

RHB-OSK EMERGING MARKETS BOND FUND (formerly known as OSK-UOB EMERGING MARKETS BOND FUND)

The Fund aims to provide investors with income and potential capital appreciation by investing in one target fund, i.e. the United Emerging Markets Bond Fund.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

- seek income and potential capital appreciation over the longer term;
- have medium to high risk appetite; and
- seek returns in emerging markets debt investments and products.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Emerging Markets Bond Fund.
- 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	-0.76	-0.78	2.80	4.80
Benchmark	-0.54	-0.32	3.42	5.87

	1 Year	Since Launch
Fund	8.09	20.55
Benchmark	9.98	23.56

Calendar Year Performance (%)*

	2013
Fund	0.31
Benchmark	1.84

*Source: Lipper IM

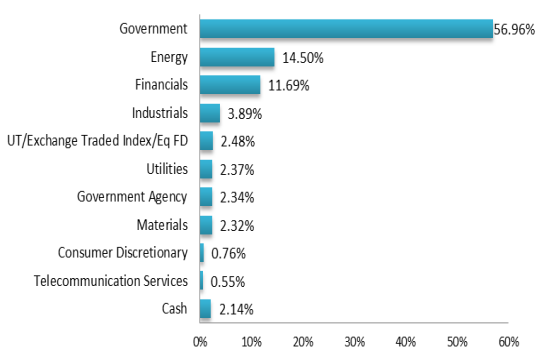
FUND DETAILS

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	03 January 2012
Unit NAV	RM0.5299
Fund Size (million)	RM67.25
Units In Circulation (million)	126.93
Financial Year End	28 February
MER (as at 28 Feb 2014)	1.57%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	JP Morgan Emerging Market Bond Index Global Diversified Index (RM)
Sales Charge	Up to 2.50% of investment amount
Redemption Charge	None
Annual Management Fee	1.50% 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 of the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Quarterly, if any

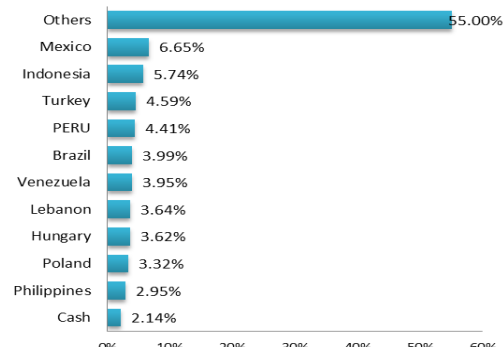
*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

REPUBLIC OF POLAND 6.375% 15/07/2019	1.99
REPUBLIC OF PERU 8.75% 21/11/2033	1.90
UOB UNITED RENMINBI BOND FUND (SGD)	1.26
UNITED EMERGING MKT LC BD FD-SGD ACC	1.22
REPUBLIC OF PHILIPPINES 5.5% 30/03/2026	1.20

*As percentage of NAV

*Exposure in United Emerging Markets Bond Fund - 98.01%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5427	0.5442	0.5499
Low	0.5290	0.4975	0.4959

Source: Lipper IM

Historical Distributions (Last 4 Quarters) (Net)

	Distribution (sen)	Yield (%)
26 Aug 2014	0.6800	1.27
28 May 2014	0.2400	0.44
26 Feb 2014	0.1300	0.25
27 Nov 2013	0.3400	0.67

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

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MANAGER'S COMMENTS

MARKET REVIEW

US Government bonds advanced, pushing benchmark yields (which move inversely to prices) to a one year low, as demand for safety increased amid the crisis in Ukraine and evidence of economic recovery from Germany to Australia hitting a soft patch. The 10-year US Government bond yielded 2.34% at month-end, 21 basis points lower from a month ago. Although there are risks from an earlier Federal Reserve (Fed) hike, we believe this is still a year away, and we expect a continued, gradual tapering.

Volatility remained modest despite geopolitical tremors. The conflict between Russia and Ukraine remains on the radar screen as violence continued and the European Union (EU) and the United States (US) increased their sanctions against Russia. We remain constructive on the emerging markets (EM). Continued stimulus measures in China, the lack of monetary tightening pressure in most economies, and improving export growth outlook should allow for improving momentum through the end of the year.

Against this backdrop, EM assets continued to grind higher with the fund returning 0.64% (SGD) in August and 7.65% (SGD) year to date. The hawkish interpretation of Fed minutes may have brought some initial EM enthusiasm to a halt this month. The central bank conference in Jackson Hole did not deliver much in the way of policy guidance, but easier European Central Bank (ECB) policy could be positive for EM going forward.

POSITIONING

In Latin America we remain optimistic about high beta countries on a fundamental basis due to an improving policy environment. We remain overweight on Venezuela as a large devaluation is still possible, and market weight on Brazil, as wide spreads compensate for weaker fundamentals. We hold no Argentine bonds as we exited our position in June at a profit prior to the country entering a technical default.

In Eastern Europe, Middle East, and Africa (EEMEA), we are more cautious on geopolitical tensions and tougher Russia sanctions. We balance out our overweight on Ukraine, on what we believe are attractive valuations, with an underweight on Russia. In Asia, we remain underweight on the Philippines due to tight spreads. We maintain our overweight on Indonesia due to a favourable political outlook and macro picture.

STRATEGY

We are generally constructive on EM debt because US interest rates remain at low levels (EM debt is priced off US interest rates). In addition, US recovery has not yet regained full momentum, there is potential for quantitative easing (QE) in Europe, and EM countries have improved current accounts. Further, continued inflows from institutional investors will likely continue to provide support for the asset class.

We view EM valuations as attractive, particularly within the fixed income space. The interest rate on EM high yield credits (as measured by the EMBIG Diversified High Yield Index) is 7.0%⁴, which is close to 150 basis points (bps)⁵ higher compared to the interest rate on US High Yield credits. Considering yields, EM also compares favourably to US high grade credits. The EMBIG yield of 5.1% is 149 bps wider⁶ than the US domestic high grade index yield (as measured by the JPM US Liquid Index "JULI"), which is about 7% wider (cheaper) than the five year average of the yield difference⁷.

⁴ Source: JPMorgan Dataquery, 31 August 2014.

⁵ JPMorgan Dataquery, 31 August 2014. JPM Domestic High Yield index yield-to-worst = 6.97%.

⁶ JPMorgan Dataquery, 31 August 2014. EMBIG yield of 5.07% minus JULI ex EM index portfolio yield of 3.58% = 149bps.

⁷ Source: JPMorgan Dataquery, 31 August 2014. Five year average is 135 bps.

All statistics quoted in the write-up are sourced from Bloomberg as at 31 August 2014 and are in USD unless otherwise stated.

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, lack of market economy risk of UEM Bond Fund, suitability standards and foreign investment risks such as currency risk and country risk and the specific risks of the target fund are market risk, debt securities risk, emerging markets risk, political and economic risks, repatriation of capital, dividends, interest and other income risks, regulatory risk, nature of investments and market risks, lack of market economy, derivatives risk, synthetic product risk, illiquidity of investments, broker risk, settlement risk, custody risk, counterparty risk, possible business failures, accounting practice, quality of information, legal risk, taxation, foreign exchange and currency risks, the banking system, risks of mis-management by debt issuers, actions of institutional investors, risk of use of rating agencies and other third parties and exceptional market conditions 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.