RHB OSK
RHB Asset Management

FUND FACTSHEET – AUGUST 2014

All data expressed as at 31 July 2014 unless otherwise stated

3-year Fund Volatility 14.7 very high
Lipper Analytics 15 JULY 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:

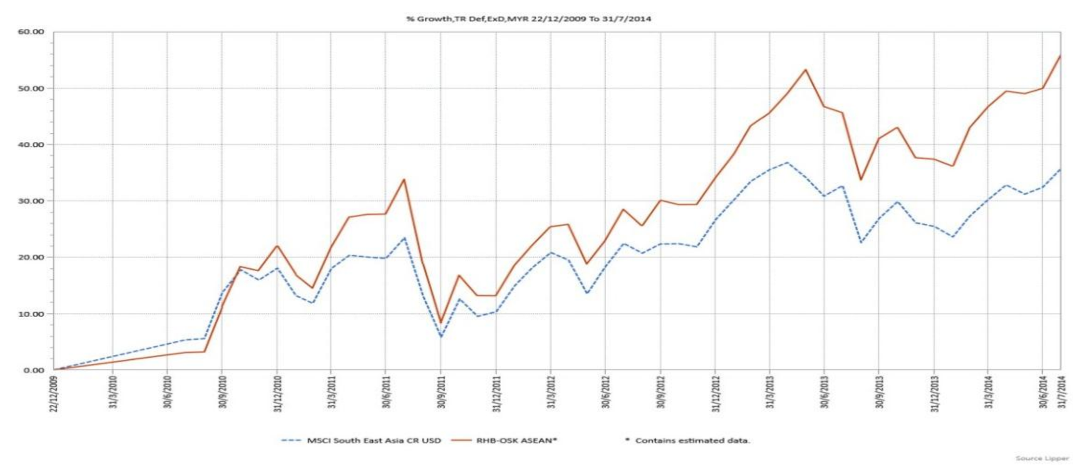
• wish to participate in the potential and investment opportunities of the fast growing ASEAN economies; and
• are willing to accept higher risk in their investments in order to achieve medium to long term capital growth.

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	**4.07**	**4.41**	**14.64**	**13.60**
Benchmark	2.54	2.22	9.88	8.25

	1 Year	3 Years	Since Launch
Fund	**7.14**	**16.58**	**56.05**
Benchmark	2.33	10.02	35.80

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*

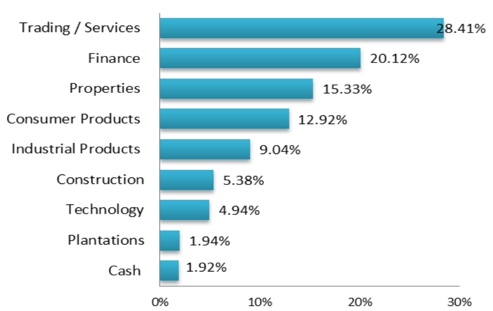
FUND DETAILS

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	RM0.6009
Fund Size (million)	RM19.38
Units In Circulation (million)	32.26
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

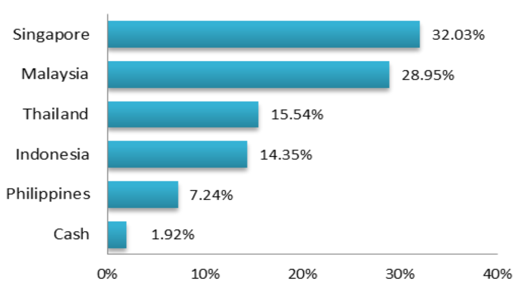
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BREADTALK GROUP LTD	3.54
OVERSEA-CHINESE BANK CORP LIMITED	2.24
FAVELLE FAVCO BHD	2.02
IRIS CORPORATION BHD	2.02
MALTON BERHAD	1.99

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6048	0.6410	0.6743
Low	0.5760	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 gave up gains in July led by developed markets in particular Europe and the US that declined 5.7% and 1.5% (in USD term) respectively. Emerging markets continued to outperform developed markets with China and Indonesia led the pack by 8% and 6.8% gains (in USD term). In the US, economic data for June was within expectation with improving personal consumption, durable orders and unemployment rate. The US economy reverses the contraction seen in first quarter and grew in much stronger than expected rate of 4%. The increase in real GDP was largely due to growing personal consumption expenditure, private inventory investment and exports. The Federal Reserves ("The Fed") announced a cut to its bond purchases to US$25 billion a month from US$35 billion. The Fed also added that the labour market continued to be weaker than expected, and planned to keep short term interest rates low for the foreseeable future, at least until mid 2015. In Europe, increasing concern over sign of financial stress in Portugal and ramped up sanctions against Russia sent equities lower. Euro-area government bonds continued to rise after weak data from retail sales to factory output signaled European Central Bank ("ECB") efforts to revive the economy are not yet finished. In China, equities rallied strongly mainly driven by the stabilizing economy, targeted easing and pro-growth measures. China's second quarter GDP came in slightly above expectation at 7.5% compared to consensus of 7.4%. Monetary conditions have become more accommodative.

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

Indonesia equities posted a strong gain of 5.55% in MYR terms, significantly outperforming overall ASEAN (+3.06%) as Indonesia's General Elections Commission ("KPU") confirmed that Joko Widodo ("Jokowi") has won Indonesia's presidential election with 53% vs. Prabowo's 47% of popular votes. Jokowi is aiming for a growth pace Indonesia has not seen since before the 1990s Asian financial crisis, and would put significant effort to address shortcomings in infrastructure, manufacturing and human capital. FDI growth in Indonesia strengthened to +16.9% yoy in second quarter, up from +9.8% in first quarter. Sectors attracting the most investment commitments were transport, warehousing, telecommunications, food and the mining industry. Largest sources of FDI were Singapore, Malaysia, Japan, Britain and the US. Singapore equities recorded a gain of 3.7% gain in MYR terms, mainly driven by banks and property companies with exposures in China. Investors turned optimistic on China financial assets as economy stabilize and PBOC increased liquidity. Thailand equities continued it upward momentum as the Junta government rollout pro-growth projects. The Junta council approved the 2.5 trillion baht budget bill for FY15 starting 1 October with 250 billion baht deficit. Main investments are dual-track train network, water management projects, transit system, and logistics. The Junta government forecasted a 2.5% GDP growth for 2014 compared to 1.5% of Bank of Thailand ("BoT"), with additional public stimulus, positive pass-through effect on private sector investments, and a faster than expected global economic recovery. The Philippine market moved sideways after the pork barrel issue stirred concerns of a potential public infrastructure spending bottleneck and an acceleration of the President's lame duck status before the 2016 national elections. President Aquino's satisfaction rating fell to a record low of 25% amid the Disbursement Acceleration Program ("DAP") controversy. Moody's lowered its 2014 GDP growth forecast to 6% from 6.5% due to the weak first quarter GDP print and slower government spending. IMF followed suit, lowering its forecast to 6.2% from 6.5%. Malaysia equities were the worst performer, as Bank Negara raised interest rate by 25bps to 3.25%. May trade surplus narrowed to US$1.7 billion, reflecting a stronger than expected rise in imports due to stronger demand for capital and intermediate goods.

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.