RHB ◆ OSK
RHB Asset Management

FUND FACTSHEET – JANUARY 2014

All data expressed as at 31 December 2013 unless otherwise stated

3-year Fund Volatility 16.6 very high Lipper Analytics 15 DECEMBER 2013

RHB-OSK CHINA-INDIA DYNAMIC GROWTH FUND (formerly known as OSK-UOB CHINA-INDIA DYNAMIC GROWTH FUND)

This Fund aims to achieve medium to long term capital appreciation through investing mainly in the securities of corporations in, or corporations listed or to be listed on stock exchanges in, or corporations (wherever located) which, in the opinion of the managers, derive significant revenue or profits from or have significant assets or business interests in, the People's Republic of China ("China") or the Republic of India ("India").

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

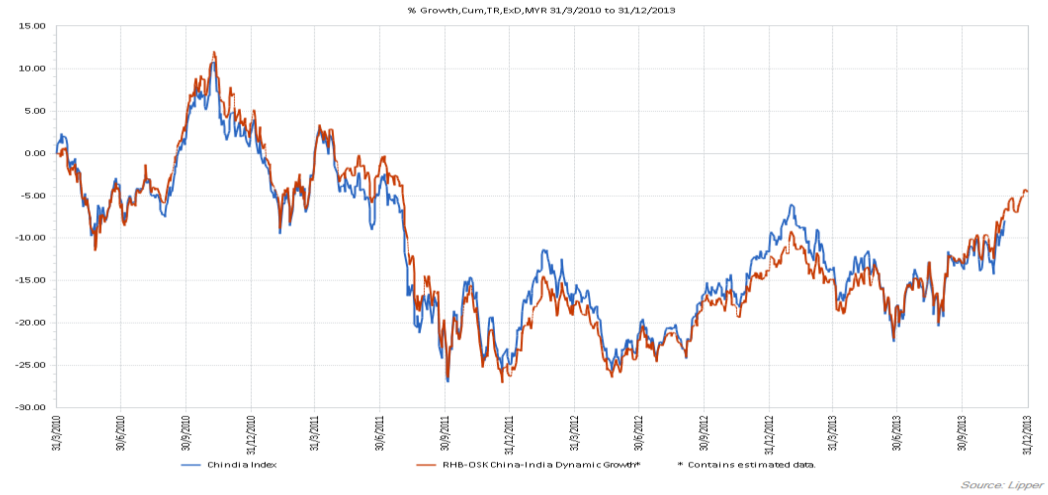
- wish to tap the growth prospects of two emerging growth engines of the world i.e. China and India;
- are willing to accept a higher risk in their investments to obtain potentially higher returns in the medium to long term; and
- seek capital appreciation.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United China-India Dynamic Growth Fund.
- 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	**2.27**	**9.67**	**16.64**	**10.79**
Benchmark	1.46	7.84	14.01	5.73

	1 Year	3 Years	Since Launch
Fund	**10.79**	**-7.84**	**-4.54**
Benchmark	5.73	-8.84	-6.58

Calendar Year Performance (%)*

	2013	2012	2011
Fund	**10.79**	**16.81**	**-28.79**
Benchmark	5.73	17.62	-26.54

**Source: Lipper IM*

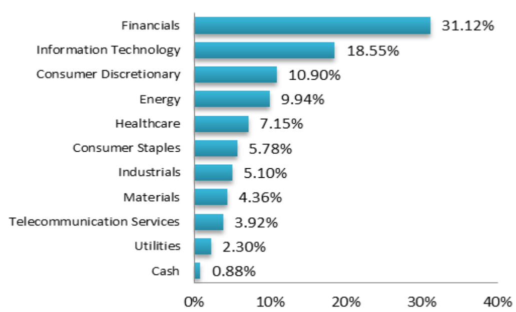
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	TMF Trustees Malaysia Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	11 March 2010
Unit NAV	RM0.4773
Fund Size (million)	RM13.40
Units In Circulation (million)	28.09
Financial Year End	31 July
MER (as at 31 July 2013)	0.45%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% MSCI China Index (RM) + 50% MSCI India 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

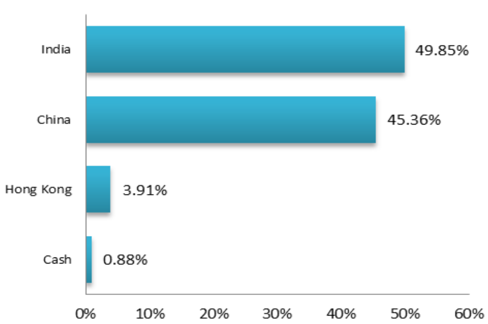
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TENCENT HOLDINGS LIMITED	4.83
INFOSYS LIMITED	4.56
HDFC BANK LIMITED	3.91
INDUSTRIAL & COMMERCIAL BK OF CHINA - H	3.89
CHINA CONSTRUCTION BANK - H	3.86

**As percentage of NAV*
**Exposure in United China India Dynamic Growth Fund - 98.00%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4788	0.4788	0.5604
Low	0.4651	0.3908	0.3648

Source: Lipper IM

Historical Distributions (Last 3 Years) (Net)

	Distribution (sen)	Yield (%)
31 Jul 2013	-	-
31 Jul 2012	-	-
31 Jul 2011	-	-

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

Head Office: 19th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. **General Line: 603-2164 3036** **Fax: 603-2164 4226** **Website: www.rhbgroup.com**

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MANAGER'S COMMENTS

ASSET ALLOCATION

Our asset allocation going into 2014 remains 50 China: 50 India. This is in line with the latest reading from our quant asset allocation model too as of January 2014. In China, we see positive reform momentum, following the 3rd Plenum and subsequently the "Decision" document announced in November. In India, the policies of the new RBI governor have tackled some of the country's macro challenges and we have seen recent improvement in the country's current account deficit.

CHINA MARKET COMMENTARY

Global equity markets ended mixed in December with a dichotomy in performance across regions. Developed markets gained, outperforming emerging markets which declined in December, continuing the trend seen in much of 2013. China outperformed most emerging markets, eking out positive returns for 2013 while the most other emerging markets declined. The focus was on the US Federal Reserve's earlier-than-expected announcement to taper its purchases of long-term debt securities as US economic conditions improved.

Global economic leading indicators continued to show expansion with developed markets showing particular strength. US PMI stayed at 57.0 in December from 57.3 in November, while Eurozone rose to 52.6 from 51.6 and Japan remained at 55.2 from 55.1. Emerging market PMIs mostly showed expansion, though declining from November levels. China's official PMI continued to show expansion, though it dipped to 51.0 from 51.4 in November, disappointing expectations for continued improvement. The HSBC China PMI similarly declined to 50.5 from 50.8. Other activity indicators in China were stable with exports showing particular strength.

The China market retreated in December as the economic momentum slowed partly due to a high base in 2012. The announcement at the end of the month by the National Auditing Office that China's local government debt jumped 67% to RMB17.89 trillion by end-June 2013 in 2.5 years renewed investors' concerns. The interbank rate spiked up towards the end of December too. Although it was temporary and eased after the PBOC injected liquidity, the second such episode this year raised renewed concerns of tighter liquidity and higher funding costs going forward. The annual Central Economic Working Conference concluded in the month with the government keeping a modestly-easing fiscal policy and neutral monetary policy in 2014.

CHINA MARKET OUTLOOK AND STRATEGY

While most of Asia and the emerging markets have taken a hit on deteriorating current account deficits, capital outflows and currency depreciation, the China market stand outs for having external surpluses and a strong currency. Growth also looks to have stabilized as seen in the PMI and recent activity indicators. China's reform measures are also now taking more concrete shape, with execution of financial reforms in full swing and the start of other social reforms such as easing the one child policy restriction.

While China's reforms and tighter monetary policy have a dampening impact to growth in the short term, successful execution will lead to many benefits in the medium to long run. These include resolving structural problems, better economic efficiency and alleviating the tail risk of a future hard landing and social unrest. We believe this will lead to a re-rating of the China market, which is still trading at a large discount relative to its history and the rest of Asia.

We believe much of the headwinds and risks that China is facing now are in the price. China's valuations are cheap, close to one standard deviation below its 10 year mean on price to earnings, and in the case of price to book, close to levels during the 2008 global financial crisis. Within the regional Asian markets, China also stands out as one of the cheapest. History shows that if we buy markets at such valuation levels, we will very likely be rewarded with strong positive returns over the medium to long term. Moreover, we now have tailwinds of positive reform momentum and stabilizing internal and external growth.

We remain vigilant in tracking operating conditions across China given the slowdown in growth and the government's policy initiatives having uneven impact across industries. We continue to look for opportunities to invest in companies that are benefitting from the rising purchasing power of the region's consumers. Stock selection is critical, given high competitive pressures.

We continue to underweight deep cyclical sectors such as materials in the face of China's slower growth over the medium term and general overcapacity. We are also underweight sectors facing structural headwinds such as the banks. Notwithstanding fiscal reform that will alleviate the burden of local government debt, they face contracting profit and net interest margins with interest rate liberalization and rising NPLs as growth slows. We prefer the non-bank financials such as insurance and brokers which will benefit more from financial and social security reforms. We are also overweight China Utilities- with focus on renewables and clean energy, another key pressing issue in the reform agenda. Another area we like is technology, especially the internet and mobile as internet and smartphone usage gains further momentum with the launch of 4G.

In the long term, the China market continues to be supported by high savings and wage gains, which provide an attractive backdrop for consumption growth. Rising purchasing power of the middle and lower income population is a very supportive backdrop for investors. When China gets through the current necessary painful transition, reforms and rebalances its economy towards a more sustainable growth path, these positive fundamentals should reassert themselves. The China market should then enjoy a sustained re-rating, with high rewards for long term investors now.

INDIA MARKET COMMENTARY

Sensex was up 4.36% (MYR terms) and Nifty was up 4.61% (MYR terms) in December 2013. Sensex started the month at 20,792 and closed at 21,171 up 1.8% over the month. Nifty started at 6,176 and closed at 6,304 up 2.1%. As per latest data, FIIs were net buyers in with inflow of USD 2.4 Bn vs. an inflow of USD 1.1 Bn last month, in Indian Equity markets. FIIs invested USD 883 Mn into domestic debt vs. an outflow of USD 789 Mn from Domestic debt markets last month. Domestic Mutual Funds were net sellers in the market with net sales of USD 92 Mn in the month.