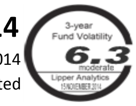
RHB Asset Management

FUND FACTSHEET – DECEMBER 2014

All data expressed as at 30 November 2014
unless otherwise stated



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:

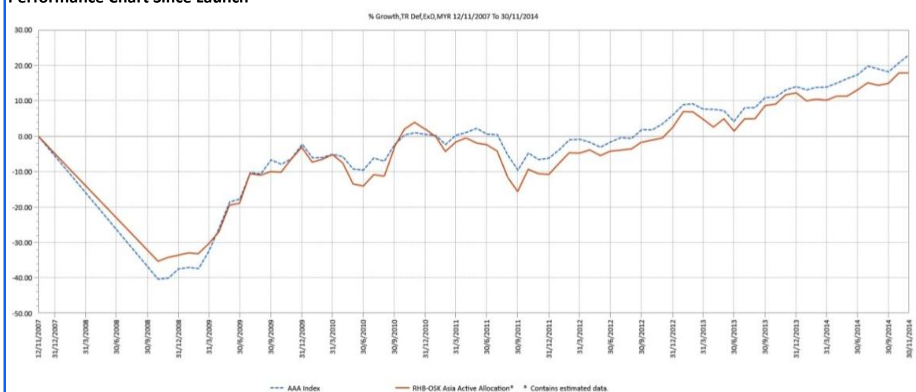
- wish to participate in the fast growing Asian markets;
- seek a flexible investment mandate capable of capitalising and adapting to prevailing market conditions; and
- are willing to accept moderate risk in their investments in order to achieve long term capital growth and income.

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	**0.03**	**3.06**	**5.88**	**4.97**
Benchmark	1.90	3.42	5.81	7.94

	1 Year	3 Years	5 Years	Since Launch
Fund	**5.46**	**31.87**	**25.92**	**17.84**
Benchmark	8.81	31.73	31.28	23.05

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*

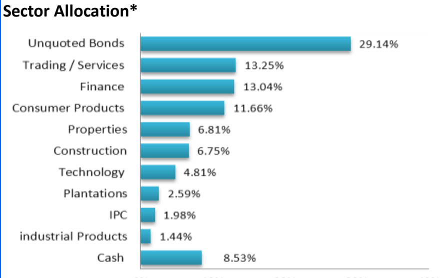
FUND DETAILS

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	RM0.5892
Fund Size (million)	RM15.08
Units In Circulation (million)	25.59
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

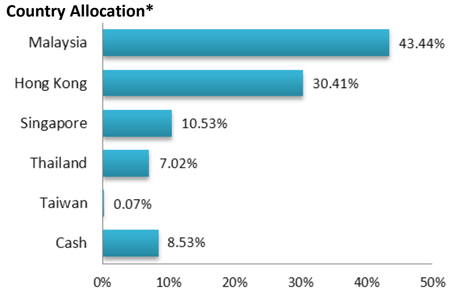
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

PUBLIC BANK BHD-6.840%(22/8/36)	11.66
AMBB CAPITAL LTD-6.77% (27/1/16)	11.42
PUBLIC BANK BOND-5.10% (22/12/36)	6.06
TELEKOM MALAYSIA BHD	3.85
IND & COMM BANK OF CHINA-H	3.60

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5927	0.5927	0.5927
Low	0.5775	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.

Head Office: 19th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. **General Line: 603-2164 3036** **Fax: 603-2164 4226** **Website: www.rhbgroup.com**

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.

MANAGER'S COMMENTS

MARKET REVIEW

The local indices and market momentum remain weak in the month of November as investors were seen cautious amid lack of catalysts in the markets. Federal govt decision to remove the fuel subsidy and replaced by managed float system was seen as bode move by investors as a reign in fiscal deficit and channel the savings to fund the much needed infrastructure spending. Oil and gas sector was facing renew headwinds with oil price plunging over 30% since June 2014 and potential capex cut by national oil company Petronas put pressure on oil field related activities hence de-rating on broad spectrum of oil and gas stocks. Small mid cap space was not spared from the market weakness, judging by FBM Small Cap Index which fell 7.07% mom in November as investors concern on corporate earnings growth and potential impact on GST implementation on consumer consumption in 2015. In the meantime, Malaysia 3Q14 GDP growth eased to 5.6% yoy vs 6.4% in 2Q as exports growth and domestic demand weaken but inline with global trend. Industrial production also moderated to 5.4% yoy in September vs +6.5% in Aug, in tandem with slowing manufacturing activities.

Asian indices ended the month of November on a mixed note with the Shanghai Composite Index rising the most or +10.85% whilst the Shenzhen Composite Index climbed 5.17%. PBOC recent interest rate cut give hope to market of more easing in the near future as macro data remian mixed, with China industrial production fell 7.7% yoy while retail sales slowdown to 11.5% yoy. Closer to home, Singapore Straits Times Index edged up 2.33% MoM whilst Jakarta's Composite Index was flat at +1.19% MoM as investors optimism on President Joko Widodo govt bode step to hike petrol price in his series of economic reforms agenda in the country. Nikkei 225 +6.37% in November buoyed by market optimsim as BOJ taking decisive move to increase quantitive easing in the effort to end decades long deflationary pressure and PM Abe announced desolution of parliament lower house to pave way for new election as PM Abe seeks to obtain new mandate from Japanese people to push through his Abenomics agenda.

FIXED INCOME REVIEW & OUTLOOK

Organization of the Petroleum Exporting Countries ("OPEC") surprised the financial markets and left its oil production targets unchanged in the face of declining oil prices. As a result, inflation expectation in the US was faltered which resulting in UST bullish flattened in the yield curve. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.47% (October: 0.49%), 1.48% (1.61%), 2.17% (2.34%) and 2.89% (3.07%) respectively.

Lower oil price posted a new concern for oil exporting country such as Malaysia. Ringgit weakened from 3.2835 at end-October to 3.3685 at end-November. Likewise, the Malaysian Government Securities ("MGS") also bearish flattened, with short-end yield increased by 6 – 12bps. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.56% (October: 3.50%), 3.75% (3.63%), 3.77% (3.77%), 3.86% (3.83%), 4.14% (4.15%), 4.24% (4.25%) and 4.59% (4.63%) respectively.

On the domestic economic front, BNM kept Overnight Policy Rate ("OPR") at 3.25% as widely expected. November was the last Monetary Policy Committee ("MPC") committee meeting for the year and the Central Bank has only delivered 25bps of policy rate hike throughout 2014, contrast with 50bps hike expected in the beginning of the year. September Trade surplus expanded more than expected on a sequential fall in imports. Export rose 2.0% YoY (August: 1.7% YoY), while import slowed to 1.1% YoY. Trade surplus for September was reported at RM9.33bil (August: RM 3.86bil). The increase in exports was due to higher machinery orders to US and China, which marked a sequential expansion since August. 3Q2014 GFP growth slowed to 5.6% YoY (2Q2014: 6.5% YoY) on weaker net exports as well as gross investments. Current Account surplus also narrowed sharply to RM7.6bil (or 2.8% of GDP), from RM16.0bil (or 6.1% of GDP) reported in 2Q2014. Lastly, October CPI only grew 2.8% YoY (September: 2.6% YoY, consensus: 3.0% YoY) as RON95 and diesel price was adjusted higher for the month.

MARKET OUTLOOK AND STRATEGY

Malaysia is expected to grow between 4.5%-5.5% in 2014, likely nearer the upper band and higher than the 4.7% registered for 2013 and supported by a better global economy and investment spending. Inflation will be higher at 3.0%-4.0% from increased fuel and electricity costs and expectations of more reduction in subsidies moving forward and expected inflationary expectations prior to GST implementation. Against a backdrop of expected lower domestic demand and private consumption due to rising cost, net exports is expected to pick up helped by stronger exports to developed markets on an improving global economic growth outlook. BNM is likely to maintain its 3.25% OPR level for the rest of 2014 after the hike in July. Government fiscal restraints are expected to continue.

Global economic growth is ticking up, thanks to the various Quantitative easing (QE), accommodative and supportive packages by major world economies over the past few years. Despite hiccups along the way, there have been improvements in employment levels, business and consumer confidence, and industrial and manufacturing activities globally. With the U.S. tapering off completely its massive QE pumping and start guiding on its current ultra-low interest rates, markets will continue to adjust to this transition from liquidity-driven to a more fundamental and growth-driven focus.

On sector basis, we continue to favour consumer, tech, healthcare, industrial and telco while selectively bullish bias on infra related construction stocks. We foresee 2015 continue 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.