

RHB-OSK MUDHARABAH FUND (formerly known as RHB 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:

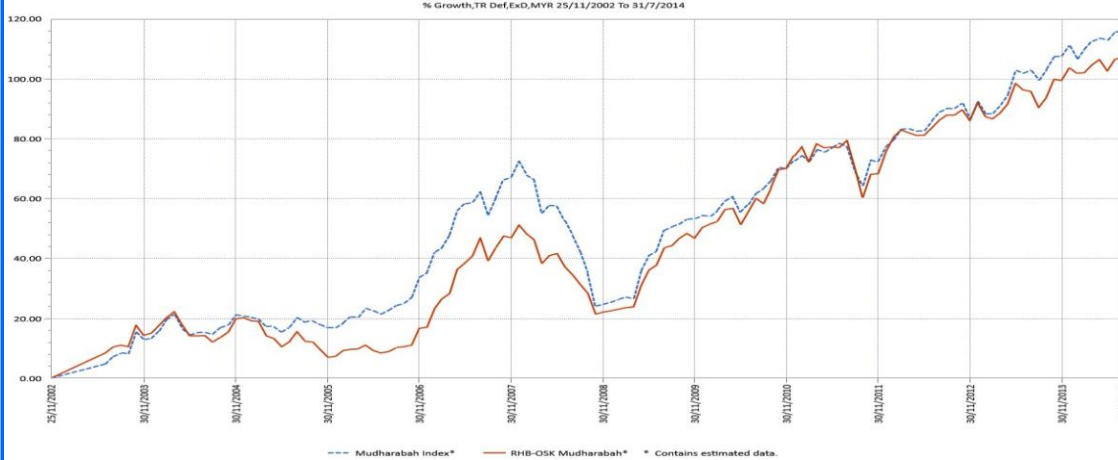
- want an investment that complies with the principles of Shariah;
- want a professionally managed portfolio of Shariah compliant equities, sukuk and Islamic debt securities;
- want to have a balanced portfolio that provides both income and capital growth; and
- want to invest in shares but do not have 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	0.31	0.33	2.61	1.70
Benchmark	0.07	1.12	4.59	2.31

	1 Year	3 Years	5 Years	Since Launch
Fund	5.77	15.42	44.37	76.17
Benchmark	6.44	21.85	44.48	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

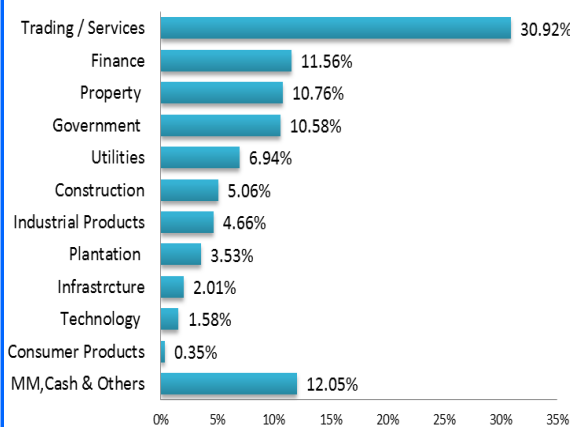
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment 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	RM0.8841
Fund Size (million)	RM14.18
Units In Circulation (million)	16.04
Financial Year End	28 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	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 5.600% 18/11/2022 (AA-)	10.58
SAPURAKENCANA PETROLEUM BERHAD	6.08
UMW OIL & GAS CORPORATION BERHAD	5.17
GAMUDA BHD	5.06
AQUASAR CAPITAL SDN BHD 4.950% 18/07/2024 (AAA)	3.58

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)			
	1 Month	12 Months	Since Launch
High	0.8974	0.9149	1.0388
Low	0.8814	0.8384	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. (Formerly known as RHB Investment Management Sdn. Bhd.)

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MANAGER'S COMMENTS**MARKET REVIEW**

The KLCI ended the month 11pts or 0.6% lower to close at 1,871pts underperforming the MSCI Asia Pacific ex-Japan which rose 4.1%. The broader market outperformed the KLCI as the FBM Emas gained 0.5% mom to 13,086pts. Small caps outperformed as the FBM Small cap rallied 6.3% to 19,066pts while the FBM ACE was up 5.7% to 7,045pts. Average daily value traded on Bursa in July increased 13% mom to RM2.11bn. The much anticipated OPR hike took place last month with an increase on 0.25% to 3.25%. The Ringgit strengthened throughout the month to a low of 3.16 (-14.5%).

The local bond market bullish flattened across the curve in July despite a 25bps hike in OPR on 10th July. As the increase in OPR had been well discounted by the market, as a result, investors were seen clamouring for bonds thus caused yield curve on govies to flatten further. At the close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.47% (June: 3.51%), 3.66% (3.72%), 3.75% (3.91%), 3.89% (4.03%), 4.21% (4.33%), 4.29% (4.40%) and 4.64% (4.74%) respectively. Similar to the strong performance on MGS, Government Investment Issues ("GII") also bullish flattened with 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.60% (June: 3.65%), 3.78% (3.88%), 4.01% (4.10%), 4.14% (4.24%), 4.40% (4.53%) and 4.58% (4.70%) respectively.

Corporate bond trading volume continues to surge in July with RM550mil of daily trades reported, compared to RM408mil a month ago. GG/AAA rated bonds top total trading volume at 52.18%, followed by AA's 47.78%. The remainder trades were single-A. Investors extended duration for better yield pickup as yields began to compress. Credit spreads are expected to tighten in the absence of volatility in the MGS and GI markets.

OUTLOOK AND STRATEGY

August has historically been a negative month for the KLCI with the index down by an average 2.00%. Last year we had the summer panic due to the Fed's tapering. Also, August is the mid-year results season and if numbers are disappointing, analysts could make significant adjustments and de-rate the stocks. We would view any selling pressure on the market as an opportunity to accumulate positions.

The latest MPC statement assessment on inflation is still "above long-run average", though demand pressure is "contained". Investors are taking cue that BNM is likely to pause on rate hike for the remaining of 2014. Furthermore, recent strengthening of Ringgit had evidently increase foreign buying into local MGS market as rates start to rise.

On that note, we continue to have a neutral portfolio duration with a moderate bias to longer duration in view of no more rate hikes for the rest of the year.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 July 2014, the Volatility Factor (VF) for this fund is 8.0 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 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 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.