

RHB-OSK MUDHARABAH FUND

This Fund aims to provide a balanced mix of income and potential for capital growth by investing in stocks listed on the Bursa Malaysia or on any other stock exchanges, unlisted stocks and Islamic debt securities and other non-interest bearing assets acceptable under principles of Shariah.

INVESTOR PROFILE

This Fund is suitable for Investors who:

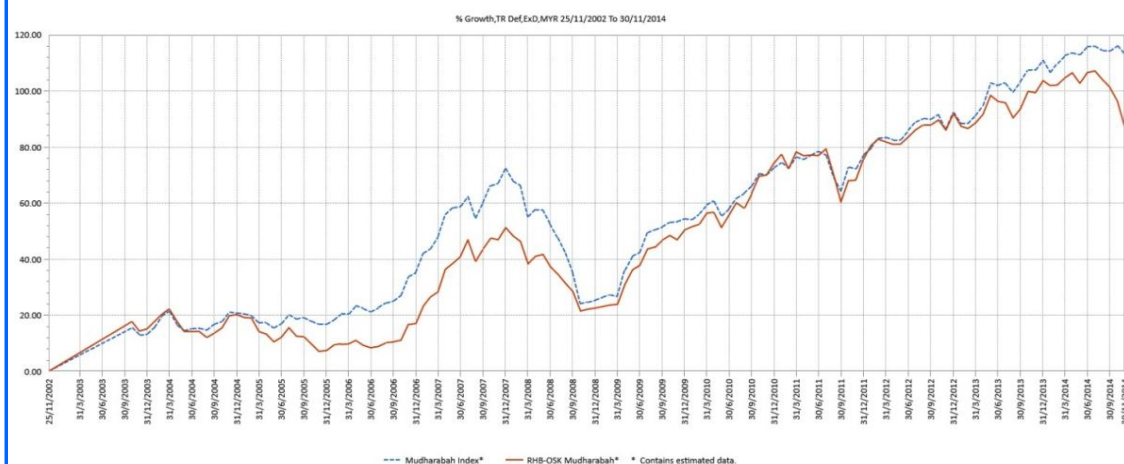
- want an investment that complies with the principles of Shariah;
- want a professionally managed portfolio of Shariah compliant equities, sukuk and Islamic debt securities;
- want to have a balanced portfolio that provides both income and capital growth; and
- want to invest in shares but do not have the time to manage their own portfolio.

INVESTMENT STRATEGY

- Up to 60% of NAV: Investments in equities.
- Minimum of 40% of NAV: Investments in sukuk, Islamic debt instruments, Islamic money market instruments and/or liquid assets acceptable under Shariah principle.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch**



** Source: Lipper IM. Maybank's 12 mths GIA Rate (50%) only available in Lipper IM after November 2002.

Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-4.70	-8.33	-7.70	-8.17
Benchmark	-1.45	-0.64	0.05	0.92

	1 Year	3 Years	5 Years	Since Launch
Fund	-6.23	11.17	27.39	59.08
Benchmark	2.67	23.63	38.90	N/A

Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	6.06	9.38	0.74	15.91	22.76
Benchmark	9.65	8.57	2.65	11.85	23.12

*Source: Lipper IM

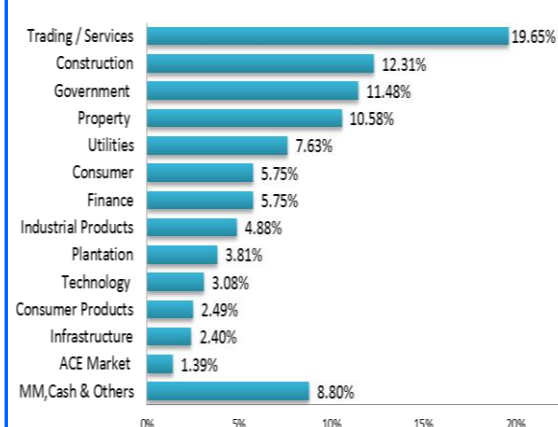
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	CIMB Islamic Trustee Bhd
Fund Category	Balanced Fund (Shariah)
Fund Type	Capital Growth and Income Fund
Launch Date	09 May 1996
Unit NAV	RM0.7983
Fund Size (million)	RM13.14
Units In Circulation (million)	16.46
Financial Year End	28 or 29 February
MER (as at 28 Feb 2014)	1.69%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% FBM Emas Shariah + 50% Maybank's 12 mths GIA Rate
Sales Charge	Up to 6.00% of NAV per unit
Redemption Charge	None
Annual Management Fee	Up to 1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.09% p.a. of NAV*
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	Incidental

*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 (%)*

ALPHA CIRCLE SDN BHD (AA-)	11.48
GAMUDA BHD	6.04
TENAGA NASIONAL BHD	4.34
AQUASAR CAPITAL SDN BHD (AAA)	3.92
KONSORTIUM PROHAWK SDN BHD (AA2)	3.89

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)			
	1 Month	12 Months	Since Launch
High	0.8377	0.9149	1.0388
Low	0.7983	0.7928	0.4095

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
26 Feb 2014	4.0000	4.56
28 Feb 2013	3.5000	N/A
28 Feb 2012	-	N/A
28 Feb 2011	4.8131	N/A
31 Mar 2010	3.2377	N/A

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS
MARKET REVIEW

November was another relatively volatile month as the KLCI gave back much of the sharp rebound enjoyed in October despite Wall Street's continued strength before pushing higher again towards the end of the month. Major corporate 3Q earnings released during the month which mostly below consensus dampen market sentiment. As at month end, the new Shariah compliant list was released sending omitted Sapura Kencana to close lower. The much awaited OPEC meeting on 28 Nov add more bad news to the market after OPEC refrained from cutting production to ease a supply glut, stoking declines in energy stocks worldwide. For the month, the KLCI slipped 1.9% or 35pts to close at 1,820pts. The broader market underperformed, with the FBM Emas falling 2.6% mom to 12,539pts. Small caps performance was even worst with the FBM Small cap index down 7.0% to 16,443pts while the FBM ACE declined a slower 4.0% to 6,319pts. Average daily value traded on Bursa in Nov decreased 6.6% mom to RM1.98bn.

The recent selloff in crude oil created concern to oil exporting country such as Malaysia as it immediately reflected in further strengthening in USD. Consequently, Ringgit weakened against USD from 3.2835 at end-October to 3.3685 at end-November. Likewise, the Malaysian Government Securities ("MGS") experienced selling pressure mainly by foreign players. That resulted to bearish flattening in the MGS yield curve, with short-end yield increased by 6 – 12bps. At the close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.56% (October: 3.50%), 3.75% (3.63%), 3.77% (3.77%), 3.86% (3.83%), 4.14% (4.15%), 4.24% (4.25%) and 4.59% (4.63%) respectively. On the other hand, Government Investment Issues ("GII") performed better with overall yield traded unchanged to 3 bps lower compared to last month. The 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.67% (October: 3.67%), 3.79% (3.80%), 3.99% (4.00%), 4.12% (4.12%), 4.36% (4.39%) and 4.55% (4.57%) respectively.

Meanwhile, the corporate bond market reacted similarly to the selloff in MGS market following profit taking activities by Fund Managers. The average daily trading volume reduced to RM437mil from RM498mil a month earlier. Investors were seen going down the credit curve with AA bonds top the chart at 57% of total trading volume (43% previous month) while GG/AAA bonds reduced to 43% (57% previously).

OUTLOOK AND STRATEGY

December has traditionally been the best month as window dressing activities took place. We have lowered our year end KLCI target to 1,880 earlier after taking into consideration the poor performance from the company's earnings (consensus earnings growth c. 1.2%-1.5%) as well as no further major catalyst to entice investors to participate in the local indices in the near term. Despite the bleak scenario given for the KLCI, we will continue to bottom pick stocks that have shown resilient performance in the last 11 months in terms of earnings (although limited choices) whilst the small to mid-cap space has also showed some promising companies for bottom-fishing in this kind of market scenario. We believe the KLCI will play a bit of catch-up with its regional peers and we expect window dressing activities to push the index back into positive territory for 2014

We reiterated our view of no hike for the rest of the year as reflected in the expected pause by BNM in the last MPC meeting for 2014 held in November. Under a scenario of continued slump in oil prices, to a certain extent may negatively impacting the Malaysia's fiscal deficit. Nevertheless continued weakness in Ringgit may provide as mitigating factor. Furthermore the ongoing slide in oil prices should reduce inflationary pressure going forward upon the introduction of GST beginning April next year. Also, since the announcement of fuel subsidy removal on RON 95, most of the rating agencies have welcome the timely move. This is likely to support Malaysia's sovereign rating, which is one of the key aspects in maintain foreign fund flows. Notwithstanding this, with Ringgit fallen by 2.5% MoM over USD, we believe it will trigger some small scale capital outflow especially with our high foreign holdings of MGS. The next milestone to look forward is the 2015 auction calendar which will determine the overall duration appetite. The calendar is expected to issue by December.

At this juncture, we remain our tactical overweight duration strategy alongside with no hike in OPR lookout for 2015. We continue to overweight corporate bonds over govies and participate in primary market for better yield pick-up.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 November 2014, the Volatility Factor (VF) for this fund is 6.2 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 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 Master Prospectus dated 9 September 2014 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, individual stock risk, liquidity risk, issuer risk, interest rate risk, credit / default 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.