

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:

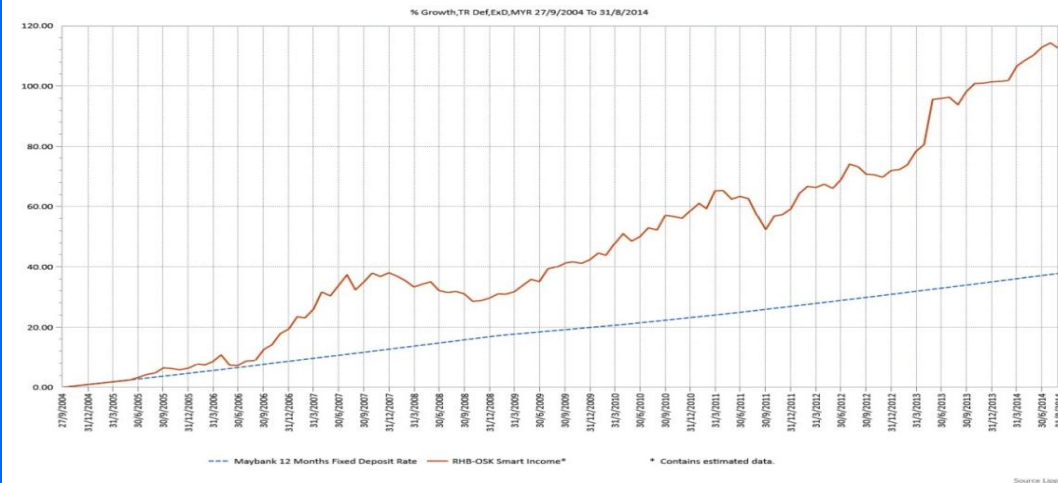
- are conservative;
- seek a steady income stream from their investments; and
- have a low to moderate risk tolerance with a medium to long term investment horizon.

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	-0.89	1.00	5.23	5.47
Benchmark	0.27	0.80	1.59	2.10

	1 Year	3 Years	5 Years	Since Launch
Fund	9.63	35.21	51.76	112.41
Benchmark	3.15	9.76	15.93	37.86

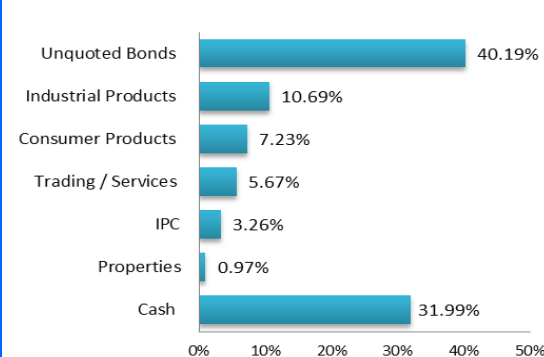
Calendar Year Performance (%)*

	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)	7.89
YTL POWER INTL-4.55%(10/6/2022)	7.88
BGSM MGMT SDN BHD-4.9% (27/12/2018)	4.02
PUBLIC BANK BHD MTN-4.8%(25/09/23)	4.02
EDARAN SWM- 5.15% (05/10/2018)	4.01

*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	RM0.6982
Fund Size (million)	RM12.57
Units In Circulation (million)	18.01
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	0.7096	0.7284
Low	0.6982	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**FUND REVIEW**

Smart Income's NAV posted a loss of 0.89%, underperforming its benchmark's (12-month Fixed Deposit) return of 0.27%. The underperformance was due to equity exposure.

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 6.8 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.1 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 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 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.