RHB OSK
RHB Asset Management

FUND FACTSHEET – JANUARY 2014

All data expressed as at 31 December 2013
unless otherwise stated

RHB-OSK INDONESIA EQUITY GROWTH FUND (formerly known as OSK-UOB INDONESIA EQUITY GROWTH FUND)

This Fund aims to achieve medium to long term capital appreciation through investments in securities of companies with high growth potential that are listed on the Indonesia Stock Exchange and/or companies listed on other exchanges whose business are substantially in Indonesia.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:
- wish to participate in the potential and investment opportunities of the Indonesian economy;
- are willing to accept higher risk in their investments in order to achieve potentially higher returns in the medium to long term; and
- seek capital appreciation rather than income.

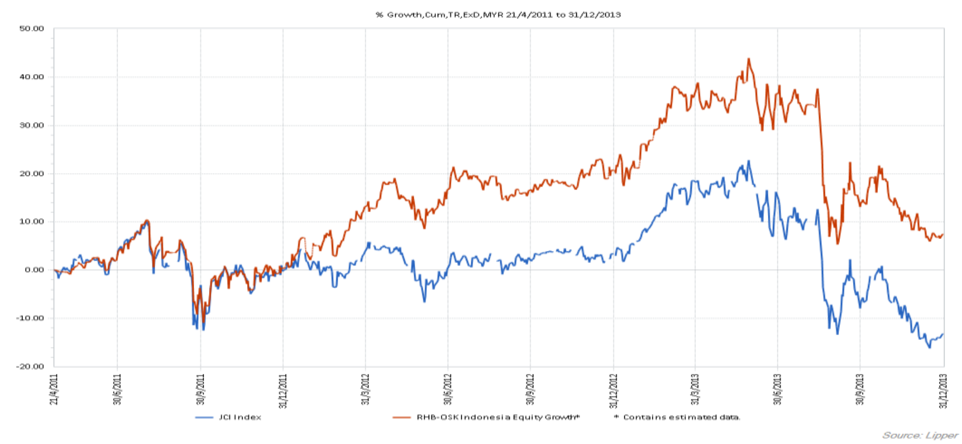
INVESTMENT STRATEGY

- 90% to 98% of NAV: Investments in equities and equity - linked securities issued by companies that are listed on the Indonesia Stock Exchange and/or companies listed on other exchanges whose business are substantially in Indonesia.

- 2% to 10% 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	**-1.91**	**-5.06**	**-21.35**	**-10.99**
Benchmark	-1.29	-5.87	-25.39	-16.10

	1 Year	Since Launch
Fund	**-10.99**	**7.43**
Benchmark	-16.10	-13.25

Calendar Year Performance (%)*

	2013	2012
Fund	**-10.99**	**20.14**
Benchmark	-16.10	3.63

**Source: Lipper IM*

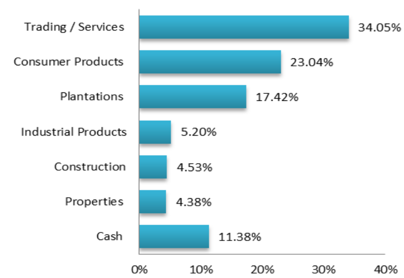
FUND DETAILS

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	04 April 2011
Unit NAV	RM0.4613
Fund Size (million)	RM4.69
Units In Circulation (million)	10.15
Financial Year End	31 May
MER (as at 31 May 2013)	2.22%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	Jakarta Composite 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

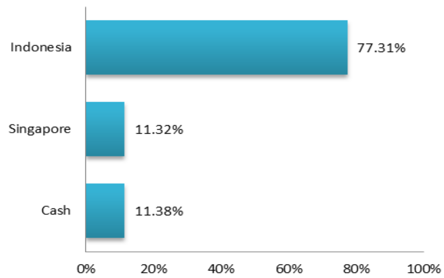
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BUMITAMA AGRI LTD	7.02
PT TELEKOMUNIKASI INDONESIA	6.29
BW PLANTATION TBK PT	6.11
PT GUDANG GARAM TBK	5.78
PT SEMEN INDONESIA (PERSERO) TBK	5.20

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4800	0.6590	0.6590
Low	0.4553	0.4522	0.4457

Source: Lipper IM

Historical Distributions (Last 2 Years) (Net)

	Distribution (sen)	Yield (%)
31 May 2013	-	-
31 May 2012	-	-

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

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MANAGER'S COMMENTS

MARKET REVIEW

Indonesian equities were up marginally for the month of Dec 13, with the JCI closing at 4,274 points (Nov 13: 4256 points). In the month of Dec, the Fed has finally decided to reduce liquidity injections by some US$10bn starting Jan 14. Since talk of tapering started in May 13, the Indonesian central bank has increased its policy rate by 175bp and allowed the rupiah to depreciate in excess of 20%, making it the worst-performing currency. The rise in bond yield is driven largely by expectations of rising risk free risk, not credit risk. The spread between rupiah bonds and the US$ T-Bill equivalent has been at a mean of 6% since 2007. If the 10-year T-Bill is 3.5% post the tapering, the Indonesian 10-year rupiah bond yield should be 9.5% vs. 8.5% currently.

CPI increased 0.55% in Dec 2013, slightly accelerating annual inflation to 8.38% from 8.37% the month before. Meanwhile, trade continued upbeat momentum on a surplus of US$777mil in Nov 13 from US$42mn in the previous month. Nov 13 trade surplus of US$777mil is higher than expected with export performed better than import. On monthly basis, export grew 1.5% whereas import contracted 3.4%. On yearly basis, export contracted 2.4% yoy and import decreased even deeper by 10.6% y.o.y. Non-oil and gas trade surplus jumped big time to US$2bil from US$0.8bn in Oct13, offsetting widening oil & gas trade deficit (US$1.2bn in Nov 13 vs. US$0.8bn in Oct 13). Tight monetary policy and weaker rupiah affect demand for non-oil and gas import, yet the oil and gas part remains solid. The contraction of non-oil & gas imports intensified to 12.81% yoy in Nov 13, while oil & gas imports remain high as it declined 3.42% y.o.y, less than 9.25% y.o.y contraction in Oct 13. The decline of non-oil & gas imports has been impacted by BI tightening measures, including the macroprudential measure on consumer credit, and depreciating rupiah. Automotive, iron & steel sectors are the drivers of Nov 13 import decline; these imports are sensitive to policy rate movements and weaker rupiah.

FUND STRATEGY

As the impact of subsidized fuel price hike will likely phase out in mid-2014, we expect inflation to normalize this year. Considering rupiah depreciation, LPG price increase, and another round of electricity tariff hike, inflation would likely hover around the upper end of BI inflation target of 4.5% ±1% in 2014. On trade, the current account deficit would narrow in 2014 on the back of global economy recovery, stable commodity price coupled with tighter monetary policy stemming import demand. The central bank's priority for 2014 is crystal clear: to bring down current account deficit to a sustainable level and to maintain the rupiah's stability. Nonetheless, despite positive figures in end 2013, the headwinds for improving current account remain strong. Given limited fiscal measure to address widening oil & gas account deficit and potential CAD risk from full export ban for mineral ore, we still see that the likelihood of BI to increase its policy rate is high in 2014, albeit limited. Tight monetary policy is also warranted given the triple short term risks which are US QE tapering starting Jan14, US debt ceiling risk likely occurring in Feb13, and Indonesia's political risk.

Stay defensive in the near term. The agriculture sector appears to be the greatest laggard in the face of rupiah weakness since Aug 11 as it is clearly benefiting from the weaker currency. Its catalysts may include the government biodiesel initiative, which, if successful, should support prices going into 2014.