FUND FACTSHEET – NOVEMBER 2014

All data expressed as at 31 October 2014 unless otherwise stated

3-year Fund Volatility 7.0 Low
Lipper Analytics 15 OCTOBER 2014

RHB-OSK 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.

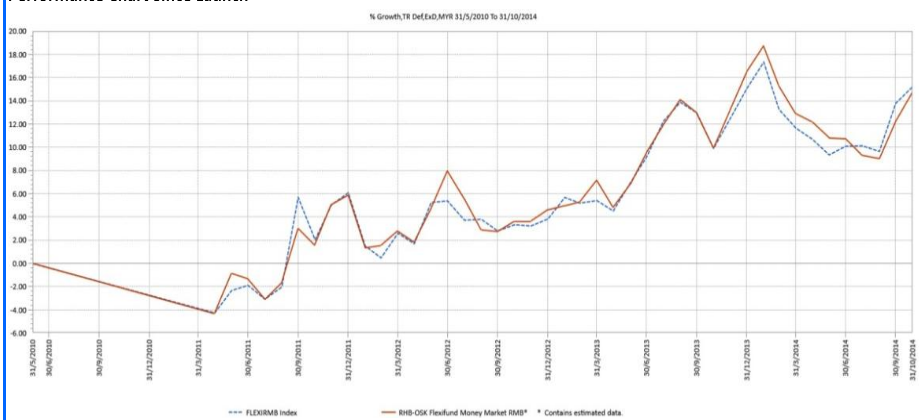
INVESTOR PROFILE

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	**2.25**	**5.02**	**2.30**	**-1.52**
Benchmark	1.26	4.62	4.08	0.13

	1 Year	3 Years	Since Launch
Fund	**4.36**	**13.01**	**14.76**
Benchmark	4.83	12.90	15.21

Calendar Year Performance (%)*

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

**Source: Lipper IM*

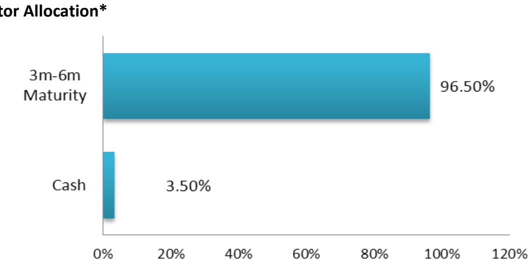
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Wholesale- Feeder Fund (Money Market)
Fund Type	Income Fund
Launch Date	11 May 2010
Unit NAV	RM1.1476
Fund Size (million)	RM0.78
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	96.45
Cash	3.55

**As percentage of NAV*

**Source: BNP Paribas Investment Partners, 31 October 2014. Exposure in Flexifund Short Term RMB - 94.01%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1476	1.1875	1.1875
Low	1.1223	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.

RHB Asset Management

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3-year Fund Volatility 7.0 LOW Lipper Analytics 15 OCTOBER 2014

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MANAGER'S COMMENTS

MARKET REVIEW

Onshore Chinese yields dropped in October, generating solid performance for Chinese bonds over the month. There was a general parallel shift from the yield curve, as yields below five years were down by an average of 40 bp, and long-term yields fell by between 20 bp and 40 bp. Corporate bonds performed well, as the Shanghai Corporate Bond index rose 1.41% in local currency terms in October. The Shanghai Treasury Bond index also did well, rising by 0.61% throughout the month. The one-year and five-year Chinese government bonds now yield 3.36% and 3.57%, respectively. The Chinese yuan (CNY) appreciated by 0.42%, closing at 6.113/USD.

Both the bond yields and the bank deposit rate decreased significantly in October as a result of the continued loosening of China's credit situation. Total social financing (TSF) rose by RMB 1 050 billion and new loan creation came in at RMB 857 billion. China's M2 money supply growth crept up to 12.9% year-on-year (YoY) from 12.8% YoY in August. The People's Bank of China (PBoC) is continuing to pump short-term liquidity into the system. It has injected RMB 769 billion in to commercial banks over the past two months through a new policy tool called the medium-term lending facility (MLF), indicating further monetary easing. This injection has a three-month term, at an interest rate of 3.5%, estimated to be equivalent to a 75 bp RRR cut.

On the macroeconomic front, China's recovery remains volatile, but continues to point to a stabilising economy. GDP growth in Q3 came in stronger than the market expected, rising by 7.3% YoY, however this was below the 7.5% YoY growth seen in Q2, but this can be attributed to a high base in Q3 2013. Industrial production grew 8.0% YoY in September, an improvement over August (up by 6.9% YoY). China's official NBS PMI eased to 50.8 in October, compared to 51.1 the previous month, but remains in expansion territory. The final reading for the October Markit manufacturing PMI improved slightly to 50.4, up from 50.2 in September.

Export growth moderated in October to 11.6% YoY, down from a strong figure the previous month, but it still managed to beat consensus estimates. A slowdown in exports to the EU and Japan reflected the weakness in those economies and the rapid appreciation of the renminbi against the euro and the yen. In October, import growth stood at 4.6% YoY, weighed down by weak imports in the materials sector and falling commodity prices. China's trade surplus increased to USD 45.4 billion (versus USD 31 *As of 3rd September 2012, the subfund "Flexifund Money Market RMB" has been renamed "Flexifund Short Term RMB". **from December 2012 the performance shown is calculated from end of month NAVs, as opposed to tradeable NAVs billion in September). Environmental protection continues to gain attention from Beijing. Premier Li Keqiang reiterated 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 environmental tax on industries.

October CPI inflation was flat month-on-month (MoM), and stood at +1.6% (YoY). PPI deflation intensified to -2.2% YoY in October, after weak demand in production and slumping commodity prices. The tame inflation environment leaves plenty of room for the PBoC to implement further market stimulation, and an across-the-board benchmark rate cut is increasingly expected by market watchers.

Beijing also continues to implement fiscal measures to support the economy. In addition to the National Development and Reform Commission has approved over USD 110 billion of spending on infrastructure projects since early October. President Xi announced that China has pledged USD 40 billion to set up a Silk Road Fund (dubbed by the press as "China's Marshall Plan"), in order to finance the construction of infrastructure, linking markets across Asia. The construction of the "One belt, one road" project is another step for China in bolstering its domestic industries by opening its borders and linking infrastructures with its Asia-Pacific neighbours. China's infrastructure, transportation and transport equipment, power equipment, and tourism sectors will be key beneficiaries.

FUND PERFORMANCE

In USD terms, the fund increased in value by 1.85 % gross of fees, compared to an increase of 1.25% 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 2.37% compared to an increase of 2.09% for the cash benchmark.

PORTFOLIO ACTIVITY

No change in the portfolio this month. Two government bonds matured this month and we are looking for attractive bonds to diversify our portfolio

OUTLOOK & POSITIONING

The economy grew by 7.3% YoY over the Q3, which was better than the consensus. We believe the economy is at its bottom and we should see a rebound for Q4 2014. For the full year 2014, China's GDP will certainly beat +7.0%, but 2015 may be the first year in over a decade where China's GDP may fall at, or below, the 7% rate, as signalled by President Xi Jinping at the APEC summit in mid-November. China's leadership also shared its GDP growth target for 2016, guiding for a 6.0%-6.5% range. We believe these targets are supportive of the fixed-income markets and for China's longer-term outlook, as it reinforces Beijing's determination to implement much-needed economic and structural reforms.

The loosening of monetary policy in the past two months had a major impact on the market performance of Chinese fixed income. The PBoC's RMB 769 billion liquidity injection in September and October lead to the significant decrease in the fixed-income securities' yield. We expect this loosening of monetary policy to be continued in the coming months and the market to continue following PBoC policies very closely. The low inflation level also provides room for further loosening. This will drive further the performance of government bonds.

We anticipate volatility in the renmimbi, however we expect further appreciation by the end of the year. RMB will indeed be supported by the trade surplus and increased internationalisation. RMB looks attractive, standing at 6.11/USD, which, in our view, could be a good entry point for long-term investors. More volatility has become likely since the trading band was widened last March from 1% to 2%, 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.

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