RHB OSK
RHB Asset Management

FUND FACTSHEET – JULY 2014

All data expressed as at 30 June 2014
unless otherwise stated

3-year Fund Volatility 14.7 very high
Lipper Analytics 15 JUNE 2014

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:

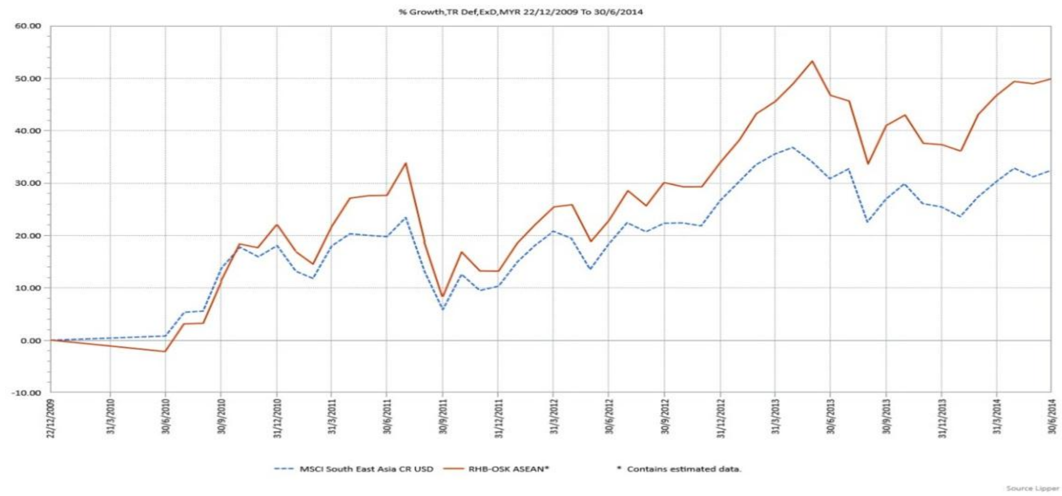
- wish to participate in the potential and investment opportunities of the fast growing ASEAN economies; and
- are willing to accept higher risk in their investments in order to achieve medium to long term capital growth.

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	**0.63**	**2.20**	**9.15**	**9.15**
Benchmark	0.94	1.69	5.57	5.57

	1 Year	3 Years	Since Launch
Fund	**2.17**	**17.43**	**49.94**
Benchmark	1.22	10.57	32.44

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*

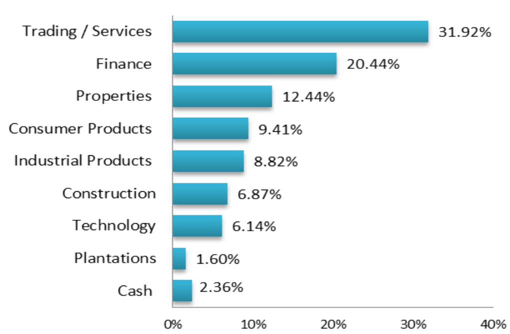
FUND DETAILS

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	RM0.5774
Fund Size (million)	RM16.98
Units In Circulation (million)	29.41
Financial Year End	30 April
MER (as at 30 April 2014)	2.38%
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

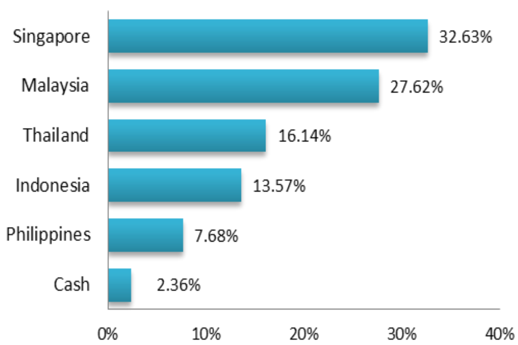
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

YOONG ONN CORPORATION BHD	2.09
THAI WAH FOOD PRODUCTS-NVDR	2.00
KRUNG THAI BANK PCL - FOREIGN	1.98
AIRPORTS OF THAILAND PCL-FOREIGN	1.96
DESTINI BHD	1.95

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5812	0.6410	0.6743
Low	0.5738	0.5547	0.4562

Source: Lipper IM

Historical Distributions (Last 4 Years) (Net)

	Distribution (sen)	Yield (%)
30 Apr 2014	5.8000	9.54
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 posted positive return in June led by emerging markets in particular Thailand and Brazil that rallied 6.2% and 5.6% (in USD term) respectively. In Thailand, calm after military coup has restored peace and confidence while decisive action by the military government via rollout of infrastructure projects with Board of Investment's approval of pending investment projects has spurred market rally and lifted SET Index. The World Bank cut its global growth forecast to 2.8% from 3.2% amid weaker outlooks for the US, Russia and China. The 2015 estimate for world economic growth was unchanged at 3.4%. The World Bank cited that global economy got off to a bumpy start buffeted by poor weather in the US, financial market turbulence and the conflict in Ukraine. However, growth is expected to pick up speed as the year progresses. The US economy contracted in the first quarter fell by 2.9% annualized rate more than forecast as consumer spending cooled due to bad weather. However, the return of consumer spending subsequently and companies placed more orders for equipment and manufacturing picked up as temperatures warmed might indicate that the early year setback was temporary. The Federal Reserve's officials released forecasts showing that interest rates would rise from zero faster than previously expected in 2015. Chairwoman Janet Yellen brushed aside concerns about quickening inflation, diminishing labor-market slack and asset-price bubbles in a prepared statement and press conference, emphasizing the Federal Open Market Committee's view that rates are likely to stay low "for a considerable time."

Within the Asia ex Japan equity markets, Taiwan and Thailand outperformed whilst Indonesia and Australia were the detractors. The best performing markets among the ASEAN countries were Thailand and the Philippines whilst Singapore, Indonesia and Malaysia lagged (in MYR terms).

Thailand equities (SET Index) had a strong gain of 6.04% in MYR terms, significantly outperforming overall ASEAN (+0.77%) as the military endorsed economic plan was welcomed by the market. The army's control has brought about more progress - Bt90 billion payments to rice farmers in motion, spending for 2014 Budget will resume and 2015 Budget will commence on time. Protests have been muted and the curfew was lifted. Domestic activity turned up more convincingly as indicators registered solid increases and business surveys were also more positive. The Philippines equity market continued to attract foreign flows following the credit upgrade by S&P in May citing the ongoing reforms to address shortcomings in structural, administrative, institutional, and governance areas will endure beyond the current administration. Malaysia equities gain 0.5% on the back of strong exports number, better than expected trade balance of USD 8.8 billion in April whilst tepid inflation data in May gave a boost to the sentiment. Singapore equities ended the month lower by 0.86% due to weaker than expected manufacturing, electronic exports, and non-oil domestic exports data in May whilst retail sales numbers in April continued to decline. Indonesian equities were the worst performer within the ASEAN region as investors are getting jittery as the gap between both presidential candidates - Jokowi and Prabowo narrows. On the macro front, April trade balance swung to a deficit of USD 2 billion as a result of weak exports and stronger than expected imports further put equities and Indonesia rupiah under pressure.

OUTLOOK & STRATEGY

Leading indicators suggest that the global recovery is still taking place mainly driven by improvement in developed markets. However, in the short term basis, in particular second half of 2014, equity market might experience higher volatility and valuation adjustment once the Fed completely exit from its asset purchase program as that will trigger the investors to speculate the probability and timing of the interest rate hike. The US economy growth expectation has been revised up from 2.6% to 2.7% in 2014 with unemployment rate to improve to 6.5% in 2014 and 5.95% in 2015 as the 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. Growth in emerging market and developing economies is expected to increase to 5.1% in 2014 and to 5.4% in 2015, according to IMF. Growth in China is expected to moderate to around 7.5% amid the economic transition and largely hinge on the execution of the reform blue print detailed in the Third Plenum.

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.