

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

This Fund aims to provide investors with higher than average income returns compared to fixed deposits over the medium to long term period through an investment blend comprising primarily of quality fixed income securities and with the remaining investments in a strategically selected portfolio of companies with market capitalisation of not more than RM1 billion.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

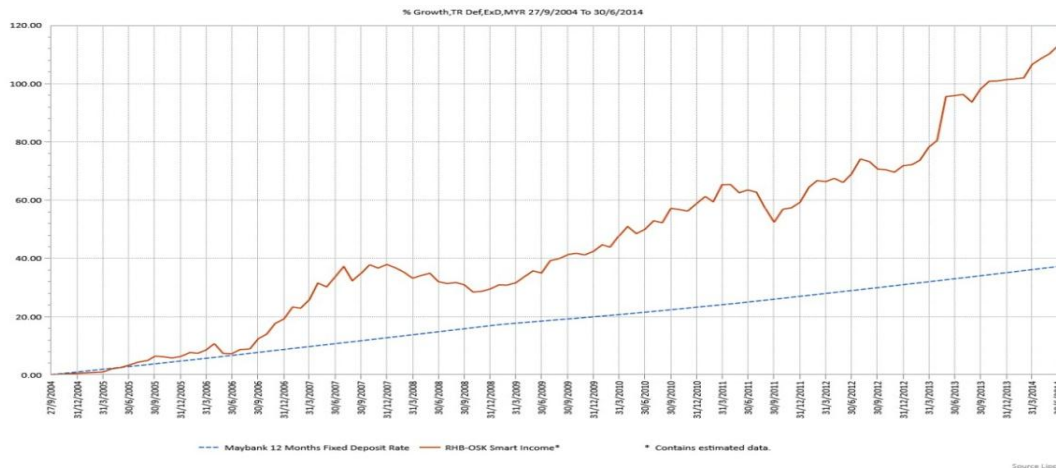
- are conservative;
- seek a steady income stream from their investments; and
- have a low to moderate risk tolerance with a medium to long term investment horizon.

INVESTMENT STRATEGY

- 70% - 100% of NAV: Investments in fixed income securities, money market instruments, cash and deposits with financial institutions.
- 0% - 30% of NAV: Investments in securities of companies with market capitalization of not more than RM1 billion.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	1.23	3.02	5.71	5.71
Benchmark	0.26	0.79	1.56	1.56

	1 Year	3 Years	5 Years	Since Launch
Fund	8.68	30.22	57.67	112.89
Benchmark	3.15	9.75	15.80	37.13

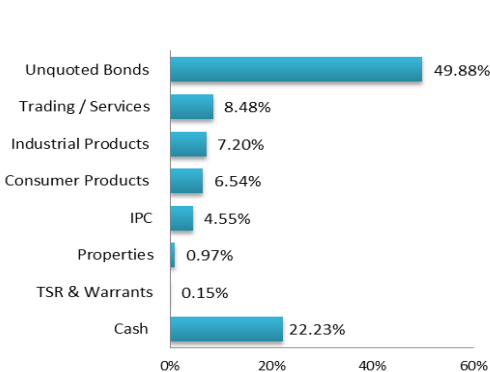
Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	17.16	7.90	0.34	11.52	9.88
Benchmark	3.15	3.15	3.05	2.77	2.54

*Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

HONG LEONG BANK BHD-4.5%(21/06/24)	8.93
YTL POWER INTL-4.55%(10/6/2022)	8.84
EDARAN SWM- 5.15% (05/10/2018)	4.54
BGSM MGMT SDN BHD-4.9% (27/12/2018)	4.53
WESTSTAR CAPITAL-4.9%(30/11/2017)	4.53

*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	Bond Fund
Fund Type	Income Fund
Launch Date	07 September 2004
Unit NAV	RM0.6998
Fund Size (million)	RM11.06
Units In Circulation (million)	15.80
Financial Year End	31 March
MER (as at 31 Mar 2014)	1.68%
Min. Initial Investment	RM200.00
Min. Additional Investment	Any amount
Benchmark	12-month FD rate by Maybank Bhd
Sales Charge	Up to 2.00% of investment amount
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	0.07% p.a. of NAV*
Switching Fee	3% of redemption proceeds
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 STATISTICS

Historical NAV (RM)	1 Month	12 Months	Since Launch
	High	0.6998	0.7284
Low	0.6891	0.6777	0.4902

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Mar 2014	5.0000	7.18
31 Mar 2013	3.9000	6.00
31 Mar 2012	3.2780	5.03
31 Mar 2011	-	-
31 Mar 2010	1.4000	2.39

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

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MANAGER'S COMMENTS

WHY SMART INCOME?

- Invest in mid to small cap companies that offer high growth potential
- Flexibility to shift between equities (up to 30%) and fixed income (up to 70%) depending on market conditions

MARKET REVIEW

For the month, the FBM KLCI rose 0.5% to close at 1,883 points. The broader market outperformed as the FBM EMAS rose 0.8% to close at 13,050 points. Smaller caps outperformed as the FBM Small Cap rose 2.8% to 17,932 points. Among regional bourses, Japan, Thailand and India posted the biggest gains while Australia and Singapore were laggards.

On the local corporate front, IJM Corporation Berhad (IJM Corp) proposed to privatise IJM Land Berhad (IJM Land) by acquiring the remaining 35.9% of IJM Land shares which it does not own. Malaysian Resources Corporation Berhad (MRCB) and PKNS Holdings Sdn Bhd reached an out of court settlement on the dispute over the development of PJ Sentral. In another development, MRCB received a Letter of Award from Kwasa Land Sdn Bhd for the development of Project MX-1 of the Kwasa Damansara township.

Local government bonds ended mixed in June. On the local economic front, Malaysia's export grew 18.9% yoy in April 2014. Industrial production expanded by 4.2% yoy in April 2014. Inflation was at 3.2% yoy in June 2014. The 3-, 5- and 10- year benchmark yields rose by 1 to 2bps to 3.52%, 3.74% and 4.04% respectively while the 7- and 20- year benchmark yields declined by 2 to 18 bps to 3.92% and 4.42% respectively.

The financial markets will be watching the upcoming monetary policy committee meeting scheduled on the 10th of July. Given Bank Negara Malaysia (BNM) hawkish stance in its recent monetary policy statements, we believe that the Overnight Policy Rate (OPR) could be raised by 25bps in this meeting.

FUND REVIEW

Smart Income's NAV posted an increase of 1.2%, outperforming its benchmark's (12-month Fixed Deposit) return of 0.3%. The outperformance was mainly due to stock selection. The fund's top performing holding were Power Root, Time dotCom, and Faber while laggards were Kim Loong, Kian Joo, and Scomi Group.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 June 2014, the Volatility Factor (VF) for this fund is 6.8 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 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 interest rate risk, credit risk, liquidity risk of underlying investments, equity investment risks such as market risk, particular security 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.