

RHB-OSK MUHIBBAH INCOME FUND (formerly known as OSK-UOB MUHIBBAH INCOME FUND)

This Fund aims to maximise total returns through a combination of medium to long term growth of capital and current income consistent with the preservation of capital.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

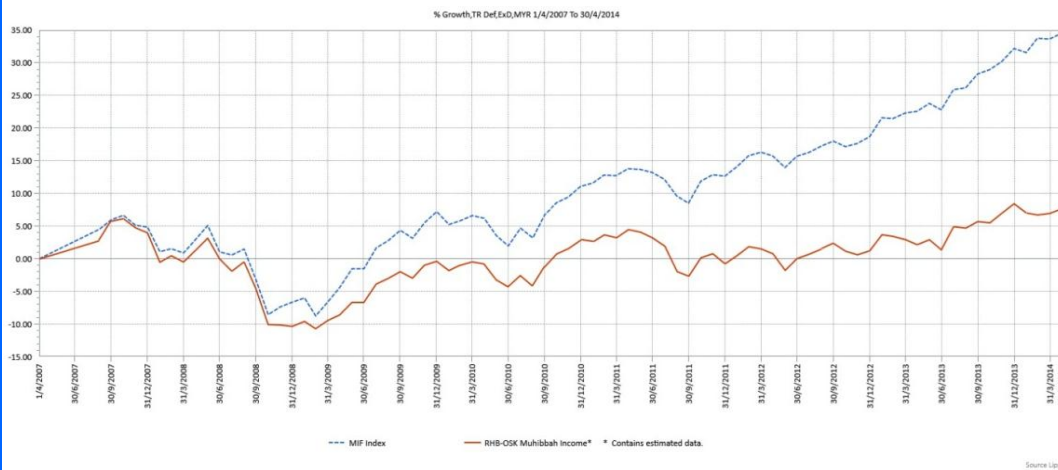
- are conservative and willing to accept moderate risk in their investment;
- wish to have some Shariah-compliant equities exposure in a predominantly sukuk portfolio;
- require investments that comply with Shariah requirements; and
- are concerned with socially responsible investing and ethical issues, such as drugs and tobacco, proliferation of weapons, pollution and fair labour practices.

INVESTMENT STRATEGY

- Up to 40% of NAV: Investments in Shariah-compliant securities of and Shariah-compliant securities relating to companies that have dividend and / or growth potential.
- 60% - 100% of NAV: Investments in Malaysian sukuk, Islamic money market instruments, cash and Islamic deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.65	0.59	2.03	-0.72
Benchmark	0.65	2.23	4.29	1.76

	1 Year	3 Years	5 Years	Since Launch
Fund	5.38	3.02	17.77	7.63
Benchmark	9.73	18.22	40.65	34.51

Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	7.12	1.96	-3.54	3.32	11.12
Benchmark	11.36	5.37	1.23	3.79	14.84

*Source: Lipper IM

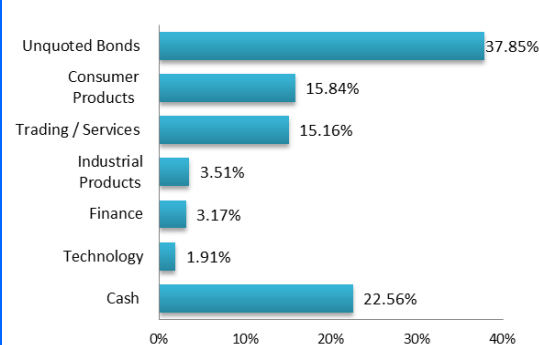
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Balanced Fund (Islamic / Shariah-Compliant Fund)
Fund Type	Income and Growth Fund
Launch Date	12 March 2007
Unit NAV	RM0.5077
Fund Size (million)	RM4.02
Units In Circulation (million)	7.93
Financial Year End	31 March
MER (as at 31 Mar 2013)	1.73%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	40% DJIM + 60% RAM QuantShop GII (medium term) Index
Sales Charge	Up to 6.00% 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 the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Annually, if any

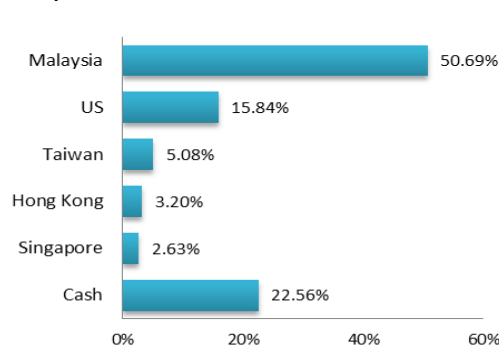
*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SARAWAK ENERGY BHD-5.15%(23/6/2021)	12.78
BGSM MGMT SDN BHD-5.6%(27/12/2023)	12.64
FIRST RESOURCES-4.45%(31/7/2017)	12.43
COCA-COLA CO LTD	9.92
NIKE INC-CL B	5.92

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5103	0.5114	0.5114
Low	0.5030	0.4776	0.4084

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Mar 2014	-	-
31 Mar 2013	-	-
31 Mar 2012	-	-
31 Mar 2011	-	-
31 Mar 2010	-	-

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

RHB-OSK MUHIBBAH INCOME FUND (formerly known as OSK-UOB MUHIBBAH INCOME FUND)

This Fund aims to maximise total returns through a combination of medium to long term growth of capital and current income consistent with the preservation of capital.

MANAGER'S COMMENTS**EQUITY MARKET REVIEW**

Asian market were up by 0.2% in April (in dollar terms), with Thailand (+4.2%), Philippines (+4.1%) and South Korea (+1.7%) outperforming the region. Taiwan (+1.2%), Malaysia (+1.2%), and Indonesia (+1.4%) gain modestly for the month, and tracked the Asia region gains. China (-2.3%) and India (-1.1%) were the only laggard.

HSBC manufacturing PMI in China continues to be below the contraction threshold for the fourth consecutive month in April, at 48.1. China firms seem to face further deterioration in the overall operating environment. As compared to the official PMI, which is at 50.4 in April, the HSBC PMI showed that the business environment for smaller and private manufacturers is worse than that for bigger and state-owned enterprises, which received a much higher share of market credit at lower costs. On the positive side, China's inflation stays benign, and continuing to provide relief for consumers who are struggling with effects of the nation's economic growth slowdown. Consumer price index was 1.8% in April, YoY. Food is the biggest short term factor driving China's inflation and its prices rose 2.3% compared to a 4.1% increase in March. The slowdown in the manufacturing sector adds more worries to China's economic growth, and may require Government's attention to roll out some stimulus aid.

Developed markets continue to rise and outperformed the emerging markets. Dow Jones Industrial Index was slightly up 0.87% month-on-month. Weekly jobless claims rose unexpectedly at the end of April, however, the underlying trend currently pointing to an improvement in the labor market. According to Bloomberg consensus, U.S growth will trending higher in 2014, at 2.5%, as compared to 1.9% last year. In Europe, Euro Stoxx rise 1.01% for the month of April, much to the optimism of European markets recovery as economic forecasts for the region points to a positive growth this year.

FBMKLCI surged to close the month of April at a year-high on the back of sustained buying in selective blue-chips. For April, the benchmark index rose 1.2% month-on-month and has turned positive for the year, albeit marginally. The market continued to focus on the small cap stocks, but, closer to the month-end, we saw some signs of profit taking in the overall small cap sector with some penny stocks declined sharply. The KLCI ended the month at 1,871, to post a 0.2% gains on the year-to-date returns. The broader market just underperformed the KLCI as the FBM Emas only gained 1.1% to 12,940pts. Small cap performance was mixed as the FBM Small cap gained 1.7% to 17,426pts but the FBM ACE declined 1.2% mom to 6,583pts.

BOND MARKET REVIEW

The sovereign bond markets rallied across the globe on the back of escalating Ukraine crisis, China's economic uncertainties and statement by Fed policymakers which confirmed US interest rates will remain low for a considerable amount of time after the QE asset purchases program ends which is expected at 4Q this year. US Treasuries ended the month on a firmer note and closed 10 – 15 bp lower across all tenures.

Similarly, domestic bond market reacted to global market rally as investors clamoured for bonds primarily to replace huge government bond maturities this month. As a result, yield curves on MGS and GII shifted lower by 5 – 10 bps across the board with 7 and 15 years dipped the most by 10bps.

The reopening auction of the 15-year GII ended with firm demand, though the amount on offer was pretty small at RM1.5 billion. The bid-to-cover ratio was 2.773 times, above market expectation with an average yield of 4.547%. GII for 5, 7 and 10 years closed lower month-on-month at 3.82% (vs. 3.87%), 4.10% (4.13%) and 4.24% (4.27%) respectively.

Trading along the Ringgit corporate bond market was pretty volatile. We noted appetite by investors on beginning midmonth, as investors showed better buying interest towards longer term bonds, as well as lower rated credits. However, general interest remained focused towards the short to medium term bonds as investors were playing defensively. At the close, yield curves generally shifted lower 3-5bps for AAA and AA credit curves.

We continue to maintain neutral portfolio duration strategy to mitigate the risk of upward shift in yield curves and perform opportunistic trades from primary issuances. Any upward yield movements will be an opportunity to accumulate.

As for our investment in equities, we continue to look for higher growth stocks and will take profit on stocks that reach full valuation.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 April 2014, the Volatility Factor (VF) for this fund is 5.1 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.3 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 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 reclassification of Shariah status risk, interest rate risk, credit/default risk, foreign investment risks such as country risk and currency risk and equity investment risks such as market risk and particular security 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.