RHB OSK
RHB Asset Management

FUND FACTSHEET – JANUARY 2014

All data expressed as at 31 December 2013 unless otherwise stated

3-year Fund Volatility 15.4 very high Lipper Analytics 15 DECEMBER 2013

RHB-OSK ASEAN FUND (formerly known as OSK-UOB ASEAN FUND)

This Fund aims to achieve medium to long term capital appreciation through investments in securities of companies with high growth potential.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

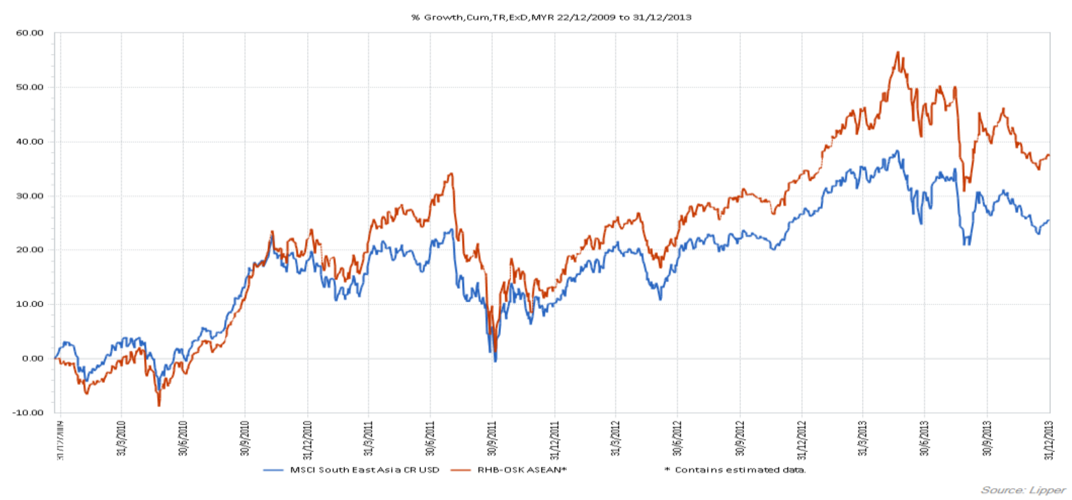
- wish to participate in the potential and investment opportunities of the fast growing ASEAN economies; and
- are willing to accept higher risk in their investments in order to achieve medium to long term capital growth.

INVESTMENT STRATEGY

- Up to 98% of NAV: Investments in equities and equity-linked securities issued by companies whose businesses are in ASEAN countries and are listed on the ASEAN markets and / or other markets.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-0.19**	**-2.59**	**-6.40**	**2.48**
Benchmark	-0.50	-1.11	-4.12	-0.92

	1 Year	3 Years	Since Launch
Fund	**2.48**	**12.56**	**37.37**
Benchmark	-0.92	6.26	25.45

Calendar Year Performance (%)*

	2013	2012	2011	2010
Fund	**2.48**	**18.43**	**-7.26**	**23.27**
Benchmark	-0.92	14.70	-6.59	14.99

**Source: Lipper IM*

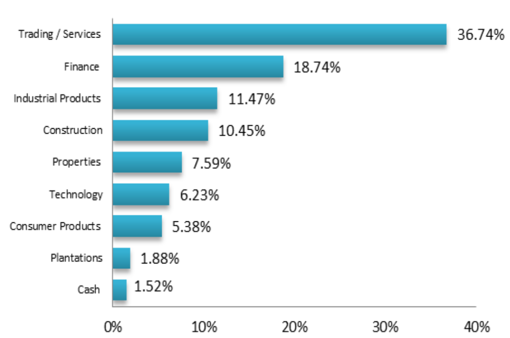
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity Fund
Fund Type	Growth Fund
Launch Date	02 December 2009
Unit NAV	RM0.5824
Fund Size (million)	RM16.96
Units In Circulation (million)	29.12
Financial Year End	30 April
MER (as at 30 April 2013)	1.99%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	MSCI South East Asia Index (RM)
Sales Charge	Up to 5.50% of investment amount
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a minimum of RM18,000 p.a.*
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	Incidental

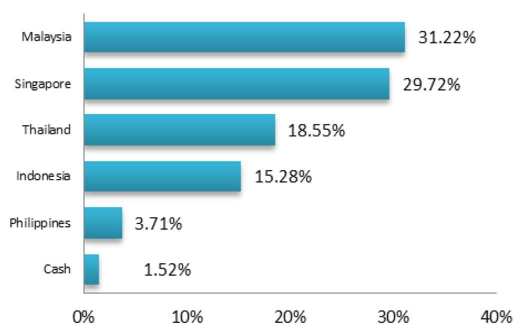
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

DBS GROUP HOLDINGS LTD	4.04
TENAGA NASIONAL BHD	2.15
NAM CHEONG LIMITED	2.06
SUPERMAX CORPORATION BHD	2.04
MMC CORPORATION BERHAD	2.04

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5856	0.6743	0.6743
Low	0.5716	0.5547	0.4562

Source: Lipper IM

Historical Distributions (Last 4 Years) (Net)

	Distribution (sen)	Yield (%)
30 Apr 2013	4.5000	7.44
30 Apr 2012	-	-
29 Apr 2011	3.8993	6.99
30 Apr 2010	-	-

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

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MANAGER'S COMMENTS

MARKET REVIEW

Global equity markets ended the year positively with the US and German market closed in record territory. Developed markets continued the upswings loaded with high expectations on economic recovery. Manufacturing numbers for the major countries continued to expand modestly. The US economy expanded in the third quarter at a faster rate of 4.1% annualized, up from a previous estimate of 3.6% as consumers stepped up spending on services such as health care and companies invested more in software. Inventories accounted for a third of the gain in GDP in the third quarter, showing companies were confident about the prospects for demand. Household spending, which is almost 70% of the economy, increased 1.4%. The US household net worth hit a record high in the third quarter which rose 2.6% or US$1.9 trillion, according to data from the Federal Reserves ("The Fed"). The value of residential real estate owned by households grew US$428 billion while the value of corporate equities and mutual funds spiked US$917 billion. The December FOMC statement came as a surprise as Bernanke and his colleague opted to trim QE3 with the outright monthly purchase of US$45 billion long term treasuries and US$40 billion MBS by US$5 billion each, starting January 2014. The Fed's December assessment of the US outlook continued to improve as "economy activity is expanding at a moderate pace" while "labor market conditions have shown further improvement." and consistent with growing underlying strength in the broader economy. In the Europe, European Central Bank ("The ECB") president Mario Draghi re-affirmed that interest rate will stay low for the foreseeable future, after officials cut inflation forecast for 2014. The ECB forecasts inflation at 1.1% in 2014, 0.2% lower than the previous prediction. The EU economy will contract 0.4% in 2013 but to grow 1.1% in 2014. In Japan, growth slowed more than estimated in third quarter, expanded an annualized 1.1% from the previous quarter, a revision from 1.9% due to weak business spending. The cabinet approved an 18.6 trillion yen package to cushion the blow to consumption from a 3% sales tax increase schedule for April 2014. The measures include 5.5 trillion yen in spending and are projected by the government to boost GDP by about 1% and create about 250,000 jobs. Inflation accelerated to the fastest pace, rose 1.2% more than forecast of 1.1%.

Within the Asia ex Japan equity markets, India and Taiwan outperformed whilst the Philippines and Thailand were the detractors. ASEAN equities were largely sold off as fund flows continued to switch to North Asia and Developed markets. The best performing markets among the ASEAN countries were Malaysia and Singapore whilst the Philippines and Thailand lagged (in MYR terms).

Malaysian equities recorded new high supported by local institutions banking on brighter economic outlook in 2014. Malaysia is expected to achieve a GDP growth of 5-5.5% in 2014 driven by private investment and consumption as well as the turnaround in the external demand. Efforts to rationalize subsidy and operating costs also boost investors confidence on government's determination to rein in fiscal deficit. However, the electricity tariff adjustment and gas subsidy reduction effective in January 1st of 2014 will stoke up inflation and weaken the ringgit. Singapore equities traded listlessly into holiday season. November PMI declined to 50.8 from 51.2 in October with new orders, production and input prices declined. CPI posted 2.6% in November mainly due to higher accommodation cost, higher private road transport costs and higher petrol pump prices. According to Minister of National Development, the government will start to taper the massive construction program from 2014 as supply and demand of public housing returns to balance. In Indonesia, November inflation was 8.37% which was lower than consensus while October trade surplus of US$42 million was a positive surprise as September posted a deficit of US$657 million. The government and the parliament agreed to ban all raw mineral ore export starting on 12 January 2014 was a surprise given the news flow for the last few months was towards selective ban. World bank predicts Indonesia's 2014 economy to grow at 5.3% driven by external factor and tight monetary condition. World bank appreciates the policy packages that have been issued by the government and monetary policy. However, World bank urged the authority to double the investment rate in order to balance the US tapering. Over to Thailand, political unrest had forced Prime Minister Yingluck Shinawatra to dissolve parliament and called for fresh elections in 2nd February 2014. Influx of inbound tourists reduced whilst foreign investment continued to flow out from the country. In the Philippines, President Benigno Aquino plans to spend an initial 40.9 billion pesos for the reconstruction of communities damaged by Super Typhoon Haiyan in November. The government will rebuild infrastructure, housing, agriculture and create jobs in the first phase of the plan.

OUTLOOK & STRATEGY

The OECD leading indicators suggest that the outlook of the global economy is improving and there may be a broadly synchronized recovery albeit moderate growth in 2014. The US economy is expected to grow at 2.6% in 2014 with unemployment rate down to 6.8% amid fiscal consolidation and the growth momentum to continue as business and manufacturing activities expand. Improvement in household wealth is expected to anchor consumer expenditure on real estate and automobiles. The European economy is showing signs of recovery with growth expectation of 1.1% by the ECB, supported by less austerity and continued strength in trade across the region. Nonetheless, the high unemployment rates, structural disparity between the core and peripheral European countries as well as the building deflationary forces remain a concern. The ECB will remain supportive with reflationary policies. The Asia Pacific economies remain solid and are well positioned to leverage on the uplift of global trade. China's new leaders have promised a bold blue print for reform in the Third Plenum and a successful implementation will determine China's next decade economy. The progress of the economic reforms hinges largely on the consolidation and further centralized of authority towards the central government. In Japan, rising inflation and weaker currency suggests that Abenomics is working which bodes well for Abe's goal to revive the third largest economy. Quality of growth remains a concern as a substantial portion of the corporate profits come from currency gain.

Global portfolio adjustments continue from bonds to equities, despite equities being fully valued, mainly supported by confident on global economic growth outlook whilst offsetting rising bond yields. Equities in developed markets and North Asia in particular are likely to outperform on solid recovery whilst the Fed tapering will take a toll on emerging markets earnings growth due to higher borrowing costs and currency fluctuation. Emerging markets equities are likely to suffer from high volatility in the short term, however, as developed markets growth accelerate, Emerging markets should enjoy the spillover effect.

ASEAN is in healthy shape with a superior debt position relative to many markets in the West and is, in our view, standing on the brink of a multi-year structural growth story. The OECD projects an average annual growth of 5.5% for ASEAN over the next five years. Over the last decade, ASEAN GDP growth was driven by the ex-Singapore renaissance. Strong GDP growth was the result of rising productivity, the burgeoning middle class, young demographics in a huge population, governments' pro-stimulus policies on large scale infrastructure projects and increasing intra-regional trade flows as FTA come to the force.

Furthermore, rising wages and labor shortage in China, the Renminbi's appreciation, Sino-Japan tension and trade barriers between China and rest of the world have prompted producers to consider diversification of production facilities and divert investments. ASEAN should see further FDI inflows from companies looking to capitalise on young population and low labour cost. Strong FDI flows create positive feedback loop in the economy, positively correlated with income growth and connecting the change in GNP (gross national product) and commercial expansion and domestic growth. Liberalization of Myanmar economy and further integration of Cambodia, Laos, and Vietnam into the bloc will be a new point of growth and provide more investment opportunities for ASEAN-5. Robust intra-regional trade is likely to sustain the economic growth and it will be a long lasting impact.

Shifting in the US strategic policy to rebalance its interests towards Asia, especially Southeast Asia to counter balance China's influence in the region also resulting in greater western interest and investment flows.

We remained focus on investing in good quality companies with resilient earnings while we continue to hold on to our main thesis of investing on population growth, urbanization, and increasing intra-regional trade. The key strategy would be to be nimble at adding or initiating new positions in well-managed companies that demonstrate a sustainable business models and decent dividend payouts with competitive advantages.