FUND FACTSHEET – OCTOBER 2014

All data expressed as at 30 September 2014
unless otherwise stated

RHB-OSK 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

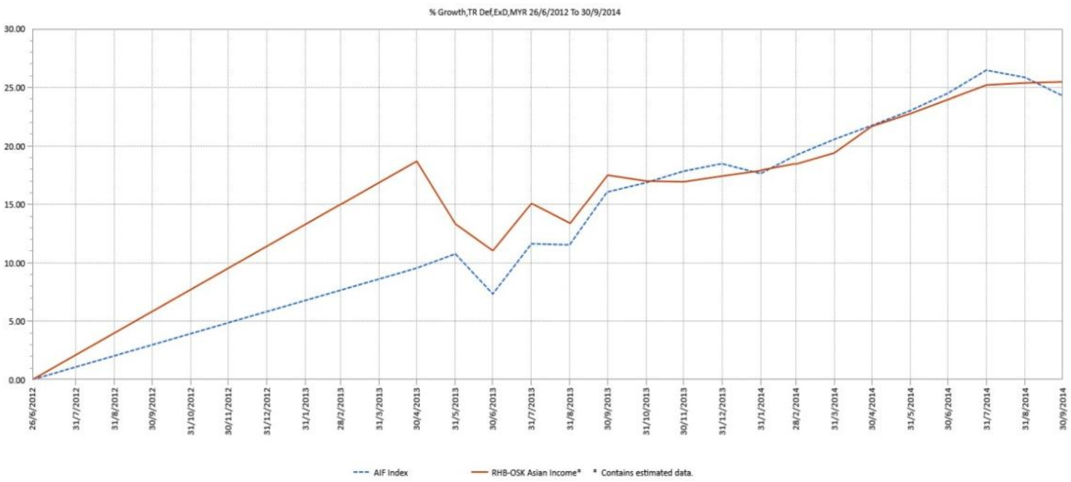
This Fund Is Suitable For Investors Who:
- seek income and capital growth over the medium to long term;
- have moderate risk appetite; and
- seek investment opportunities in the Asian region.

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	**0.07**	**1.21**	**5.07**	**6.86**
Benchmark	-1.24	-0.16	3.10	4.91

	1 Year	Since Launch
Fund	**6.79**	**25.48**
Benchmark	7.10	24.30

	2013
Fund	**6.44**
Benchmark	11.47

**Source: Lipper IM*

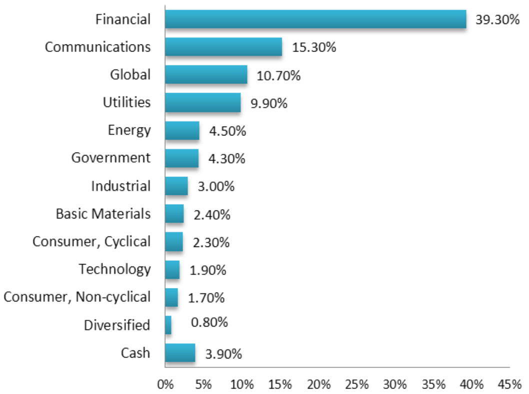
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Income Fund
Launch Date	05 June 2012
Unit NAV	RM0.5558
Fund Size (million)	RM498.44
Units In Circulation (million)	896.87
Financial Year End	31 July
MER (as at 31 July 2014)	0.64%
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	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	Quarterly, if any

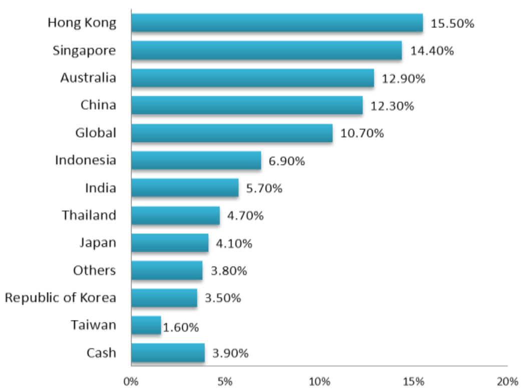
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

SK TELECOM	2.80
HKT TRUST AND HKT LIMITED	2.10
TELSTRA CORP LTD	2.00
MAPLETREE COMMERCIAL TRUST	2.00
FORTUNE REAL ESTATE INVESTMENT	1.90

**As percentage of NAV*
**Exposure in Schroder Asian Income - 97.87%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5621	0.5623	0.5668
Low	0.5529	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.

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 ASIAN INCOME FUND

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MANAGER'S COMMENTS

MARKET OVERVIEW

Asian equities suffered sharp losses in September. Chinese equities fell on HSBC's widely-watched manufacturing PMI sliding to a three-month low of 50.2, as well as a slight decline in imports in August. Hong Kong equities saw a correction with the city's pro-democracy movement gathering momentum, culminating in street protests that affected the key Central district towards the end of the month. Taiwan stocks saw profit-taking on its technology sector's recent outperformance while Korea fell heavily on weak GDP growth and mounting household debt. In ASEAN, Indonesian equities declined on political concerns. Thailand and the Philippines were the only two countries in the region to buck the trend as they posted marginally positive gains on robust domestic consumption and the bright outlook for corporate earnings.

Asian credit fell over the month. Asian high yield credit spreads widened in September mainly driven by weak Chinese data, although investment grade spreads were steady. An additional negative impact was the rising base USD treasury yields, largely due to stronger US economic data. Individual Asian bond markets diverged between losses and gains as the bigger markets of Singapore and Hong Kong delivered negative returns to weigh down the index, though Korean, Indian, Thai, and Philippine bonds gained in the past month.

PERFORMANCE CONTRIBUTION AND COMMENTARY

The fund was down 1.7% in September, bringing the year-to-date performance to 8.4%. Equities caused the bulk of the September fall. Our holdings in Australia weighed on the portfolio the most, especially in the financials and consumer sectors. Although the Australian dollar also depreciated by 4% during the month, we have hedged most of the fund's AUD exposure. The second largest detractor was Singapore which was down across sectors. On the positive side the portfolio benefited from relatively defensive holdings in telecom stocks in Korea, Indonesia and Thailand.

For the fixed income portfolio both investment grade and high yield bonds delivered negative returns in local currency terms but positive performance in SGD given the strengthening US dollar. Among all countries, the allocation in Indonesian government bonds detracted the most performance. Investors in Indonesian bonds took fright at the possible ramifications of a motion passed in parliament that will end direct regional elections in the archipelago, a widely viewed as a step back for Indonesian democracy and accountability. Although returns in SGD were positive, the portfolio did not benefit from the strong USD as most of the currency exposure was hedged back to SGD.

Our global allocation lost 0.2% of the portfolio value for the month. It was down less than the Asian portfolio, thus providing diversification benefits. Our hedges on the Australian dollar and Japanese yen also contributed positively, adding 0.6% to performance.

ASSET ALLOCATION STRATEGY AND OUTLOOK

The asset allocation strategy remains unchanged. The fund's allocation is 50% in Asian equities, with 34% in Asian bonds, 11% in global assets and 5% in cash. Despite the recent correction in Asian equities due to political uncertainty, US dollar strength and rich valuations, we are confident in equities as an attractive asset class. Given excess liquidity, low inflation and modest economic growth globally, we remain positive in Asian equities in the medium term. We believe the recent sell-off provides some attractive opportunities to add positions in selected quality names.

The key risk in the market is still the expectation of the US Federal Reserve rate hike. The European Central Bank (ECB) imposed further quantitative easing measures in September. This is likely to lead to higher levels of market volatility and divergence in asset class performance globally. We observe signs of increased allocation by European investors to Asia and Latin America fixed income markets following the ECB's dovish tone. Duration and currency hedges are our key tools to effectively manage the portfolio volatility as interest rates trend up and the SGD/USD strengthens further.

In Asia, the Bank of Japan continues its loose monetary policy; while investors speculate some other central banks in the region may keep interest rates low in response to diverging economic cycles. Given this uncertainty in monetary policies, we advise investors to focus on the flexibility in asset allocation, and at the same time, tightly control the risks of their portfolio. We believe our diversified multi-asset approach with risk management should help our clients to capture both income and potential growth opportunities in volatile Asia markets.

EQUITY STRATEGY AND OUTLOOK

Our defensive holdings held up against the sell-off in the broad market in September. We added exposure to the utilities sector, for example, Power Assets in Hong Kong and Advanced Info Service Public in Thailand, to partially shield the portfolio from rising volatility.

We also added positions in HSBC with its strong deposit franchise on a growing likelihood of an interest rate rise by the US Fed. Its strong capital base also implies a sustainable dividend yield of nearly 5%. Another new investment was into ASX, the leading stock exchange in Australia. The addition of an exchange in the financial sector diversified our portfolio, while ASX has the most attractive yields and valuation among its peers. ASX's steady stream of revenue from trading volumes supports the dividend yield of close to 5%.

Overall, we continue to see value in dividend stocks across Asia. Rising economic and political uncertainty in the region is likely to weigh on stock market performance in the near term. We are likely to be more selective and increase our weights on defensive sectors. Our focus will continue to take positions in companies with strong business and cash-flows to support sustainable and growing dividend payments.

FIXED INCOME STRATEGY AND OUTLOOK

In September, market activities started to pick up again after the summer lull. With the emerging value we see in both Indonesia local government bonds* and recent issues of Indonesia USD credits, we rotated into Indonesia funded by our Chinese and Hong Kong holdings. In this way, we reduced USD duration while increased duration in local currencies such as the Indonesian Rupiah (IDR) and Indian Rupee (INR). We also increased non-USD currency exposure slightly mainly via IDR.

Looking forward, we expect recent volatility in US high-yield credit could reduce cross-over demand for Asian credits. Along with a heavy supply pipeline, especially in Asia, there could be some spread widening pressure. We look for opportunities to add bond exposures from the issuances of bank capital, such as Chinese banks Additional Tier-1 securities. We expect to raise overall credit quality in the portfolio in Q4.

The strong momentum in Chinese reforms should help to address structural issues. We expect further relative outperformance from State-Owned-Enterprise (SOE) credit in Q4. Recent government policies are very supportive to the property sector although its credit market has been on a weak trend. We are cautious in Chinese real estate names and continue to take a selective approach in this market.