

RHB-OSK ISLAMIC REGIONAL BALANCED FUND

The Fund aims to provide regular income and capital growth over the medium to long term from a diversified portfolio of Shariah-compliant investments.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

- want to have a balanced portfolio that provides both income and capital growth, and at the same time complies with the principles of Shariah; and
- are willing to accept moderate risk in their investments.

INVESTMENT STRATEGY

- At least 40% and up to 60% of NAV: Investments in Shariah-compliant equities.
- At least 40% and up to 60% of NAV: Investments in Non-equity Shariah-compliant investments.

FUND PERFORMANCE ANALYSIS

There is no performance record as the Fund launched less than 1 year.

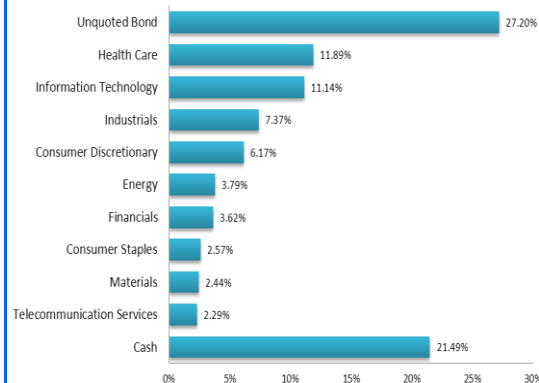
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Balanced (Shariah-compliant)
Fund Type	Income and growth
Launch Date	08 April 2014
Unit NAV	RM0.9994
Fund Size (million)	RM22.62
Units In Circulation (million)	22.64
Financial Year End	30 April
MER	Not applicable
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% RAM QuantShop GII (medium term) Index + 50% Dow Jones Islamic Market Asia Pacific
Sales Charge	Up to 5.00% of investment amount
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	Up to 0.06% p.a. of NAV, subject to a minimum of RM18,000 p.a.*
Switching Fee	RM25.00 per switch
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, if any.

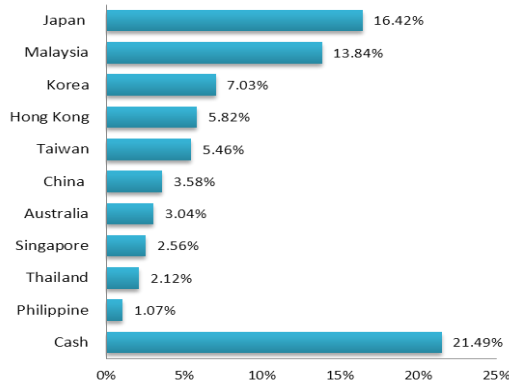
*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

PPSIB 6.125 03/15/19 MTN	14.32
HONG KONG SUKUK 2014 LIMITED	3.86
NIDEC CORPORATION	3.43
SAMSUNG ELECTRONICS CO	3.08
BRIDGESTONE CORPORATION	2.98

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9994	N/A	1.0027
Low	0.9739	N/A	0.9739

Source: Lipper IM

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MANAGER'S COMMENTS

MARKET REVIEW

Equity

Global markets regained back to positive territory in the month of October. MSCI Asia Pacific return was 1.12% outperformed the MSCI World Index, which posted return of 0.7%. The return from US S&P500 Composite Index was also positive, outperforming the MSCI World Index, with a 2.4% return for the month.

In Asia, the best performing countries were Hong Kong, Australia, and China. The weakest countries were South Korea, Singapore and Thailand. Currencies in Asia were down against US\$ in October, with NZD\$ and AUD\$ down almost 6%. The only gains against US were China (CNY) and South Korea (KRW). The prices of gold dropped 2.9% while the oil dropped 11.6% and close at US\$80.5/barrel.

Fears of global growth slowdown gripped the world markets for the month of October, led by concerns about Europe. China continued to slow under the weight of its own structural reforms, and commodity prices continue to fall. The fall in oil prices has put a dent on the performance of the oil & gas sector, which posted good returns in the first half of the year. Defensive sectors such as staples and telecommunications were getting more attention again from investors.

Sukuk

The Budget 2015 announced in October further emphasized on meeting fiscal deficit target in 2014 (3.50% of GDP) and 2015 (3.00% of GDP), by gradually removing fuel subsidy as well as implementation of Goods and Services Tax ("GST") in April 2015. During the IMF annual meeting in Washington, BNM Governor Dr. Zeti comments were dovish, noting that risks to global growth have increased and domestic growth will moderate closer to 5.00% in 2015 due to some moderation in consumption. While implementation of GST will likely to increase inflation in the short term, BNM still sees long term inflation trend of 3.00% as achievable. Both her comment as well as the temporary fall in September CPI to 2.60% YoY (August: 3.30% YoY) reinforces the rate hike pause in November. The last BNM Monetary Policy Committee meeting for the year is scheduled on 6th November.

As a result, the local government bond market bullish flattened with long-end yields compressed more than short-end yields. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year Malaysia Government Securities ("MGS") were traded at 3.50% (September: 3.47%), 3.63% (3.67%), 3.77% (3.80%), 3.83% (3.89%), 4.15% (4.21%), 4.25% (4.31%) and 4.63% (4.71%) respectively. Likewise, Government Investment Issues ("GI") mirrors the performance of MGS with bullish flattening trend. The 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.67% (September: 3.66%), 3.80% (3.80%), 4.00% (4.00%), 4.12% (4.14%), 4.39% (4.42%) and 4.57% (4.62%) respectively.

Trading volume in the Ringgit corporate bond increased moderately in October due to the positive spillover sentiment from strong govies performance. Average daily corporate bond trading volume increased to RM498mil from RM402mil reported a month ago. Longer duration PDS remained the outperformer for October as investors looking for higher yield pickup. On average, the longer end of the curve tightened by 4-5bps.

OUTLOOK AND STRATEGY

October saw a positive return in the global market since 2 consecutive months of negative returns. However, the downside risk is still there. Concern of a slowdown in China, and increased deflationary pressure in the Eurozone made investors to be a bit pessimistic on the outlook for the remaining of the years.

The great fall in oil prices causes concerns for investors, as analysts and economies continue to cut their forecasts on the outlook of oil prices. The tapering of QE in the US, while the further monetary easing in Europe and Japan, could cause imbalances in the world financial markets in the future. As such, to invest in such markets requires a careful and selective approach.

Despite, the negative sentiment that exists in the market, the October month showed a bit of optimism from its positive return. On that note, we may continue to overweight our equity portfolio and remain tactically overweight on the duration of our Sukuk Portfolio.

DISCLAIMER:

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 Prospectus dated 8 April 2014 and its supplementary(ies) (if any) ("the Prospectus") before investing. The 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 Prospectus relates will only be made on receipt of a form of application referred to in the Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks for the Fund are equity risk, currency risk, country risk, interest rate risk, liquidity risk, regulatory risk, credit downgrade and credit/default risk, reclassification of Shariah status risk, market risk in emerging and less developed markets, unrated securities risk and risk of use of rating agencies and other third parties. These risks and other general risks are elaborated in the 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.