

RHB-OSK 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:

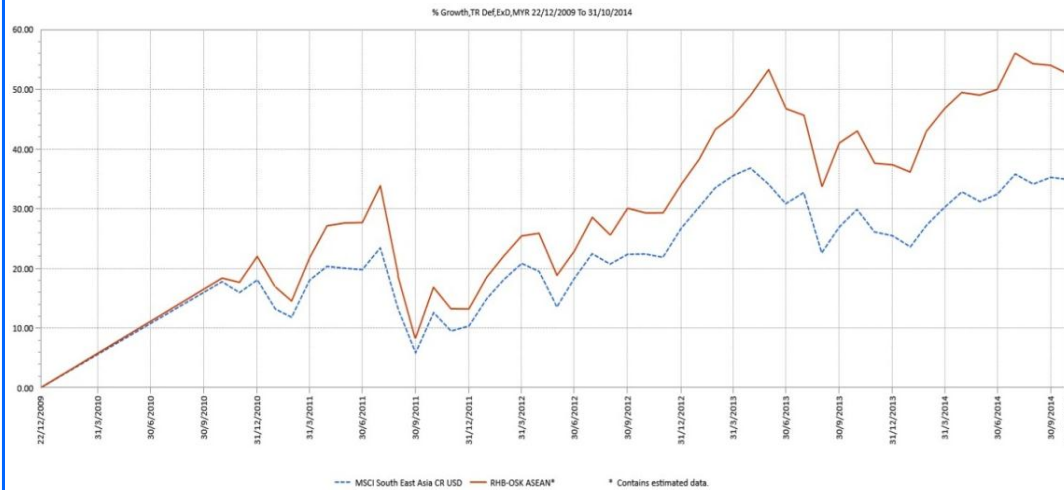
- wish to participate in the potential and investment opportunities of the fast growing ASEAN economies; and
- are willing to accept higher risk in their investments in order to achieve medium to long term capital growth.

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	-0.94	-2.23	2.09	11.06
Benchmark	-0.26	-0.66	1.55	7.54

	1 Year	3 Years	Since Launch
Fund	6.67	30.58	52.57
Benchmark	3.89	19.83	34.91

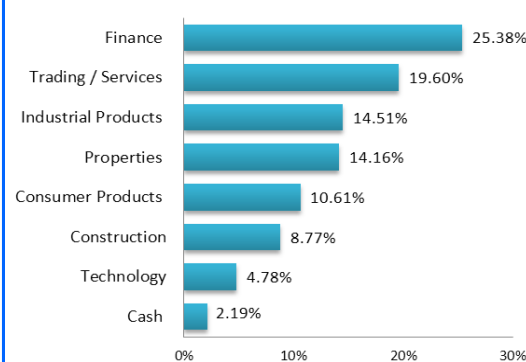
Calendar Year Performance (%)*

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

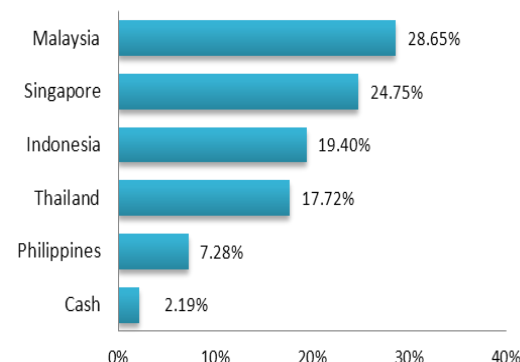
*Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

OVERSEA-CHINESE BANK CORP LIMITED	3.56
PT WASKITA KARYA PERSERO TBK	3.41
DBS GROUP HOLDINGS LTD	3.19
UNITED OVERSEAS BANK LTD	1.99
FAVELLE FAVCO BHD	1.98

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5931	0.6410	0.6743
Low	0.5486	0.5486	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.

RHB-OSK ASEAN FUND

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MANAGER'S COMMENTS
MARKET REVIEW

Global equities experienced sharp decline for the first half of October as growth fears deepened whilst oil prices were pressured by ample global supplies and weak demand. However, the better than expected corporate earnings from the US and unexpected monetary base expansion from the Bank of Japan ("BoJ") fueled equities rally in the second half of the month. The International Monetary Fund ("IMF") cut its outlook for global growth in 2015 and warned about the risks of rising geopolitical tensions and a financial market correction as stocks reached "frothy" levels. The world economy will grow 3.8% in 2015 compared with a July forecast for 4%, after a 3.3% expansion in 2013. The US is a bright spot and expected to grow 3.1% in 2015 compared with a 3% forecast in July whilst the euro area will grow 1.3% in 2015, slower than the 1.5% predicted. Crude oil prices experienced a steep decline as International Energy Agency ("IEA") trimmed 2014/2015 oil demand estimates by 250,000 barrels/day and 90,000 barrels/day due to reduced expectations for world economic growth whilst Saudi Arabia, the largest oil producer in OPEC, intends to maintain market share by enduring lower crude oil prices. In the US, macro numbers were generally in line with unemployment rate improved to 5.9% from 6.1% whilst corporate earnings reports were generally positive. In Europe, the European Central Bank ("ECB") started its asset purchase program by buying French, Spanish and Italian debt. The ECB failed 25 banks in a stress test but none of Europe's largest banks were found lacking. Sluggish growth in the euro area and political tension with Russia continue to paint a gloomy outlook on Europe. In China, no surprises from September macro numbers. A PBOC member predicted 7.2% growth for fourth quarter 2014 and estimates 7.3% growth for 2015. The Fourth Plenum wrapped up after a four day discussion to strengthening the "rule of law" with Chinese characteristics.

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

The Malaysian equities up 0.48% in MYR terms, outperforming overall ASEAN market (-1.42%) amid global equities slumped on growth fears. The World Bank has revised up the growth projection for Malaysia to 5.7% for 2014 from 5.4% as the economy will be spurred by export growth whilst IMF estimates 5.9% and 5.2% for 2014 and 2015 respectively. Inflation is expected to accelerate to 4.1% in 2015 from 2.9% in 2014 with subsidy and tax reforms. No huge surprise from 2015 budget as Malaysia is accelerating infrastructure investment as Prime Minister Najib leans on public expenditure to boost growth amid concerns on subsidy cuts and new consumption tax will curb private spending. Government fiscal deficit will reduce to 3% in 2015. In Indonesia, Joko Widodo ("Jokowi") took office on 20th October and unveiled his cabinet of 34 ministers that dominated by professionals. Investments picked up in the July to September period as Jokowi presidential election win provided some certainty for domestic business to start realizing their investments. Domestic investment climbed by 24% in 3Q14, whilst FDI grew by 17% in 3Q. The World Bank projects that Indonesia's economy will speed up in 2015, anticipating a stronger flow of foreign investment and bigger export demand. Indonesia's economy is estimated to grow 5.6% in 2015, compared to forecast of 5.2% growth for 2014. In Singapore, September non-oil domestic exports ("NODX") were weaker than expected due to decline in electronic NODX. Industrial production contracted 1.2% y/y in September, as the biomedical manufacturing cluster surprised with a 10.3% y/y contraction. Monetary Authority of Singapore ("MAS") guided that the economy should expand at a moderate pace in the quarters ahead and will maintain a modest and gradual appreciation of Singapore dollar. Thailand equities declined 0.17% as the World Bank has projected that the country will generate the lowest economic growth in 2015 due to structural problems in the export sector and unresolved political issues despite some clarity provided by the ruling junta. It lowered the growth forecast for 2015 from 4.5% to 3.5%, which is lower than the Thailand central bank's 4.8% projection. The Philippines equities declined 0.63% as the central bank sought to cap the value of real estate used as collateral to 60% from 80-90% currently and issued rules to raise minimum capital requirements for banks to guard against credit-driven asset bubbles. The World Bank cut its economic growth forecast for the Philippines to 6.7% from 6.9% in 2015 due to weak government spending and higher interest rates.

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.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 2014, the Volatility Factor (VF) for this fund is 11.6 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are above 13.0 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2014 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2014.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Master Prospectus dated 1 December 2013 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. Where a distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from cum-distribution NAV to ex-distribution NAV. Any issue of units to which the Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are restrictive geographical market, equities investment risks such as market risk and particular security risk and foreign investments risks such as country risk and currency risk. These risks and other general risks are elaborated in the Master Prospectus.

This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide to future performance. Returns may vary from year to year.