RHB◆OSK
RHB Asset Management

FUND FACTSHEET – SEPTEMBER 2014

All data expressed as at 31 August 2014 unless otherwise stated

RHB-OSK ASIA ACTIVE ALLOCATION FUND (formerly known as OSK-UOB ASIA ACTIVE ALLOCATION FUND)

This Fund aims to maximise total returns through a combination of long term growth of capital and current income.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

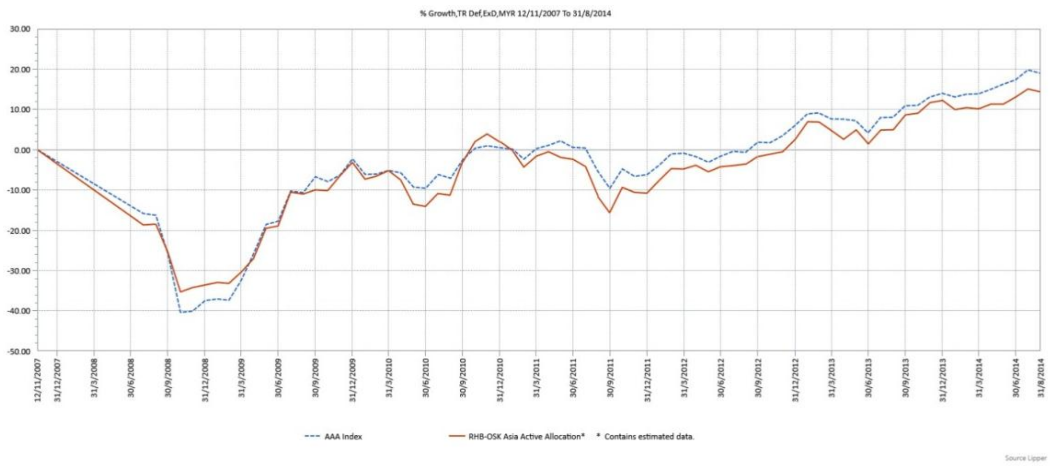
- wish to participate in the fast growing Asian markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions; and
- are willing to accept moderate risk in their investments in order to achieve long term capital growth and income.

INVESTMENT STRATEGY

- 20% - 60% of NAV: Investments in securities of and securities relating to Asian core/large companies.
- Up to 40% of NAV: Investments in securities of and securities relating to Asian small companies.
- 20% - 60% of NAV: Investments in Asian fixed income securities and money market instruments including cash and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-0.63**	**2.73**	**3.53**	**1.85**
Benchmark	-0.70	2.32	4.58	4.37

	1 Year	3 Years	5 Years	Since Launch
Fund	**8.90**	**29.26**	**28.39**	**14.34**
Benchmark	10.09	25.65	33.13	18.99

Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	**9.44**	**15.05**	**-12.59**	**5.22**	**45.77**
Benchmark	7.56	12.97	-7.03	3.24	56.20

**Source: Lipper IM*

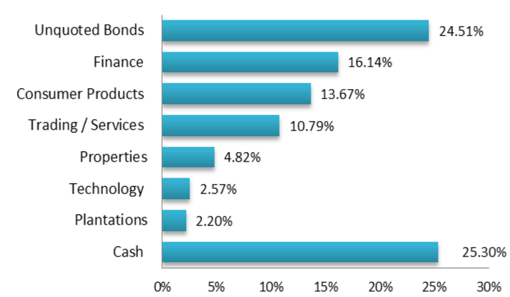
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity / Bond Fund
Fund Type	Growth and Income Fund
Launch Date	23 October 2007
Unit NAV	RM0.5717
Fund Size (million)	RM17.07
Units In Circulation (million)	29.87
Financial Year End	31 March
MER (as at 31 Mar 2014)	2.05%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	40% MSCI AC Far East Ex Japan Index (RM) + 20% MSCI AC Asia Pacific ex Japan Mid Cap Index (RM) + 40% JP Morgan Asia Credit Index Total Return (RM)
Sales Charge	Up to 5.00% 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	Annually, if any

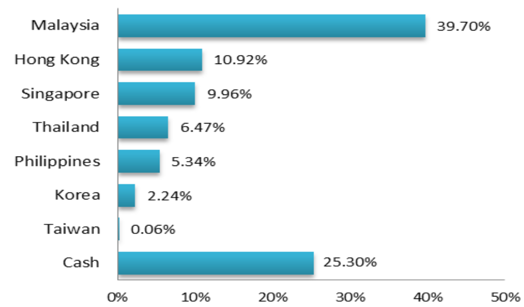
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

PUBLIC BANK BHD-6.840%(22/8/36)	9.69
AMBB CAPITAL LTD-6.77% (27/1/16)	9.46
PUBLIC BANK BOND-5.10% (22/12/36)	5.36
TELEKOM MALAYSIA BHD	3.05
IND & COMM BANK OF CHINA-H	2.89

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5753	0.5763	0.5763
Low	0.5668	0.5250	0.3095

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Mar 2014	-	-
31 Mar 2013	-	-
31 Mar 2012	-	-
31 Mar 2011	-	-
31 Mar 2010	-	-

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

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3-year Fund Volatility 9.3 moderate Lipper Analytics 15 AUGUST 2014

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MANAGER'S COMMENTS

MARKET REVIEW

In Aug, S&P500 Index hit 2000pt mark for the first time, buoyed by investors optimism on gradual economy recovery in the US and ease of tension in Ukraine crisis that roiled the market in July and early Aug. Global financial markets rebounded to recoup lost ground while volatility remain a key risk. FBM KLCI eased marginally, -0.28% mom to 1866pt while YTD still recorded flattish return, fell -0.05%. In the meantime, Small Cap Index corrected after strong rally YTD and warnings from research houses on lofty valuation, underperform in July, -2.42% and +18.54% YTD, KLCI Fledgling Index +0.99% mom and +28.05% YTD. The KLCI lacklustre trend underperformed ASEAN regional markets but outperformed some of the North Asia peers. Within Asia region, India, Vietnam and Philippines were best performers, advanced circa +28%, +24% and 23% YTD respectively while Japan Nikkei 225 was worst performers, fell circa 3% YTD.

FIXED INCOME REVIEW & OUTLOOK

US Treasuries ("UST") drew strong demand in August 2014 as yields in Europe fall to records amid speculation the European Central Bank ("ECB") will introduce additional stimulus. Fighting in Ukraine also increases investor appetite for the safest securities. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.49% (July: 0.53%), 1.63% (1.75%), 2.34% (2.56%) and 3.08% (3.32%) respectively.

Meanwhile, investors took profit on the local bond market ahead of the next Monetary Policy Committee ("MPC") meeting on 18th September. As a result, the benchmark yields moved slightly higher compared to end-July levels. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.50% (July: 3.47%), 3.68% (3.66%), 3.81% (3.75%), 3.91% (3.89%), 4.21% (4.21%), 4.30% (4.29%) and 4.64% (4.64%) respectively. On the other hand, performance of the Government Investment Issues ("GII") were rather range bound with the 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.61% (July: 3.60%), 3.79% (3.78%), 4.00% (4.01%), 4.14% (4.14%), 4.39% (4.40%) and 4.61% (4.58%) respectively.

Data released in August continues to prove US is on track for a modest recovery. ISM's manufacturing sample reported solid acceleration in July with the composite index rising a sizable 1.8 points to 57.1 in July. This is the best reading since Apr 2011. Industrial Production ("IP") increased a robust 0.4% in July, equaling the revised June pace. Consumer Price Index ("CPI") grew soft in August, but still appears to be creeping upward. Overall CPI rose 0.1% in July after a strong 0.3% boost the month before. Housing is also making a comeback with the labor market improving. Housing Starts, Existing Home Sales and New Home Sales all posted better readings compared to a month ago. In the Federal Open Market Committee ("FOMC") minutes, the Fed indicates that the economy is moving closer to the unemployment and inflation goal but a wage rate is still a concern. Hence policy tightening is still seen as data dependent. The second estimate for 2Q2014 GDP growth came in a little stronger than expected, rising 4.2% annualized (first estimate: 4.0%).

On the domestic economic front, June trade surplus narrowed as exports slowed more than imports. The slowdown in exports was due to sequential pullback in most major markets such as US, Europe, Japan and China. Jun exports rose 7.9% YoY (May: 16.2% YoY, consensus: 15% YoY) while imports slowed to 9.2% YoY (May: 11.8% YoY, consensus: 12.8% YoY). As a result, trade surplus narrowed more sharply than expected to RM3.79bil (May: 5.65bil) and Current Account surplus narrowed to 6.1% of GDP in 2Q2014 from 7.7% in 1Q2014. IP rose again in June to 7.0% YoY (May: 5.9% YoY, consensus: 5.0% YoY). The seasonally adjusted 2Q2014 headline IP was 4.1% above 1Q2014 average, signaling that 2Q2014 GDP growth could be higher than 1Q2014. Indeed, the 2Q2014 GDP numbers released on 15th August saw the country's growth picked up to 6.4% YoY (1Q2014: 6.2% YoY), mainly led by widening of the net exports and pick up in private investments. CPI was contained in July as the growth was lower than expectation. CPI grew by 3.2% YoY in July (June: 3.3%, consensus: 3.3%), moderately lower than the Overnight Policy Rate ("OPR") that was revised to 3.25% in July. Currently, the market is split between a call to increase interest rate at 0.25% by end of this year and early-2015.

MARKET OUTLOOK AND STRATEGY

Despite lacklustre Aug performance on KLCI due defensive nature of the market and lack of positive catalyst but overall market breadth remain healthy, we maintain our positive view on equity market and envisage bottoming of corporate earnings downgrade and expect gradual recovery in 2H 2014.

On regional front, latest HSBC Markit China manufacturing PMI came in weaken to 50.2 in Aug vs 51.7 in July, while the non-manufacturing PMI recorded an increase to 54.1 in Aug from 50.0 in July. We envisage China macro data continue to be mixed with soft patch due to Chinese govt determination to rebalance the economy. We expect the Chinese govt will react with selective/targeted easing should cyclical weakness threaten GDP growth and unemployment. EM reliance on China growth for commodities export may face headwinds in 2014.

On sector basis, we continue to favour consumer, tech, healthcare, industrial and telco while selectively bullish bias on infra related construction stocks. We foresee 2014 to be a reform year for regional economies and Malaysia govt to rollout targeted infra projects to spearhead the economy and continue its reform agenda including subsidy rationalization which augur well for the economy. Increase market volatility globally will create capital misallocation and outflow of funds from emerging markets, thus misprice securities from fundamental. We remain cognizant of prevalent risks but look into adding bombed-out good fundamental stocks to enhance alpha.