

RHB-OSK MALAYSIA DIVIDEND FUND (formerly known as OSK-UOB MALAYSIA DIVIDEND FUND)

This Fund aims to provide investors with capital growth and recurring income in the medium to long term through investments in securities of and securities relating to Malaysian companies which offer attractive yields and sustainable dividend payments.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

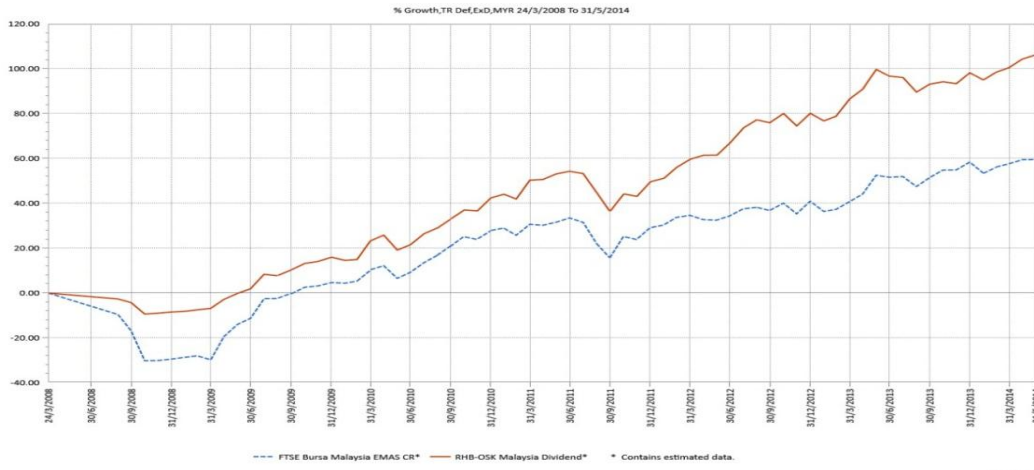
- seek a diversified domestic investment portfolio;
- seek capital growth and recurring income in the medium to long term period;
- seek a steady investment; and
- are willing to accept a moderate risk in their investment.

INVESTMENT STRATEGY

- 70% - 98% of NAV: Investment in equity and equity-related securities of Malaysian companies which offer attractive yields and sustainable dividend payments.
- 2% - 30% of NAV: Investment in liquid assets, fixed income securities, money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

| | 1 Month | 3 Months | 6 Months | YTD |
|-----------|---------|----------|----------|------|
| Fund | 0.94 | 3.98 | 6.61 | 3.98 |
| Benchmark | 0.04 | 2.18 | 2.97 | 0.72 |

| | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund | 3.18 | 34.54 | 106.46 | 106.05 |
| Benchmark | 4.59 | 21.09 | 85.36 | 59.35 |

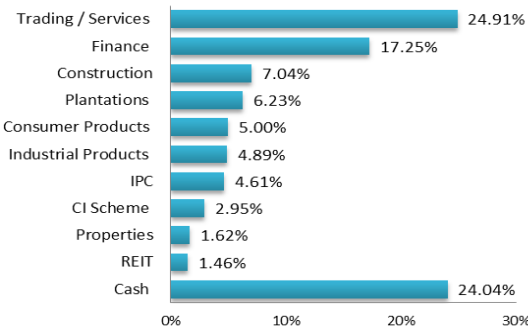
Calendar Year Performance (%)*

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|-----------|-------|-------|------|-------|-------|
| Fund | 10.06 | 20.42 | 5.00 | 23.01 | 26.49 |
| Benchmark | 12.38 | 9.05 | 1.10 | 21.95 | 48.57 |

*Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

| | |
|------------------------|------|
| TELEKOM MALAYSIA BHD | 6.99 |
| TENAGA NASIONAL BHD | 6.91 |
| PUBLIC BANK BHD | 5.74 |
| SBC CORPORATION BERHAD | 4.07 |
| SIME DARBY BHD | 3.95 |

*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 | Equity Fund |
| Fund Type | Income and Growth Fund |
| Launch Date | 04 March 2008 |
| Unit NAV | RM0.3315 |
| Fund Size (million) | RM50.75 |
| Units In Circulation (million) | 153.11 |
| Financial Year End | 31 March |
| MER (as at 31 Mar 2014) | 1.60% |
| Min. Initial Investment | RM1,000.00 |
| Min. Additional Investment | RM100.00 |
| Benchmark | FTSE Bursa Malaysia Emas Index |
| Sales Charge | Up to 5.50% of investment amount |
| Redemption Charge | None |
| Annual Management Fee | 1.50% p.a. of NAV* |
| Annual Trustee Fee | Up to 0.08% p.a. of NAV* |
| 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 | 0.3321 | 0.3554 |
| Low | 0.3268 | 0.3222 | 0.2239 |

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

| | Distribution (sen) | Yield (%) |
|-------------|--------------------|-----------|
| 27 Mar 2014 | 3.3000 | 9.54 |
| 31 Mar 2013 | 2.7000 | 8.01 |
| 31 Mar 2012 | 2.1056 | 6.69 |
| 31 Mar 2011 | 2.4296 | 7.92 |
| 31 Mar 2010 | 1.6304 | 6.00 |

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

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MANAGER'S COMMENTS**MARKET REVIEW**

May 2014 was a good month for global equities contrary to the popular market phrase “sell in May and go away”. Investor sentiments were buoyed by the gradual improving economic data and reduction in geopolitical risks in Russia and Ukraine. Despite scaling new all-time highs on several days especially after the announcement of a spectacular Malaysia GDP growth number in 1Q14, the FBMKLCI ended flat for the month, up a marginal 2 points or 0.1% higher at 1,873 points. Average daily value traded on Bursa declined 5% MoM to RM2.3b for the month. Foreigners continued to be net buyers in the local market. 1Q14 results season ended with generally uninspiring numbers with some notable misses especially in the oil & gas and plantation sectors.

On the domestic economic front, March trade surplus narrowed slightly as both exports and imports declined sequentially. Export growth slowed to 8.4% yoy (February: 12.3% yoy, consensus: 9.2% yoy) and imports slowed sharply to 0.5% yoy (February: 9.5% yoy, consensus: 5.7% yoy). BNM kept Overnight Policy Rate on hold at 3%, as widely expected. However, the Central Bank's assessment of the global economy appears to have turned optimistic, with no reference to the recovery being “uneven”. With the MPC thus concluding that “the degree of monetary accommodation may need to be adjusted”, market has brought forward the interest rate hike scenario to the next MPC meeting in July. This is further supported by a strong GDP growth of 6.2% YoY in 1Q2014 (4Q2013: 5.1% YoY, consensus: 5.7% YoY), which leaves little room to delay rate hikes.

MARKET OUTLOOK

The upcoming FIFA World Cup in mid-June which coincides with the summer holidays will cause the trading pattern to remain lackluster as it has been during any World Cup years. We expect the upside to the local indices to remain limited and expect further volatile trend towards the month of July on the absence of significant catalyst that could push the KLCI above the 1,880-1,890 resistance level in the short term.

The recent release of 1Q14 GDP numbers also failed to boost trading participation in the market but there is a glimmer of hope that the KLCI downside is limited due to the recent increase in foreign participation of late. Any downside risk should be technically supported at the 1,860-1,850 levels. Global economic conditions continue to encourage growth despite not being at cruising speed whilst geo-political threats from regional peers have also tapered off.

On the economy, concern remains on inflationary pressures and may worsen with fuel price hikes likely in the coming quarter which may cause real interest rates to turn more negative. Also, should 1H2014 GDP data prove comforting and external demand uncertainties recede in 2H2014, this may warrant a resumption of policy rate normalization from the current accommodative setting, both from inflation and financial imbalances perspectives. Following the MPC meeting on 8th May, markets have increasingly raised their expectation that the interest rate hike is just around the corner, perhaps as early as the next policy meeting in July.

PORTFOLIO INVESTMENT STRATEGY

As the market is expected to continue to be volatile this year, stock pickings remain crucial. The portfolio will always be on the look out to accumulate fundamentally strong and undervalued stocks against the backdrop of a challenging but optimistic year ahead.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 May 2014, the Volatility Factor (VF) for this fund is 9.3 and is classified as “Moderate”. (source: Lipper) “Moderate” includes funds with VF that are above 7.9 but not more than 10.6 (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 equities investment risks such as market risk and particular security risk, interest rate risk and credit / default 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.