1.3 (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 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 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.