RHB OSK
RHB Asset Management

FUND FACTSHEET – MAY 2014

All data expressed as at 30 April 2014 unless otherwise stated

3-year Fund Volatility 7.6 low Lipper Analytics 15 APRIL 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.

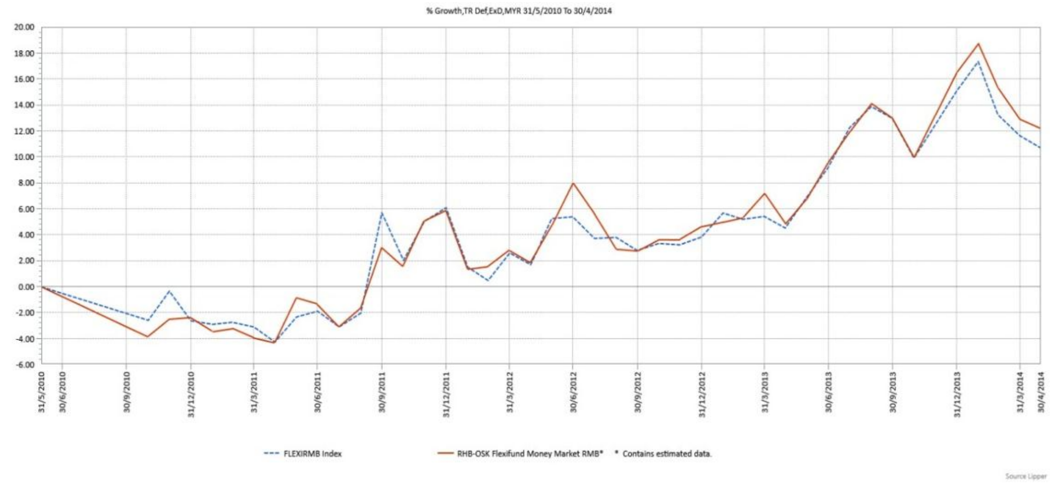
INVESTOR PROFILE

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	**-0.64**	**-5.53**	**2.01**	**-3.73**
Benchmark	-0.85	-5.66	0.72	-3.80

	1 Year	3 Years	Since Launch
Fund	**7.01**	**17.26**	**12.18**
Benchmark	5.89	15.60	10.69

Calendar Year Performance (%)*

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

**Source: Lipper IM*

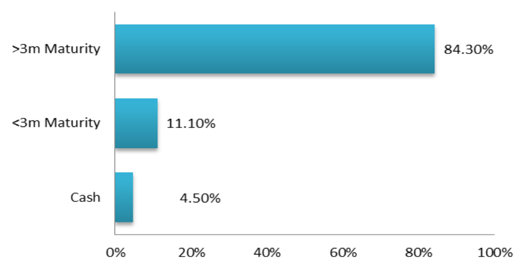
FUND DETAILS

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	RM1.1235
Fund Size (million)	RM0.76
Units In Circulation (million)	0.68
Financial Year End	31 May
MER (as at 31 May 2013)	0.94%
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	0.08% p.a. of NAV, subject to a minimum of RM18,000 p.a.*
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 4.01 1014	45.51
CGB 3.63 0415	38.82
CGB 3.48 040714	7.98
HFT MONEY MKT	3.15
CASH/ OTHERS	4.54

**As percentage of NAV*
**Source: BNP Paribas Investment Partners, 30 April 2014. Exposure in Flexifund Short Term RMB - 95.57%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1290	1.1875	1.1875
Low	1.1180	1.0289	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.)

Head Office: 19th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. **General Line: 603-2164 3036** **Fax: 603-2164 4226** **Website: www.rhbgroup.com**

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MANAGER'S COMMENTS

MARKET REVIEW

The onshore Chinese yield curve flattened in April – we saw an increase in yields in short-term maturities, while yields from medium to long-term maturities fell. The People's Bank of China (PBoC) injected liquidity into the market in April and lowered the required reserve ratio by 0.5% for county-level rural cooperative banks and commercial banks, to 2%. As of end of April, the yield for a 1-year China government bond is 3.50% and 4.04% for a 5-year bond. The Shanghai Treasury index rose 0.19% over the month, while the Shanghai Corporate Bond index had a strong performance of 0.67% in local currency terms. The Chinese yuan (CNY) depreciate further, by 0.68%, closing the month at 6.2578/USD.

China's March export data again came in weaker than expected, with exports falling 6.6% YoY after a fall of 18.1% YoY in February. On a more positive note, industrial production rose by 8.8% YoY in March, compared to 8.6% YoY in January-February. Domestic retail sales rose by 12.2% YoY in March compared to 11.8% YoY in January-February. This translates into a seasonally adjusted gain of 1.0% MoM in March, compared to the rise of 1.8% MoM in February and the fall of 1.7% MoM in January.

China's March CPI inflation increased to 2.4% YoY from 2.0% in February, in line with consensus expectations. The higher YoY inflation figure was due to a high base effect, as the CPI actually fell by 0.5% MoM in March on lower food prices. The current low level of inflation should not prevent monetary policy from being eased. With the economic slowdown increasing the pressure for monetary easing, investors are expecting more to be done at a national level in the coming months in order to support growth.

China's official manufacturing PMI inched up to 50.4 in April from 50.3 in March, and thus came in slightly below market expectations of 50.5. The new export order sub-index fell by 1ppt to 49.1 in April, after a temporary rebound in March. The sluggish MoM PMI improvement is consistent with the mild easing since early April but may not be enough to avert a YoY slowdown in Q2 2014 arising mainly from the lagging effect of tight credit conditions in H2 2013. On a positive note, and in contrast to China's weakening external demand, the country's new order sub-index rose by 0.6ppt to 51.2 in April. This was its largest gain since last September and its highest reading so far this year, indicating strengthening domestic demand supported by recent targeted investment initiatives in shanty housing improvement, railway projects and advanced fiscal spending.

FUND PERFORMANCE

The fund decreased in value by 0.85% gross of fees in EUR terms in April, compared to a decrease of 1.23% for the cash benchmark. The valuation snapshot effect detracted 0.4% from relative performance in EUR terms. Due to CNY and EUR depreciation, FX detracted 0.90% from the performance last month. Due to renminbi depreciation, FX detracted 1.25% from the performance last month.

In USD terms, the fund decreased in value by 0.38% gross of fees, compared to a decrease of 0.63% for the cash benchmark. The valuation snapshot effect detracted 0.08% from relative performance in USD terms in March. Due to renminbi depreciation, FX detracted 0.62% from the fund's performance last month.

PORTFOLIO STRATEGY

There were no changes to the strategy. The strategy continues to invest in China government bonds with a remaining maturity of less than 12 months. One bond matured last months, and we added two new issues in April, we allocated a larger amount to one issue yielding 5.5% and maturing in October 2014. Another issue is yielding 3.5% and maturing in April 2015. Government bonds in the portfolio have a yield to maturity from 2.7% to 5.5%, for duration of less than 349 days. Exposure into money market instruments yields 4.7% for a short duration positioning.

OUTLOOK & POSITIONING

Economic indicators disappointed investors and most investors downgraded their economic growth forecast for 2014. In early April, the Chinese government came up with a mini-stimulus package, focusing on investment in railways (planning to build 6 600 km of railways in 2014) and social housing. We see this as a positive move but have some concerns in terms of the funding and execution of the package. Beijing reiterated its annual growth forecast of 7.2% and we believe more stimulus will be needed to reach this target. These stimulus initiatives focus more on rebalancing the economy towards western areas (around 80% of the new railway lines will be in the mid-west region) than on achieving more sustainable economic growth by taking environmental issues and innovation into account.

In China, inflation remains low. We believe a stable monetary policy will be maintained. We might see small changes in the required reserve ratio, but no change in interest rates. However, as GDP growth is no longer the focus of local government officials, we believe the Beijing's fiscal policies should be more efficient and support the economy better than they have in the past. Such policies are likely to focus mainly on environmental projects and forcing consolidation in overcapacity industries.

We will closely observe the evolution of the Chinese bond market. The first defaults took place in March although we had anticipated that this would happen sooner or later. We believe further defaults could hit sentiment and market liquidity. Such defaults would be more likely related to private companies as the government is unlikely to allow state-owned companies to miss coupon payments or default on principal. Industries with too much capacity, where the government wants to see consolidation, are most at risk. However, the government will not allow systemic risk to spread. As China is liberalising its financial markets to further support economic growth, credit risk needs to be properly priced in by market participants so that capital can be efficiently allocated.

Despite recent concerns over renminbi depreciation, we believe the currency will overall continue to slowly appreciate, on the back of a trade surplus and RMB internationalisation. However, investors should anticipate further currency volatility, especially as the trading band has been widened from 1% to 2%, indicating that the currency should start behaving more like an international currency.