

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:

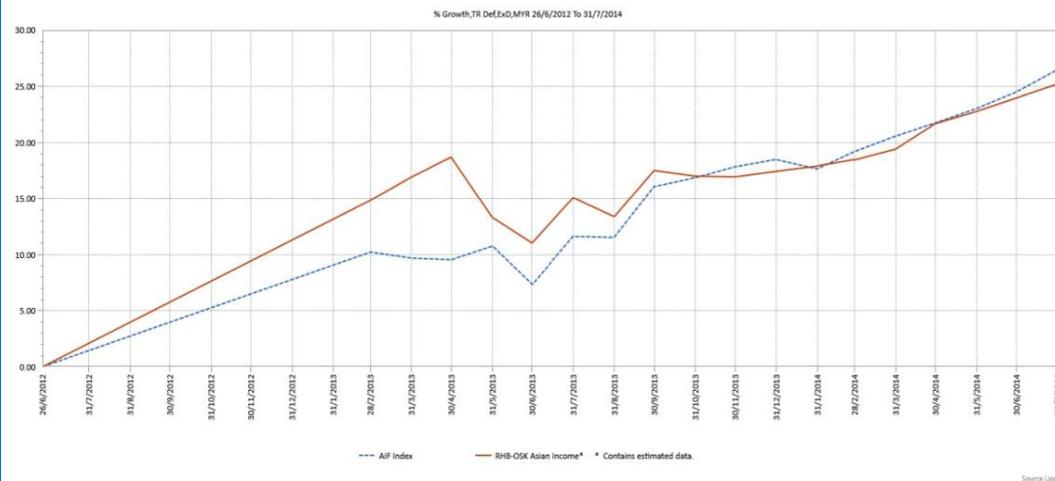
- seek income and capital growth over the medium to long term;
- have moderate risk appetite; and
- seek investment opportunities in the Asian region.

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	0.99	2.88	6.21	6.62
Benchmark	1.59	3.89	7.51	6.75

	1 Year	Since Launch
Fund	8.81	25.21
Benchmark	13.32	26.48

	2013
Fund	6.44
Benchmark	11.47

*Source: Lipper IM

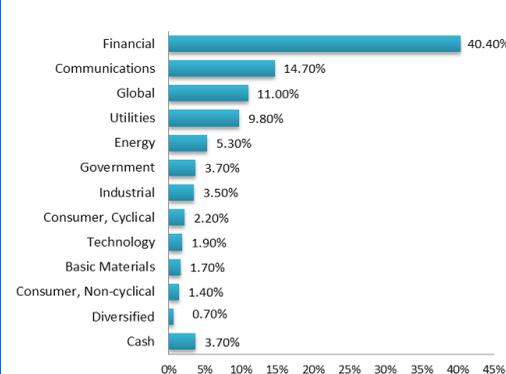
FUND DETAILS

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	RM0.5546
Fund Size (million)	RM531.27
Units In Circulation (million)	958.00
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 (%)*

SK TELECOM	2.60
TELSTRA CORP LTD	2.20
HKT TRUST AND HKT LIMITED	2.00
FORTUNE REAL ESTATE INVESTMENT	2.00
MAPLE TREE COMMERCIAL TRUST	2.00

*As percentage of NAV

*Exposure in Schroder Asian Income - 98.07%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5623	0.5623	0.5668
Low	0.5504	0.5294	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 their strong run in July despite volatility elsewhere in the world, with all major markets in the region rising. Chinese and Indonesia equities led the pack rising more than 8% in US dollar terms. The market in China was supported by strong economic data, as the year-on-year China GDP growth of 7.5% was in line with expectation, and the widely-watched HSBC China Manufacturing Purchasing Managers' Index showed its first expansion in six months. Investor sentiment towards Indonesia was boosted after the announcement of the market favourite Joko Widodo's victory in the presidential election.

Asian credits held up well with spreads tightening despite wobbles in the global credit market, as the debacle of the Portuguese banking sector, more sanctions in Russia and default of Argentina sovereign bonds negatively affected risk appetite. The JPMorgan Asia Credit Index climbed 0.7% with all sectors in the index rising in the month. Country specifics were similar to the equities market with Indonesia the winner given the positive sentiment on the results of presidential election. Chinese credit also delivered strong performance, especially in the metals and mining and the real estate sector given the accommodative credit and monetary conditions.

PERFORMANCE CONTRIBUTION AND COMMENTARY

The fund was up 1.7% in July, bringing the year-to-date performance to 8.5%. Equities remain the key driver of performance, with all markets adding value to the portfolio except Taiwan which posted negative returns due to profit taking. On the other hand, stocks in Indonesia had a strong month on improved investor sentiment, while our holdings in Korea also posted large gains given the increasing pressure from the government on the corporate sector to reward investors through raising dividends.

In fixed income, both investment grade and high yield bonds posted positive returns for the month. All markets in the portfolio contributed positively without any major detractors. Indonesia was the best performer, with quasi-sovereign names rising more than 6% over the month. Chinese property developers delivered strong performance, and the metals and mining industry also added value given the easing bias of the Chinese authorities.

Our global allocation lost value slightly given the volatility outside of Asia. Our currency hedges on Australian dollar and Japanese Yen added value over the month, as both currencies depreciated against the Singapore dollar.

ASSET ALLOCATION STRATEGY AND OUTLOOK

The fund's overall asset allocation remained the same, 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 supported by robust earnings growth, positive sentiment and fair valuation. Economic improvement and cheap valuation of Asian equities relative to other regions should continue to see investors' interest, as demonstrated by the recent strong performance of the region against other markets. Having said that, we are cautious of the possible contagion effect, and thus we have reduced exposures to Asian currencies by increasing the hedge on the Australian dollar, which is vulnerable to sell-off in a risk off episode.

Although Asian markets were largely unaffected by recent events outside of the region, the volatility we see in developed world is a good and timely reminder for investors of the presence of risks after the long period of market stability. In addition, despite the dovish tone by the US Federal Reserve (US Fed), market expectation (priced by the US Fed fund rate futures) has recently shifted towards an earlier rate hike. While the market impact on income assets of a higher interest rate is likely to be more mild compared to the tapering fear in 2013, the exit strategy of the US Fed remains one of the biggest risks in the market. Therefore, it is important for investors to be flexible and focus on risk management when investing for income in the current environment. Our diversified 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 July our major activities focused on a few sectors including financials and telecommunications. During the month we have also initiated a small position into a telecom stock in New Zealand. The equity market in New Zealand has characteristics similar to that of Australia, with well-run companies focusing on returning value to shareholders through dividends and/or buy-backs. We have found some interesting opportunities which offer better dividend yields compared to Australia.

Overall, we continue to see some value in dividend stocks across Asia, but as markets continue to rise it is important to be selective. For China, although the short-term liquidity boost reduces downside risk on economic growth, the stimulus measures would further worsen the existing imbalances in the economy, which ultimately is bad for the stock market. Therefore, we will continue to focus on companies with strong businesses and cash-flows supporting growing dividend payments elsewhere in the region.

FIXED INCOME STRATEGY AND OUTLOOK

Over the month of July most of the activities in the fixed income portfolio focused on India, Indonesia and Hong Kong/China. We took profit in a few financial and real estate names in Hong Kong and China, and rotated into Indian oil & gas / metals & mining as well as into Indonesia sovereign, which should benefit from the improved sentiment towards to two countries. Given the sanctions on Russia, we have seen some investors reducing their exposure to the country and moving into Asian credit. As spreads remained wider in Asia compared to other regions, we might see further cross-over flows into Asia, providing support for the market. Overall our strategy remains largely unchanged. We are likely to participate in selective new issues, and will also continue to focus on achieving the income objective while balancing risks in the portfolio.

DISCLAIMER:

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 15 March 2014 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 management risk, liquidity risk and foreign investment risks such as currency risk and country risk and the specific risks of the target fund are market risk in Asia, credit risk, investment grade, below investment grade and unrated debt securities risk, risks relating to distributions, emerging markets and frontier risk and derivatives 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.