FUND FACTSHEET – JULY 2014

All data expressed as at 30 June 2014
unless otherwise stated

RHB-OSK ASIAN INCOME FUND (formerly known as OSK-UOB ASIAN INCOME FUND)

The Fund aims to provide income and capital growth over the medium to long term by investing in one target fund, i.e. the Schroder Asian Income.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

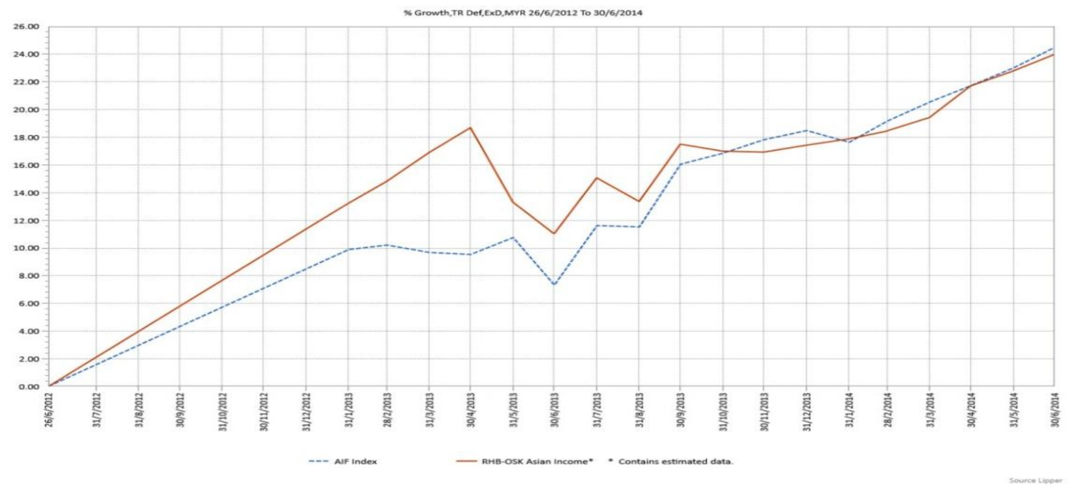
- seek income and capital growth over the medium to long term;
- have moderate risk appetite; and
- seek investment opportunities in the Asian region.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of Schroder AI.
- 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	**0.97**	**3.82**	**5.58**	**5.58**
Benchmark	1.20	3.27	5.08	5.08

	1 Year	Since Launch
Fund	**11.67**	**23.98**
Benchmark	16.01	24.50

	2013
Fund	**6.44**
Benchmark	11.47

**Source: Lipper IM*

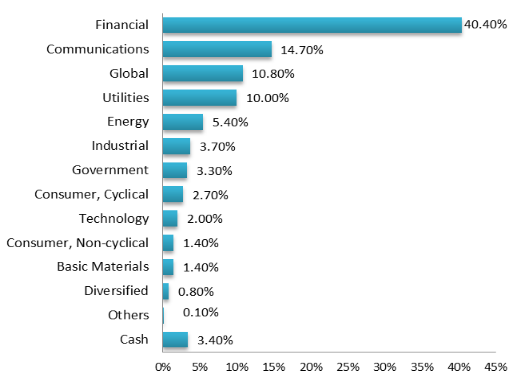
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.(formerly known as RHB Investment Management Sdn Bhd)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Income Fund
Launch Date	05 June 2012
Unit NAV	RM0.5600
Fund Size (million)	RM553.10
Units In Circulation (million)	987.65
Financial Year End	31 July
MER (as at 31 July 2013)	0.82%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% MSCI AC Asia Pacific ex Japan Net (RM) + 50% JP Morgan Asia Credit Index (SGD Hedged) (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	Quarterly, if any

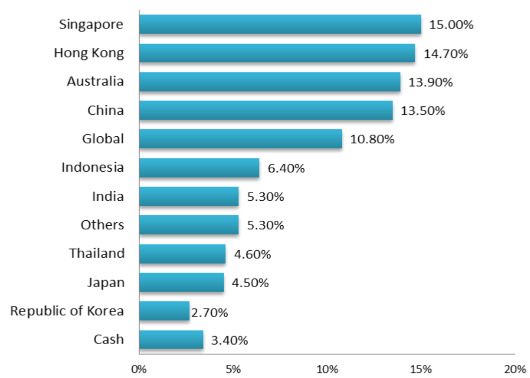
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

TELSTRA CORP LTD	2.40
SK TELECOM	2.40
MAPLETREE COMMERCIAL TRUST	2.10
FORTUNE REAL ESTATE INVESTMENT	1.90
HKT TRUST AND HKT LIMITED	1.70

**As percentage of NAV*
**Exposure in Schroder Asian Income - 98.42%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5605	0.5605	0.5668
Low	0.5533	0.5273	0.5000

Source: Lipper IM

Historical Distributions (Last 4 Quarters) (Net)

	Distribution (sen)	Yield (%)
21 Jul 2014	1.0868	1.93
28 Apr 2014	0.6800	1.22
28 Jan 2014	0.6800	1.25
30 Oct 2013	0.5852	1.07

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

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MANAGER'S COMMENTS

MARKET OVERVIEW

Asian ex Japan equities continued to deliver positive returns in June as further "mini stimulus" and positive economic data from China boosted investor sentiment. The widely-watched HSBC China Manufacturing Purchasing Managers' Index hit a four-month high in May. Most markets across Asia were up in the month with Thailand being the leader as investors hope that the military coup would get the country back on track for growth, while Taiwan was also up strongly as demand for electronic products remains strong.

Spreads of Asian credit continued to tighten in June despite large amount of supply, since demand for new issues remain robust given the attractive relative yields compared to US and European bonds. Chinese credits performed well amid stimulus measure and improved monthly home-sales of Chinese property developers. Indian credit took a breather after the strong performance last month and was only up marginally, while Indonesia also gave back some of the recent gains on worries that market favourite Joko Widodo faces a close race in July's presidential elections.

PERFORMANCE CONTRIBUTION AND COMMENTARY

The fund delivered 0.5% in June, bringing the year-to-date performance to 6.7%. Similar to the last few months, equities contributed the most to the fund performance in the month. Indonesia and Singapore detracted value, as the former was affected by the uncertainties in the upcoming election, while the latter suffered as investors took profits from strong performance in the REIT sector. On the other hand, telecom names in Hong Kong were up strongly, as consolidation of players in the market led to less competition, and fee hikes across the industry should improve profitability of all companies. Japan REITs also delivered strong contribution, given continued improvement in market sentiment after the announcement of reform of the largest pension fund in Japan to increase its allocation to domestic equities.

In fixed income, both investment grade and high yield bonds posted similar positive returns for the month. Except Indian credit and sovereign exposure being a slight detractor as the currency weakened, most other names were up for the month. Performance was particularly strong for the Chinese property developers sector rising 2 – 3% in June, as the stronger names we hold in the portfolio reported above average contracted sales in the last few months.

Our currency hedges detracted value slightly as the Australian dollar appreciated in value, but overall asset allocation added value given the higher equity weight relative to fixed income.

ASSET ALLOCATION STRATEGY AND OUTLOOK

There was no change to the asset allocation strategy, with the target allocation to Asian equities staying at 52%, with 35% in Asian bonds, 10% in global assets and about 3% in cash. Overall equities remain the most attractive asset class among others, supported by robust earnings growth, positive sentiment and fair valuation. As the global recovery continues, demands from developed market will continue to benefit Asian corporates, as demonstrated by the recent trade and exports data. Both currency and duration risk management strategies did not change over the month. Currency hedges on the Australian dollar, Japanese Yen, as well as the duration hedge through the sale of US Treasury futures were retained in the portfolio.

While currently market interprets that it is likely for the US Federal Reserve (US Fed) to keep interest rate low for longer, ultimately a rate hike is inevitable as the US economy continues to strengthen. Although this will undoubtedly impact income assets, we believe that the market reaction would be smaller than that due to the tapering fear in the summer of 2013. First of all, relative valuation of yielding assets, especially those in Asia, remains much lower than in the first half of 2013. This should provide some cushion should tightening occurs. In addition, the health of the global economy has improved significantly over the last year. Last but not least, monetary easing in other parts of the world, including Europe, China and Japan will replace some of the liquidity withdrawn by the US Fed.

Having said that, overall investor complacency remains high, and together with the possible volatility from an increase in interest rate, it is important for investors to focus on risk management and stay flexible. Our risk-focused multi-asset income strategy with strong security selection should continue to help our clients to capture both income and potential growth opportunities in Asia**.**

EQUITY STRATEGY AND OUTLOOK

In June we continued to take profit in Malaysia Telco and have also trimmed the exposure to a Thailand telecom provider, given the strong recent performance following the military coup in the country. The proceeds were rotated into Indonesia telecom, given the benign competitive landscape and the strongly rising smartphone usage, providing long-term growth opportunities from data revenues. We have also added to an Australian bank name, which has lagged other local banks recently.
Given the recent outperformance of high dividend yield stocks, we are increasingly selective and focusing on relative value trades by trimming exposures which are getting expensive and rotating into sectors and countries which offer better value.

FIXED INCOME STRATEGY AND OUTLOOK

In May, we trimmed exposure to Chinese credit by taking profit in some utilities names. We also took profit in Indonesia and rotated into India given the larger upside from spread tightening in the latter as sentiment continues to improve post-election. Within Chinese property developers we have also done some relative value trades to capture the change in spreads.

Overall, corporate balance sheets in Asia remain healthy and liquid, and the risk of immediate re-financing is relatively low. As yields continue to grind lower, issuances are likely to increase in coming months, which should present us with some interesting new opportunities. For Chinese credit, as economic growth slows security selection is becoming more important going forward given performance divergence among issuers. We have started to see this playing out in the property developers market with strong players, having good access to capital, outperforming weaker ones. The portfolio will continue to focus on sectors that will benefit from reforms such as selective state-owned-enterprises and energy names, as well as relative value opportunities in the property developers market.