FUND FACTSHEET – September 2014

All data expressed as at 31 August 2014 unless otherwise stated

3-year Fund Volatility 7.4 Low Lipper Analytics 15 AUGUST 2014

RHB-OSK FLEXIFUND MONEY MARKET RMB (formerly known as OSK-UOB FLEXIFUND MONEY MARKET RMB)

The objective of the Fund is to invest in the target fund which aims to provide its investors with the highest possible value for the capital invested at the same time as offering them a broad spread of risks by investing in money market instruments, Chinese government bonds, both denominated in Chinese Renminbi (RMB) and cash.

INVESTMENT STRATEGY

- At least 90% of NAV: Investments in the EURO denominated, Class I shares of the FLEXIFUND Money Market RMB.
- Up to 10% of NAV: Investments in liquid assets comprising money market instruments, cash and deposits with financial institutions.

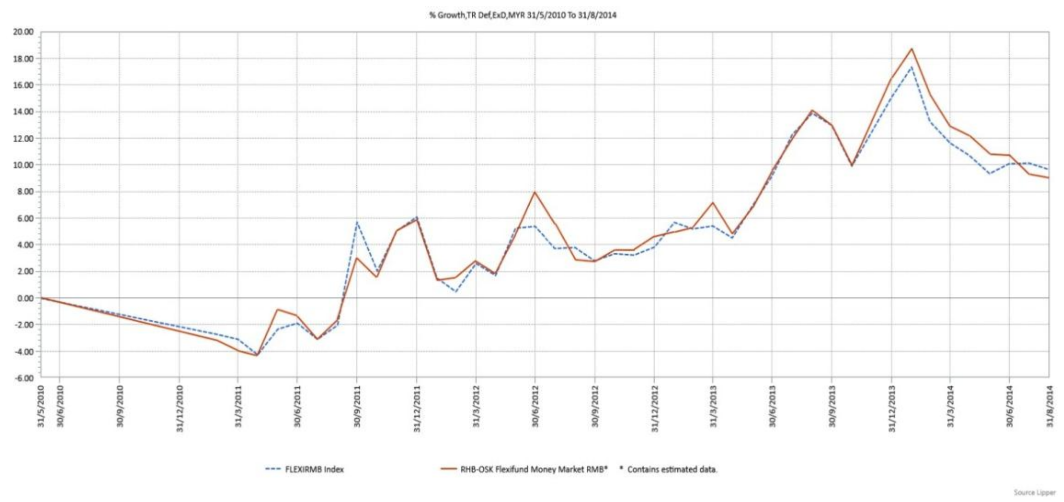
INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

- are "Qualified Investors" as defined in the Information Memorandum.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-0.25**	**-1.64**	**-5.47**	**-6.46**
Benchmark	-0.44	0.27	-3.20	-4.72

	1 Year	3 Years	Since Launch
Fund	**-4.49**	**10.81**	**9.00**
Benchmark	-3.72	11.89	9.63

Calendar Year Performance (%)*

	2013	2012	2011
Fund	**11.41**	**-1.17**	**7.78**
Benchmark	10.81	-2.13	5.40

**Source: Lipper IM*

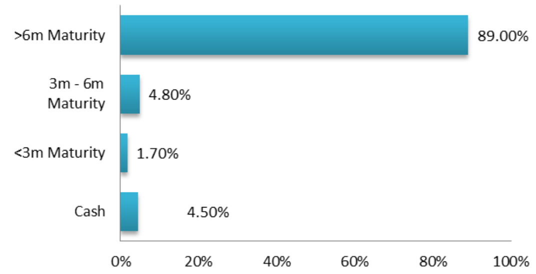
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Wholesale- Feeder Fund (Money Market)
Fund Type	Income Fund
Launch Date	11 May 2010
Unit NAV	RM1.0900
Fund Size (million)	RM0.74
Units In Circulation (million)	0.68
Financial Year End	31 May
MER (as at 31 May 2014)	0.95%
Min. Initial Investment	RM10,000.00
Min. Additional Investment	RM10,000.00
Benchmark	Official rate for demand deposits, as published by the People's Bank of China (RM)
Sales Charge	Up to 2.00% of investment amount
Redemption Charge	None
Annual Management Fee	0.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV
Switching Fee	Up to 3% of redemption proceeds
Redemption Period	Maybe from 1week - 6mths or longer if approval from the Chinese authorities for the realisation of FECA investments are not obtained.
Distribution Policy	Incidental

**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*



Top Holdings (%)*

CGB 3.63 0415	89.00
HFT MONEY MKT	4.78
CGB 4.01 1014	1.74
CASH/OTHERS	4.48

**As percentage of NAV*

**Source: BNP Paribas Investment Partners, 31 August 2014. Exposure in Flexifund Short Term RMB - 96.06%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1056	1.1875	1.1875
Low	1.0865	1.0865	0.9427

Source: Lipper IM

Historical Distributions (Last 3 Years) (Net)

	Distribution (sen)	Yield (%)
31 May 2014	-	-
31 May 2013	-	-
31 May 2012	-	-

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

RHB ◆ OSK
RHB Asset Management

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3-year Fund Volatility 7.4 LOW Lipper Analytics 15 AUGUST 2014

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MANAGER'S COMMENTS

MARKET REVIEW

The onshore Chinese yield curve bear flattened in August. The short-term tenures made an upward shift in the vicinity of15 bp, while the long-term tenures moved downward by 3 bp. Money-market yields were volatile due to IPOs in August. On 28 August the Shanghai Stock Exchange two-day Treasury reverse repo rate suddenly surged to 97%, as well as the one-day reverse repurchase bonds rate which rose up to 50%, by close of business. Corporate bonds have continued to perform well, as the Shanghai Corporate Bond index rose 0.80% in local currency terms. The Shanghai Treasury Bond index did well, rising by 0.31% throughout the month. The one-year and five-year Chinese government bonds now yield 3.75% and 3.97%, respectively. The Chinese yuan (CNY) appreciated by 0.44%, closing at 6.1436/USD.

Macroeconomic data is showing signs of slowing momentum following the strength observed over the past few months. The Markit PMI fell to 50.3 in August (51.7 in July) while the official manufacturing PMI reading was 51.1 (51.7 in July). July's exports surged +14.5% year-on-year (YoY), however the market expects the August reading to be more moderate, forecasting +9.0% YoY, given weaknesses in the Eurozone. July imports came in weak at -1.6% YoY, and the market is calling for a revision of the August data, slightly improving at +3.0% YoY. July retail sales growth validated the stabilization trend up +12.2% YoY, however the rate of growth still remains significantly below the historic trend. July CPI inflation is tame at +2.2% YoY, while the producer price index (PPI) further confirms an improving pricing environment for producers.

Monetary policy by the People's Bank of China (PBOC) left many confused. Total social financing (TSF) in July came in at RMB 273 billion – a big decline after June's figure of RMB 1968 billion. The creation of new loans totalled RMB 385 billion in July, much lower than the monthly average run-rate of RMB 700-900 billion. As a result, July's M2 growth decelerated to +13.5% YoY, down from +14.7% YoY in June. The decrease in both M2 and credit growth can be partially explained by seasonality and the base effect, but the August data will be heavily scrutinized. PBOC announced further financial support to rural areas at the end of August. July fixed asset investment (FAI) growth decelerated from 17.9% YoYy in June to 15.6% YoY in July. Property-related FAI slowed to 11.9% YoY (12.5% in June); infrastructure FAI was +21.6% YoY (+22.4% in June); and manufacturing FAI was +12.8% YoY (16.7% in June). On the bright side, property new starts and land purchased by developers improved despite falling sales (in volume and in price). New starts, measured in gross floor area, excelled, turning positive at +8.2% YoY in July, from -9.3% YoY the previous month. While this mixed data could be interpreted as early signs of stabilization, inventory oversupply will take some time to work through.

Meanwhile, restructuring plans by state-owned enterprises (SOEs) continue to be released by Beijing. As noted above, Beijing announced further reform measures for the energy and telecom sectors, aimed at driving inefficiencies out of the system. While news of reform goals is positive, improvement doesn't take place overnight (and comes with high execution risks). The recent market behaviour over reform plans can be described by some as "irrational exuberance". China is close to publishing its approved "Budget Law". This will be a significant milestone in providing more transparency into spending at both local and central government levels.

Environmental protection continues to gain attention from Beijing. The importance of this initiative is such that Li Keqiang, the current Premier of PBOC, chaired the executive meeting of the State Council in order to drive the message home that China needs to quickly develop and implement environmental protection and pollution prevention projects. There is talk that the new Budget Law will include policies for levying an environment tax on industries.

FUND PERFORMANCE

In USD terms, the fund increased in value by 0.84 % gross of fees, compared to an increase of 0.54% for the cash benchmark. The performance was driven by the carry of the government bonds held in the portfolio.

In EUR terms, the fund rose 2.39% compared to an increase of 2.13% for the cash benchmark.

PORTFOLIO ACTIVITY

One government bond matured, and we actively sold another one close to maturity on the back of attractive prices in the market. We re-allocated the proceeds toward an actively traded government bond maturing in April 2015. We anticipate possibilities of adding value through active management as this issue has a good liquidity. As we benefit from opportunities we will diversify further the maturity profile of the portfolio.

OUTLOOK & POSITIONING

Chinese data improved in the second quarter. The economy grew by 7.5% YoY, slightly better than the consensus forecast of 7.4%. For the rest of the year, we believe that more stimuli will be needed to maintain GDP growth at this level. The last PMI disappointed and is now at 50.3. Retail sales stabilised but trade data disappointed. While the market still expects solid exports for the second half, recovery might be gradual. Industrial Output's August data disappointed, but this can probably be attributed to less easing from PBOC over the last months. As a result, the central bank presented another easing package of RMB 500 bn in mid-September, aimed at helping the largest bank to fund the short-term financing needs of the economy. CPI was relatively low at 2.2% YoY in August and is expected to remain low as food inflation is still subdued.

Since inflation is subdued, Beijing can ease monetary policy further and we can expect overall liquidity to improve. Despite the recent increase in exports which lifted the trade balance, the government is sticking to its long-term goal to re-orientate growth towards domestic consumption. This can only be done with reforms. Selective policy easing is needed to accompany these reforms. We believe a broad-base reserve requirement cut is unlikely (compared to what we have seen in previous years). Open-market operations are likely to continue to support market liquidity.

The gains made from yields' compression were lost as the yield curve flattened in August and early September. We expect more activities in the government bonds with maturity lower than 1-year as the yield curve bear flattened recently. We re-concentrated the portfolio in order to add value through active management. Further diversification will be done, once we will seize the opportunities over the coming 1 to 2 months. The portfolio is currently yielding 3.66% for a 207 days average life.

We anticipate volatility in the renminbi (RMB), however we expect further appreciation by the end of the year. The Shanghai-Hong Kong Stock Connect might add some liquidity pressure, but how the central bank will react is uncertain. RMB will definitely be supported by the trade surplus and increased internationalisation. It now looks attractive at 6.15/USD, which could be a good entry point for long-term investors, in our view. More volatility has become likely since the trading band was widened last March from 1% to 2% and as the central bank recently abolished pricing restrictions on over-the-counter transactions. More flexibility in terms of trading and pricing marks a continuation of the internationalisation process that should support the valuation of the Chinese currency.