

## 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:

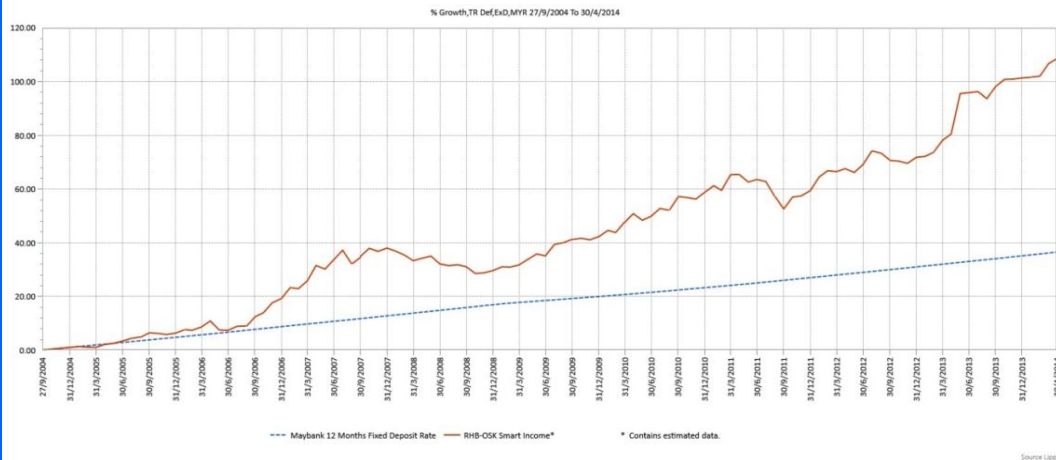
- are conservative;
- seek a steady income stream from their investments; and
- have a low to moderate risk tolerance with a medium to long term investment horizon.

### 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	0.94	3.48	3.87	3.58
Benchmark	0.26	0.77	1.56	1.04

	1 Year	3 Years	5 Years	Since Launch
Fund	15.53	26.15	56.01	108.60
Benchmark	3.15	9.72	15.68	36.43

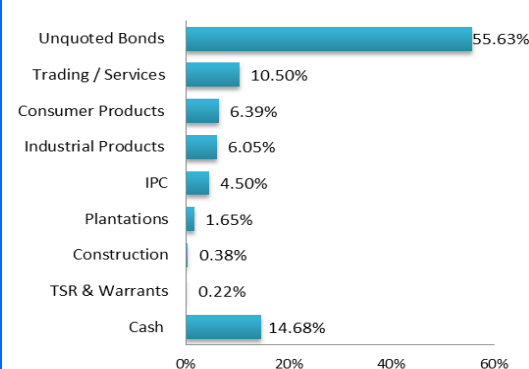
#### Calendar Year Performance (%)\*

	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)	9.95
YTL POWER INTL-4.55%(10/6/2022)	9.82
BGSM MGMT SDN BHD-4.9% (27/12/2018)	5.08
EDARAN SWM- 5.15% (05/10/2018)	5.07
PUBLIC BANK BHD MTN-4.8%(25/09/23)	5.05

\*As percentage of NAV

### 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>	Bond Fund
<b>Fund Type</b>	Income Fund
<b>Launch Date</b>	07 September 2004
<b>Unit NAV</b>	RM0.6857
<b>Fund Size (million)</b>	RM9.92
<b>Units In Circulation (million)</b>	14.47
<b>Financial Year End</b>	31 March
<b>MER (as at 31 Mar 2013)</b>	1.67%
<b>Min. Initial Investment</b>	RM200.00
<b>Min. Additional Investment</b>	Any amount
<b>Benchmark</b>	12-month FD rate by Maybank Bhd
<b>Sales Charge</b>	Up to 2.00% of investment amount
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	1.50% p.a. of NAV*
<b>Annual Trustee Fee</b>	0.07% p.a. of NAV*
<b>Switching Fee</b>	3% of redemption proceeds
<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 STATISTICS

Historical NAV (RM)	Historical NAV (RM)		
	1 Month	12 Months	Since Launch
High	0.6899	0.7284	0.7284
Low	0.6777	0.6326	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 1.2% to close at 1,872 points. The broader market underperformed as the FBM EMAS rose 1.1% to close at 12,941 points. Small caps continued to perform well with the FBM Small Cap rising 1.8% to 17,426 points. Among regional bourses, Philippines and Thailand posted the biggest gains while Japan and Vietnam were laggards.

Petronas approved the Final Investment Decision (FID) for the development of the Pengerang Integrated Complex (PIC) in Southern Johor, Malaysia. The proposed PIC comprises a world scale Refinery and Petrochemical Integrated Development (RAPID) and other associated facilities. RAPID is estimated to cost about US\$16 bn while the associated facilities will involve an investment of about US\$11 bn.

Public Bank Berhad proposed a renounceable rights issue to raise gross proceeds of up to RM5bn. Alam Maritim Resources Berhad entered into a subscription agreement with Associated Land Sendirian Berhad and Caprice Capital Intl Ltd for the proposed issuance of new Alam Maritim shares at RM1.35 per share. The proceeds raised from the share issuance would be utilised mainly for the acquisition of a new vessel and repayment of bank borrowings. Sime Darby Berhad announced that it will dispose its 75% interest in Port Dickson Power Berhad and 100% interest in Sime Darby Biofuels Sdn Bhd for a total cash consideration of RM300m.

Local government bonds ended higher in April as foreign buying interest returned. On the local economic front, Malaysia's exports grew 12.3% yoy in February 2014. Industrial production output expanded by 6.7% yoy in February 2014. Inflation held steady at 3.5% yoy in March 2014. The 3-, 5-, 7-, 10- and 20-year benchmark yields declined by 1 to 10bps to 3.39%, 3.63%, 3.92%, 4.07% and 4.64% respectively.

Bank Negara Malaysia (BNM) governor Tan Sri Dr Zeti commented that there has not been any sign of second-round inflation. She added that the current environment of moderating consumption demand and expanding capacity is unlikely to produce an inflationary condition. Zeti also indicated that Malaysia did not suffer any disruption in credit flows and the US Federal Reserve's policy changes did not have an effect on Malaysia's real economy.

**FUND REVIEW**

Smart Income's NAV posted an increase of 0.9%, 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 Bonia, Cypark, and Kian Joo while laggards were Uzma, Can-One, and Scomi Group.

**FUND STRATEGY**

- Overweight equities relative to fixed income
- Stock picking in Malaysia to drive outperformance

**DISCLAIMER:**

Based on the fund's portfolio returns as at 15 April 2014, the Volatility Factor (VF) for this fund is 7.0 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 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.