FUND FACTSHEET – NOVEMBER 2014

All data expressed as at 31 October 2014 unless otherwise stated

3-year Fund Volatility **7.3** moderate
Lipper Analytics 15 OCTOBER 2014

RHB-OSK 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:

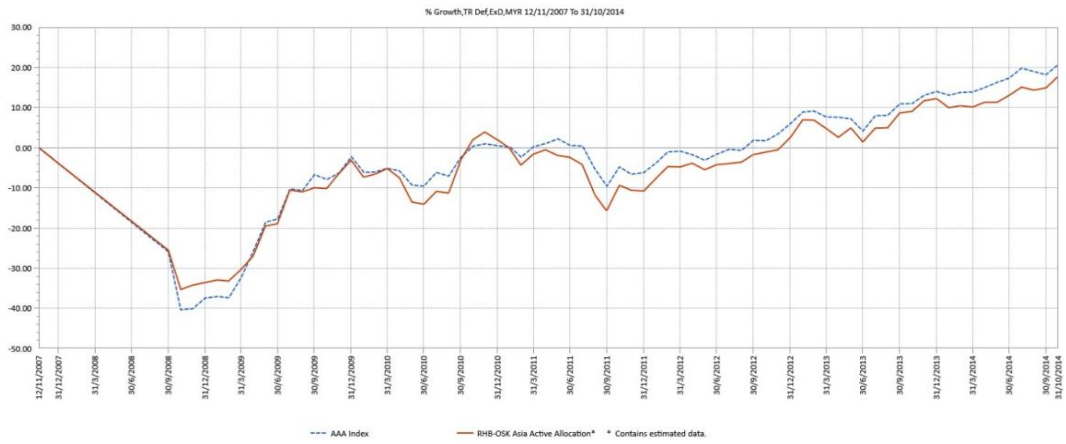
- wish to participate in the fast growing Asian markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions; and
- are willing to accept moderate risk in their investments in order to achieve long term capital growth and income.

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	**2.54**	**2.38**	**5.84**	**4.93**
Benchmark	2.18	0.78	5.01	5.92

	1 Year	3 Years	5 Years	Since Launch
Fund	**7.97**	**30.02**	**31.01**	**17.80**
Benchmark	8.78	26.79	31.13	20.76

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*

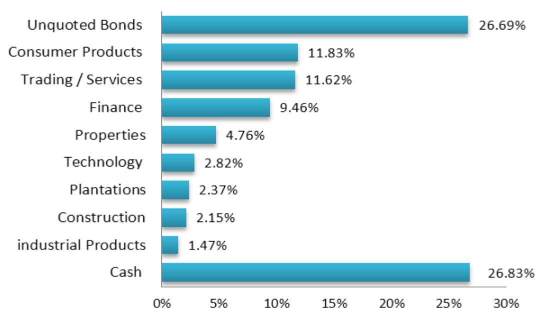
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Equity / Bond Fund
Fund Type	Growth and Income Fund
Launch Date	23 October 2007
Unit NAV	RM0.5890
Fund Size (million)	RM16.20
Units In Circulation (million)	27.50
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	Up to 0.08% p.a. of NAV
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

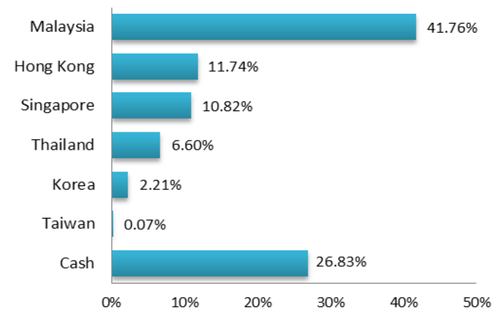
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

PUBLIC BANK BHD-6.840%(22/8/36)	10.63
AMBB CAPITAL LTD-6.77% (27/1/16)	10.41
PUBLIC BANK BOND-5.10% (22/12/36)	5.64
TELEKOM MALAYSIA BHD	3.65
CHINA CONSTRUCTION BANK-H	3.20

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5890	0.5890	0.5890
Low	0.5643	0.5368	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.

RHB OSK
RHB Asset Management

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MANAGER'S COMMENTS

MARKET REVIEW

In Oct, financial markets volatility heightens on the back of investors concern on global growth after IMF downgrade global economic forecast, fear of Fed interest path acceleration and market liquidity. S&P500 Index fell circa 7% intra month before recover to closed +2.32% in Oct. Brent crude oil fell 28% since June to $82/barrel intensify the October market selloff. FBM KLCI edged up marginally, +0.48% mom to 1855pt while YTD still recorded flattish return, fell -0.63%. In the meantime, Small Cap Index ended in negative territory after strong rally YTD and warnings from research houses on lofty valuation, fell 5.20% mom and +12.75% YTD, KLCI Fledgling Index decline 4.57% mom and +25.11% YTD. The KLCI lacklustre trend underperformed ASEAN regional markets but outperformed some of the North Asia peers. Within Asia region, India, Philippines and Thailand were best performers, advanced circa +31%, +22% and 21% YTD respectively while Kospi, HSCEI, and Nikkei 225 were underperformers, fell 2%, 0.56% and +0.75% YTD respectively.

FIXED INCOME REVIEW & OUTLOOK

IMF revised global growth outlook downwards in October, spurring buying interest in risk free assets such as US Treasuries ("UST"). The curve bullish flattened in October, despite Federal Reserve ("Fed") ending Quantitative Easing ("QE") programme in the same month. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.49% (September: 0.57%), 1.61% (1.76%), 2.34% (2.50%) and 3.07% (3.20%) respectively.

Meanwhile, Ringgit government bond continues to trend tighter as market believes Bank Negara's tightening cycle has ended. In the IMF annual meeting early October, Bank Negara's governor - Tan Sri Dato Sri Dr. Zeti - was quoted saying Malaysia still needs accommodative interest rate policy to support the country's growth. As a result, the local government bond market bullish flattened with long-end yields compressed more than short-end yields. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year Malaysia Government Securities ("MGS") were traded at 3.50% (September: 3.47%), 3.63% (3.67%), 3.77% (3.80%), 3.83% (3.89%), 4.15% (4.21%), 4.25% (4.31%) and 4.63% (4.71%) respectively.

Data released in October is still showing moderate growth with no signs of inflation picking up. ISM actively slowed to 56.6 in September (August: 59.0) but nevertheless remained on the expansionary territory. Industrial Production ("IP") also gained 1% in September (August: -0.2%) with Capacity Utilization Rate increased to 79.3% (August: 78.7%). Both utilities and manufacturing components were positive in the readings. Housing Starts, Existing Home Sales and New Home Sales all gained in September, given the sharp decline in key mortgage rates (-0.15% MoM to 3.97%) and steady improvement underway in the labor market. However on the expenditure side on the economy, both core and headline Consumer Price Index ("CPI") only rose by 0.1% MoM in September. Retail sales were also weak, with -0.3% MoM contraction in the same month. Overall, September Personal Income growth was weak at 0.2% MoM (August: 0.3% MoM), with Consumer Spending contracting -0.2% MoM (August: 0.5% MoM). The US economy grew by an annualized 3.5% YoY in 3Q2014 (2Q2014: 4.6% YoY). The increase in real GDP in 3Q2014 is mainly coming from non-residential fixed investment and federal government spending.

Lastly, the Fed has ended QE in October and kept the Fed Fund Rate unchanged at 0 – 0.25%. With annual inflation rate still falls short of Fed's 2 percentage point target, Fed Fund Rate is likely to remain low for a "considerable period".

On the domestic economic front, August trade surplus expanded less than expectation as imports outpaced exports. August exports rose by 1.70% YoY (July: 0.8% YoY) while imports surge 7.6% YoY (July: -0.7% YoY). Sequential expansion was seen in exports to US (August: 3.1% MoM, Jul: -3.6% MoM) but exports to EU fell (August: -0.60% MoM, July: 11.00% MoM). Slower domestic activities in China led to sequential fall in exports (August: -4.80% MoM, July: -0.80% MoM). August IP surprises on the upside, reported at 6.50% YoY growth (July: 0.60% YoY), above consensus of 5.10%. Rebound in August's growth can be partially attributed to strong manufacturing, electricity and mining results. The Budget 2015 announced in October further emphasized on meeting fiscal deficit target in 2014 (3.50% of GDP) and 2015 (3.00% of GDP), by gradually removing fuel subsidy as well as implementation of Goods and Services Tax ("GST") in April 2015. During the IMF annual meeting in Washington, BNM Governor Dr. Zeti comments were dovish, nothing that risks to global growth have increased and domestic growth will moderate closer to 5.00% in 2015 due to some moderation in consumption. While implementation of GST will likely to increase inflation in the short term, BNM still sees long term inflation trend of 3.00% as achievable. Both her comment as well as the temporary fall in September CPI to 2.60% YoY (August: 3.30% YoY) reinforces the rate hike pause in November. The last BNM Monetary Policy Committee meeting for the year is scheduled on 6th November.

MARKET OUTLOOK AND STRATEGY

PM Najib budget announcement centred on govt efforts in fuel subsidy rationalization, infra projects rollout and impact of GST implementation in early 2015 to rein in fiscal deficit. We maintain our positive view on equity market and envisage bottoming of corporate earnings downgrade and expect gradual recovery in 2015.

On regional front, latest HSBC Markit China manufacturing PMI came in unchanged at 50.2 in Sept vs 50.2 in Aug and 51.7 in July, while the non-manufacturing PMI weaken slightly to 54.0 in Sept vs 54.4 in Aug. 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.