

RHB-OSK ASIAN TOTAL RETURN FUND (formerly known as RHB ASIAN TOTAL RETURN FUND)

This Fund aims to provide stable current income and capital appreciation by investing in debt securities issued by Asian corporations, financial institutions, governments and their agencies (including money market instruments).

INVESTOR PROFILE

This Fund is suitable for Investors who:

- have moderate risk profile.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in a target fund i.e. the United Asian Bond Fund.
- Up to 5% of NAV: Investments in liquid assets to provide for liquidity purpose.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	1.58	1.30	3.52	4.92
Benchmark	3.22	3.13	4.56	7.03

	1 Year	3 Years	5 Years	Since Launch
Fund	7.06	19.63	8.08	7.84
Benchmark	9.24	29.61	34.40	56.98

Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	2.81	8.40	-1.81	-4.86	-3.03
Benchmark	5.64	10.23	7.04	-0.39	26.95

*Source: Lipper IM

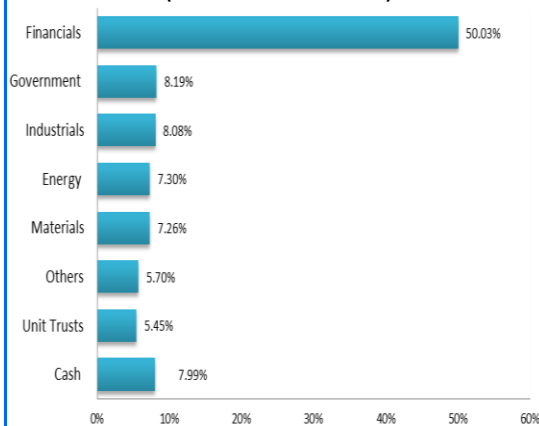
FUND DETAILS

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 and Growth Fund
Launch Date	26 February 2007
Unit NAV	RM0.4760
Fund Size (million)	RM34.79
Units In Circulation (million)	73.09
Financial Year End	31 December
MER (as at 31 Dec 2013)	0.35%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	JP Morgan Asia Credit Index Total Return Composite
Sales Charge	Up to 5.25% of NAV per unit
Redemption Charge	None
Annual Management Fee	Up to 1.25% p.a. of NAV*
Annual Trustee Fee	0.06% p.a. of NAV*
Switching Fee	RM25.00 per switch
Redemption Period	Within 10 days after receipt of the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Annually, if any

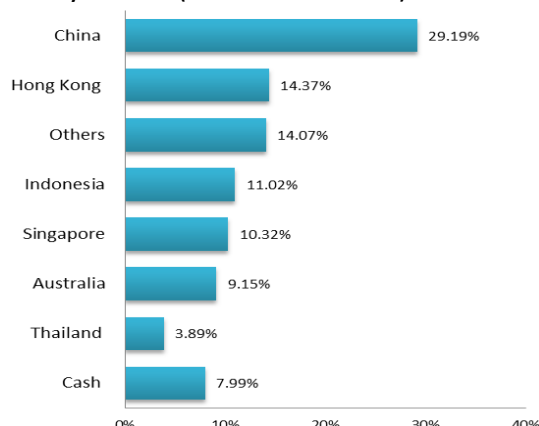
*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation (United Asian Bond Fund)*



Country Allocation (United Asian Bond Fund)*



Top Holdings

UNITED ASIAN HIGH YIELD BOND FD - SGD DIS
WANDA PROPERTIES INTI CO
MONGOLIA
AGEAS CAPITAL ASIA LTD
INDO ENERGY FINANCE LI

*As percentage of NAV

*Exposure in UOB Asian Bond Fund - 96.58%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4763	0.4763	0.4971
Low	0.4686	0.4314	0.3948

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)
31 Dec 2013	-
31 Dec 2012	-
31 Dec 2011	-
31 Dec 2010	-
31 Dec 2009	-

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

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MANAGER'S COMMENTS**PERFORMANCE ATTRIBUTION**

During the period under review, the Fund's under-performance was due to its allocation to non-USD credits. The Fund has 24.23% weights in non-USD bonds as at end September. During the month, USD appreciated 1.44% against Asian currencies and 3.85% against G10 currencies.

The Fund retained an overweight position in non-investment credits and an underweight position in investment-grade credits. Non-investment credits returned 1.25% in SGD terms in September compared to a return of 1.30% for investment grade credits. For the first 9 months of 2014, non-investment grade credits returned 7.94% while investment grade credits returned 8.13%.

The Fund started September with 48.94% in high yield and unrated credits and 40.42% in high grade credits, with cash of 5.25%. Holdings of unit trust stand at 5.50% at the beginning of September. During the month, we decreased our holdings in high yield and unrated credits to 44.13% while weights in high grade credits rose to 42.43%. Holdings in unit trust stand at 5.45% at end September while cash rose to 7.99% at end September.

OUTLOOK AND STRATEGY

Asian credit market sold off for the second consecutive month. Asia credit spreads widened by 3.67 basis points (bps) to 249.03 bps at end September, after a widening of 9.1 bps in August. However, Asia credit spreads remained tighter compared to end 2013, with spreads still 14.4 bps tighter. Meanwhile, Asia credit yield rose 21.2 bps in September to 4.82%, after having dropped 12.1 bps in August.

The spread between Asia High Yield and Asia High Grade stood at 335 bps at end September from 293.5 bps at end August. This difference is around 2.07 standard deviation away from the mean of 158.4 bps. This placed the current Asia High Yield and Asia High Grade spread of 293.5 bps at the 98.67 percentile i.e. the current Asia High Yield and Asia High Grade spread is excessively wide. Hence, we believe that high yield credits will outperform high grade credits over the next three to six months.

While valuations for Asia High Yield appears to be more favorable than valuations for Asia High Grade, we are cognisant that the Chinese economy appeared to have slowed again in July and August after recovering in April, May and June. Hence, we may look to trim our weights in Asia High Yield over the next few months. We will maintain our overweight on Chinese BB rated high yield credits and stay significantly underweight on Chinese B rated property credits. Overall, we will be slightly underweight on the Chinese property sector.

We will also continue to overweighting on Chinese state-owned enterprises (SOEs) and Indonesia high yield property credits due to their stable credit fundamentals as well as Sri Lanka quasi sovereigns and Mongolia sovereigns and quasi sovereigns as these are relatively resilient to higher US interest rates and also offers decent yield. We will underweight other sovereign and quasi-sovereign credits given their relatively unattractive valuations.

US Treasuries (UST) have been very choppy over the past several months. The 10-year UST yield rose 14.57 bps in September after having dropped 21.5 bps in August. On a year-to-date basis, the 10-year UST yield has fallen by 53.9 bps. While the US economy is recovering steadily, instability in Middle-east, slowing growth in Europe and the risk of a hard landing China has helped to spur a rally in UST. We continue to expect UST yield to rise to 2.75% over the next six months as the US Federal Reserve will likely normalise its monetary policy over the next twelve to twenty - four months. Consequently, the Fund will continue to underweight duration.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 September 2014, the Volatility Factor (VF) for this fund is 5.4 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.1 but not more than 7.9 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2014 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2014.

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 9 September 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 currency risk, country risk, liquidity risk, income distribution risk, risk of substantial redemptions and suspension of NAV calculation / limitation of redemption payments. 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.