

### RHB-OSK SMART BALANCED FUND (formerly known as OSK-UOB SMART BALANCED FUND)

This Fund aims to maximize total returns through a combination of long term growth of capital and current income consistent with the preservation of capital through a combination of investments in companies with market capitalization of not more than RM1 billion and investments in fixed income securities.

#### INVESTOR PROFILE

##### This Fund Is Suitable For Investors Who:

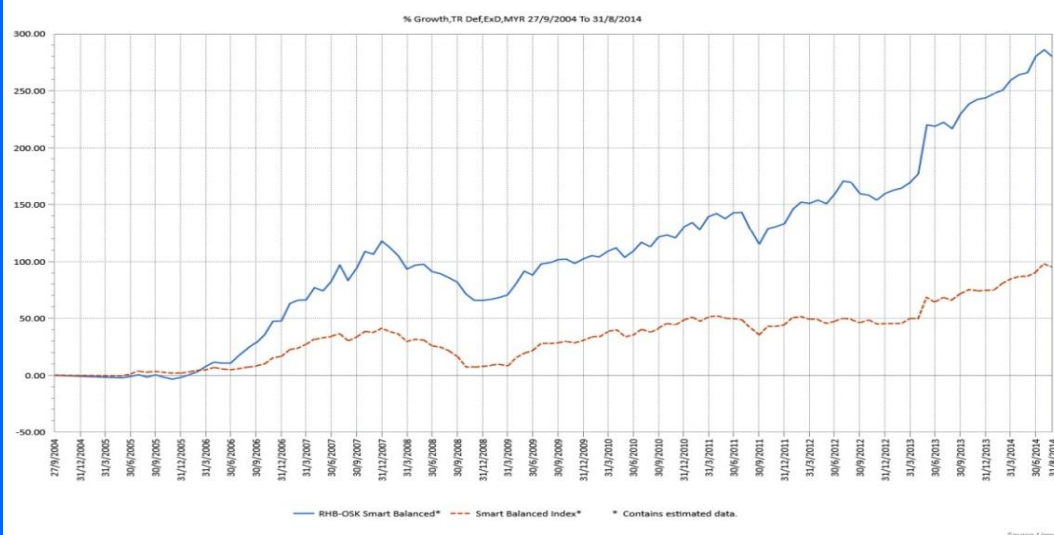
- willing to accept moderate risk in their investments in order to achieve long term capital growth and income.

#### INVESTMENT STRATEGY

- 40% - 60% of NAV: Investments in securities of companies with market capitalization of not more than RM1 billion.
- 40% - 60% of NAV: Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.

#### FUND PERFORMANCE ANALYSIS

##### Performance Chart Since Launch\*



##### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	-1.71	3.67	8.37	10.37
Benchmark	-1.42	4.31	8.14	11.69

	1 Year	3 Years	5 Years	Since Launch
Fund	19.72	66.85	90.97	279.50
Benchmark	17.66	38.11	52.69	95.21

##### Calendar Year Performance (%)\*

	2013	2012	2011	2010	2009
Fund	32.22	11.58	1.27	13.84	22.09
Benchmark	20.40	0.76	-2.26	13.48	22.91

\*Source: Lipper IM

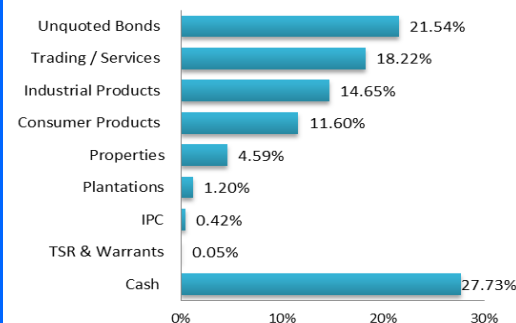
#### FUND DETAILS

<b>Investment Manager</b>	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Balanced Fund
<b>Fund Type</b>	Income and Growth Fund
<b>Launch Date</b>	07 September 2004
<b>Unit NAV</b>	RM1.2274
<b>Fund Size (million)</b>	RM75.20
<b>Units In Circulation (million)</b>	61.27
<b>Financial Year End</b>	31 March
<b>MER (as at 31 Mar 2014)</b>	1.69%
<b>Min. Initial Investment</b>	RM200.00
<b>Min. Additional Investment</b>	Any amount
<b>Benchmark</b>	50% FBM Small Cap Index + 50% 12-month FD rate by Maybank Bhd
<b>Sales Charge</b>	Up to 5.26% of investment amount
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	1.50% p.a. of NAV*
<b>Annual Trustee Fee</b>	Up to 0.07% p.a. of NAV*
<b>Switching Fee</b>	None
<b>Redemption Period</b>	Within 10 days after receipt the request to repurchase
<b>Cooling-Off Period</b>	Within 6 business days from the date of receipt of application
<b>Distribution Policy</b>	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\*



##### Top Holdings (%)\*

UZMA BERHAD	2.71
PUBLIC BANK BOND-5.10% (22/12/36)	2.70
PROMINIC BHD-5.05%(05/05/2061)	2.68
HONG LEONG BANK BHD-4.%(21/6/2024)	2.67
KINSTEEL BERHAD	2.65

\*As percentage of NAV

#### FUND STATISTICS

##### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.2567	1.2658	1.2658
Low	1.2274	1.0870	0.4557

Source: Lipper IM

##### Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Mar 2014	7.5000	6.63
31 Mar 2013	-	-
31 Mar 2012	4.9350	5.62
31 Mar 2011	-	-
31 Mar 2010	-	-

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

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**MANAGER'S COMMENTS**

**FUND REVIEW**

Smart Balanced's NAV posted a loss of 1.71%, underperforming its benchmark's (50% FBM Small Cap Index + 50% 12-month Fixed Deposit) loss of 1.42%. The underperformance was due to stock selection.

**MARKET REVIEW**

In Aug, S&P500 Index hit 2000pt mark for the first time, buoyed by investors optimism on gradual economy recovery in the US and ease of tension in Ukraine crisis that roiled the market in July and early Aug. Global financial markets rebounded to recoup lost ground while volatility remain a key risk. FBM KLCI eased marginally, -0.28% mom to 1866pt while YTD still recorded flattish return, fell -0.05%. In the meantime, Small Cap Index corrected after strong rally YTD and warnings from research houses on lofty valuation, underperform in July, -2.42% and +18.54% YTD, KLCI Fledgling Index +0.99% mom and +28.05% YTD.

**MARKET OUTLOOK AND STRATEGY**

Despite lacklustre Aug performance on KLCI due defensive nature of the market and lack of positive catalyst but overall market breadth remain healthy, we maintain our positive view on equity market and envisage bottoming of corporate earnings downgrade and expect gradual recovery in 2H 2014.

On sector basis, we continue to favour consumer, tech, healthcare, industrial and telco while selectively bullish bias on infra related construction stocks. We foresee 2014 to be a reform year for regional economies and Malaysia govt to rollout targeted infra projects to spearhead the economy and continue its reform agenda including subsidy rationalization which augur well for the economy. Increase market volatility globally will create capital misallocation and outflow of funds from emerging markets, thus misprice securities from fundamental. We remain cognizant of prevalent risks but look into adding bombed-out good fundamental stocks to enhance alpha.

**DISCLAIMER:**

Based on the fund's portfolio returns as at 15 August 2014, the Volatility Factor (VF) for this fund is 12.4 and is classified as "High". (source: Lipper) "High" includes funds with VF that are above 10.6 but not more than 13.0 (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 15 June 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 liquidity risk of underlying investments, equity investment risks such as market risk and particular security risk, interest rate risk, credit risk and inflation/purchasing power 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.