

RHB-OSK ISLAMIC BOND FUND (formerly known as RHB ISLAMIC BOND FUND)

This Fund aims to provide regular income to investors through investments in Islamic debt securities and bonds which are acceptable investment under the principles of Shariah.

INVESTOR PROFILE

This Fund is suitable for Investors who:

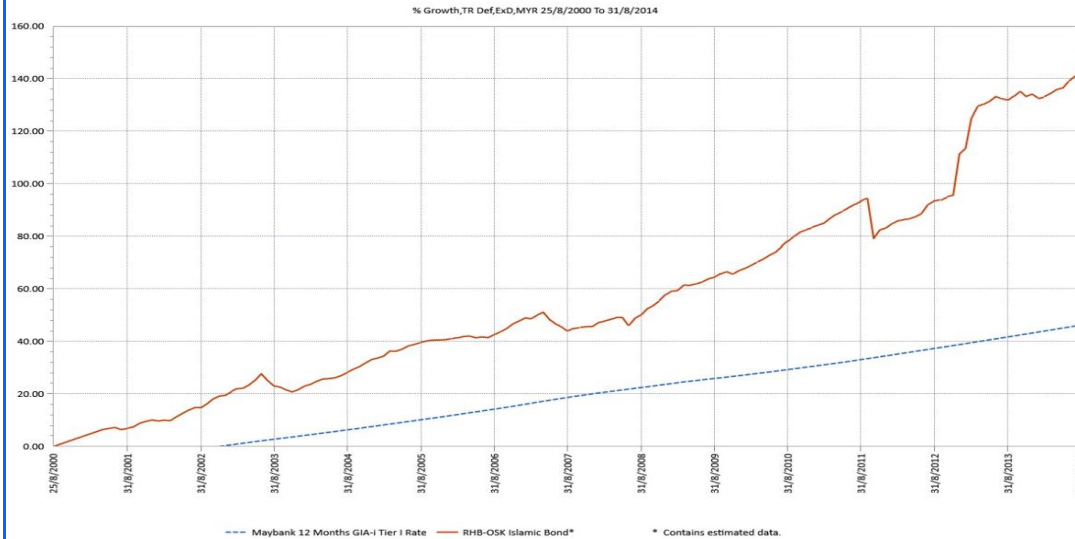
- are risk averse; want an investment that complies with the principles of Shariah;
- want to have regular income from their investment;
- want a professionally managed portfolio of sukuk and Islamic fixed income securities; and
- require higher returns than Islamic fixed deposits at an acceptable level of risk.

INVESTMENT STRATEGY

- Up to 95% of NAV: Investments in sukuk and Islamic debt instruments.
- Minimum of 5% of NAV: Investments in liquid assets acceptable under Shariah principle.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

| | 1 Month | 3 Months | 6 Months | YTD |
|-----------|---------|----------|----------|------|
| Fund | 0.76 | 2.70 | 4.15 | 3.71 |
| Benchmark | 0.28 | 0.81 | 1.62 | 2.13 |

| | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund | 4.75 | 25.41 | 47.67 | 142.75 |
| Benchmark | 3.20 | 9.89 | 16.15 | N/A |

Calendar Year Performance (%)*

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|-----------|-------|-------|-------|------|------|
| Fund | 10.80 | 15.28 | -0.06 | 9.84 | 5.81 |
| Benchmark | 3.19 | 3.18 | 3.05 | 2.77 | 2.67 |

*Source: Lipper IM

FUND DETAILS

| | |
|---------------------------------------|--------------------------------------------------------------------------------------|
| Investment Manager | RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn Bhd) |
| Trustee | CIMB Islamic Trustee Bhd |
| Fund Category | Bond Fund (Shariah) |
| Fund Type | Income Fund |
| Launch Date | 25 August 2000 |
| Unit NAV | RM1.3897 |
| Fund Size (million) | RM36.20 |
| Units In Circulation (million) | 26.05 |
| Financial Year End | 30 September |
| MER (as at 30 Sep 2013) | 3.21% |
| Min. Initial Investment | RM1,000.00 |
| Min. Additional Investment | RM100.00 |
| Benchmark | Maybank's 12 mths GIA Rate |

| | |
|--------------------------|--------------------------------------------------------|
| Sales Charge | None |
| Redemption Charge | 1% of NAV per unit on or before 1st year of investment |

| | |
|------------------------------|--------------------------------------------------------|
| Annual Management Fee | Profit Sharing: 15:85 based on Net Investment Income |
| Annual Trustee Fee | 0.10% p.a. of NAV, subject to a min. of RM35,000 p.a.* |

| | |
|--------------------------|--------------------------------------------------------|
| Switching Fee | RM25.00 per switch |
| Redemption Period | Within 10 days after receipt the request to repurchase |

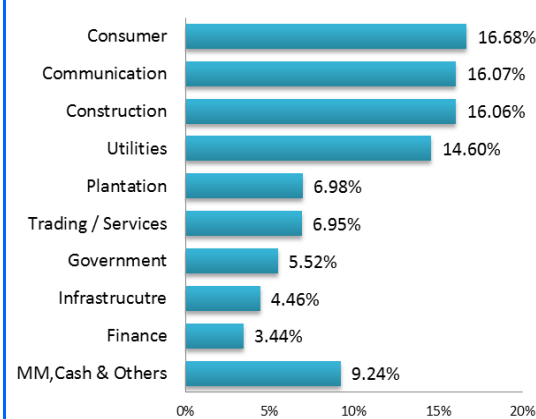
| | |
|---------------------------|----------------------------------------------------------------|
| Cooling-Off Period | Within 6 business days from the date of receipt of application |
|---------------------------|----------------------------------------------------------------|

| | |
|----------------------------|------------------|
| 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 (%)*

| | |
|----------------------------------------|-------|
| BGSM MANAGEMENT SDN BHD (AA3) | 15.51 |
| BRIGHT FOCUS BHD (AA2) | 13.91 |
| WESTSTAR CAPITAL SDN BHD (AA-) | 10.35 |
| TANJUNG BIN ENERGY ISSUER BERHAD (AA3) | 8.77 |
| BUMITAMA AGRI LTD (AA3) | 6.98 |

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

| | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 1.3894 | 1.4108 | 1.4151 |
| Low | 1.3789 | 1.3241 | 0.9901 |

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

| | Distribution (sen) |
|-------------|--------------------|
| 30 Sep 2013 | 8.0000 |
| 28 Sep 2012 | 6.0000 |
| 30 Sep 2011 | 2.5000 |
| 29 Oct 2010 | 1.5000 |
| 30 Sep 2009 | 3.0000 |
| 30 Apr 2009 | 2.5000 |

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

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MANAGER'S COMMENTS**MARKET REVIEW**

Investors took profit on the local bond market ahead of the next Monetary Policy Committee ("MPC") meeting on 18th September. As a result, the 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. On the other hand, performance of the Government Investment Issues ("GII") were rather range bound with the 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.61% (July: 3.60%), 3.79% (3.78%), 4.00% (4.01%), 4.14% (4.14%), 4.39% (4.40%) and 4.61% (4.58%) respectively.

The 3 auctions in August – reopening of 7-year MGS (MGS 09/21, RM3.5bil, average yield 3.803%), reopening of 10-year SPK (SPK 02/24, RM1.0bil, 4.268%) and reopening of 10-year GII (GII 05/24, RM3bil, 4.140%) received moderate to strong bid-to-cover ratio of 2.00x and 5.59x and 2.60x respectively.

On the domestic economic front, June trade surplus narrowed as exports slowed more than imports. The slowdown in exports was due to sequential pullback in most major markets such as US, Europe, Japan and China. Jun exports rose 7.9% YoY (May: 16.2% YoY, consensus: 15% YoY) while imports slowed to 9.2% YoY (May: 11.8% YoY, consensus: 12.8% YoY). As a result, trade surplus narrowed more sharply than expected to RM3.79bil (May: 5.65bil) and Current Account surplus narrowed to 6.1% of GDP in 2Q2014 from 7.7% in 1Q2014. IP rose again in June to 7.0% YoY (May: 5.9% YoY, consensus: 5.0% YoY). The seasonally adjusted 2Q2014 headline IP was 4.1% above 1Q2014 average, signaling that 2Q2014 GDP growth could be higher than 1Q2014. Indeed, the 2Q2014 GDP numbers released on 15th August saw the country's growth picked up to 6.4% YoY (1Q2014: 6.2% YoY), mainly led by widening of the net exports and pick up in private investments. CPI was contained in July as the growth was lower than expectation. CPI grew by 3.2% YoY in July (June: 3.3%, consensus: 3.3%), moderately lower than the Overnight Policy Rate ("OPR") that was revised to 3.25% in July. Currently, the market is split between a call to increase interest rate at 0.25% by end of this year and early-2015.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 August 2014, the Volatility Factor (VF) for this fund is 7.4 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 credit / default risk, issuer risk, interest rate risk, liquidity risk and shariah specific 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.