RHB OSK
RHB Asset Management

FUND FACTSHEET – JULY 2014

All data expressed as at 30 June 2014 unless otherwise stated

3-year Fund Volatility 7.4 low Lipper Analytics 15 JUNE 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.

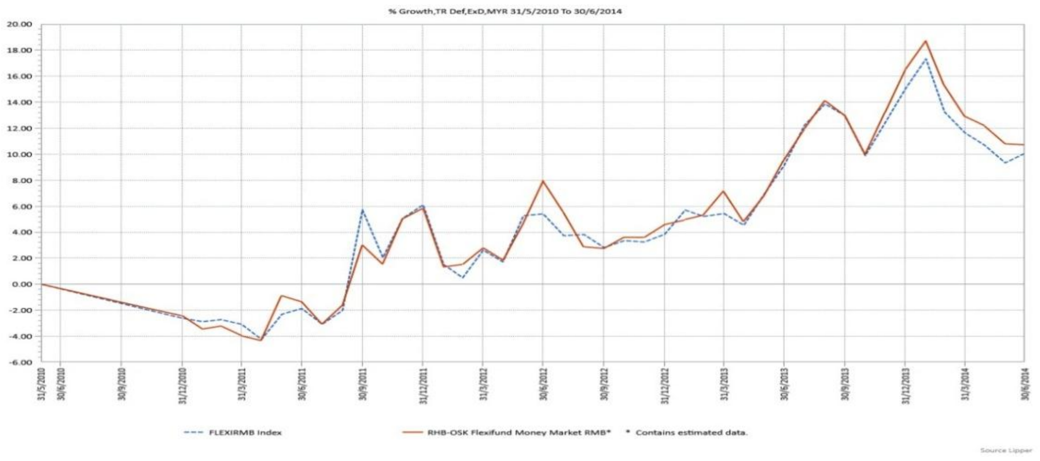
INVESTOR PROFILE

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	**-0.07**	**-1.91**	**-4.96**	**-4.96**
Benchmark	0.68	-1.40	-4.33	-4.33

	1 Year	3 Years	Since Launch
Fund	**1.08**	**12.26**	**10.75**
Benchmark	0.86	12.18	10.08

Calendar Year Performance (%)*

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

**Source: Lipper IM*

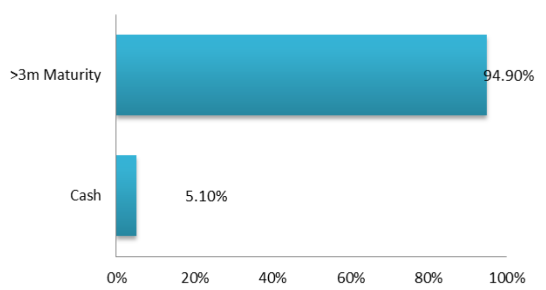
FUND DETAILS

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	RM1.1043
Fund Size (million)	RM0.75
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 3.63 041588.49%	88.49
HFT MONEY MKT	4.73
CGB 4.01 1014	1.73
CASH/OTHERS	5.06

**As percentage of NAV*

**Source: BNP Paribas Investment Partners, 30 June 2014. Exposure in Flexifund Short Term RMB - 95.68%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.1082	1.1875	1.1875
Low	1.0998	1.0956	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.)

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MANAGER'S COMMENTS

MARKET REVIEW

The onshore Chinese yield curve made a downward parallel shift in June. Yields declined along the curve with an average fall in spreads of about 10bp along the curve for tenure above 1 year. However, money-market yields increased on the back of liquidity needs at the end of the quarter. Three month yields rose by 25 bps. The People's Bank of China (PBoC) has been injecting liquidity into the market over the last months thus avoiding a repetition of last year's interest rate spike. As a result, one-year and five-year China government bonds are now yielding 3.49% and 3.875%, respectively. The Shanghai Treasury index had a solid performance, rising by 0.34% over the month, while the Shanghai Corporate Bond index rose 0.80% in local currency terms. The Chinese yuan (CNY) appreciated by 0.69%, closing at 6.2031/USD.

Macroeconomic data indicated the economy was stabilising, helped by targeted government policies and stimulus. China's Official PMI rose modestly to 51.0 in June after 50.8 in May. This is the fourth consecutive month of improvement, indicating that early-Q2 may have been the trough in terms of GDP growth. The HSBC June Composite PMI (52.4 in June after 50.2 in May) also signalled an improvement in business activity, showing the rate of expansion had accelerated to its strongest in 15 months.

Industrial production (+8.8% YoY), retail sales (+12.5% YoY) and export (+7.0% YoY) all came in better than expected for May. Meanwhile, imports fell by 1.6% YoY in May. Beijing's mini-stimulus programmes pushed the infrastructure investment growth rate to a nine-month high of 28% YoY after 21% YoY in April, helping to offset the weakness in manufacturing and property investment. The property sector remains the biggest unknown for most investors. National home prices dropped by 0.2% MoM in May, recording its first fall since 2012. Property FAI growth declined to 10.5% YoY in May from 15.5% in April.

CPI inflation edged up in May, though it still remains comfortable at 2.5% YoY (1.8% YoY in April). Food prices stopped declining as prices of pork and vegetables starting ticking back up. PPI eased by 1.4% YoY in May, the 27th-month of deflation, although the year-on-year decline is becoming smaller.

On the policy front, the People's Bank of China (PBoC) announced another 50bp RRR cut to support small-medium enterprises (SMEs). Credit conditions eased slightly as Total Social Financing (excluding equity) growth edged up to 16.4% YoY thanks to robust renminbi lending and bond issuance.

FUND PERFORMANCE

The fund decreased in value by 0.24% gross of fees in EUR terms in June, compared to an increase of 0.37% for the cash benchmark. The valuation snapshot effect detracted 0.12% from relative performance in EUR terms. The volatility at the end of June in the money market and FX rates make the comparison of the fund's performance versus the benchmark less relevant as there is a difference in valuation's timing between the benchmark and the fund. However, most of the absolute negative performance is coming from the money market yields increasing.

In USD terms, the fund decreased in value by 0.46% gross of fees, compared to an increase of 0.22% for the cash benchmark. The valuation snapshot effect detracted 0.07% from relative performance in USD terms. Due to renminbi appreciation, FX contributed 0.06% from the fund's performance last month. This month most of the outperformance is coming from the money market yields decreasing strongly.

PORTFOLIO ACTIVITY

There was no changes to the strategy. Due to outflows during the month, we sold a government bond that we did not replace. We are waiting for attractive opportunities to diversify further our exposure in terms of duration of bonds in the portfolio. Government bonds in the portfolio have a yield to maturity from 6.25% to 3.2%, for duration of less than 288 days. Exposure into money market instruments yields 4.6% for a short duration positioning.

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 7.5%. The PMI is now at 51.0, suggesting improved production and net export orders. Industrial output continued to rebound, supported by increasing coal consumption. Accelerated fiscal spending and infrastructure investment boosted domestic demand, but the weak property market and slowing real estate investment remained a drag. CPI was relatively low at 2.4% YoY at the end of the quarter and is expected to remain low as food inflation is still subdued. Meanwhile, import data for June showed a rebound at 5.5% YoY versus -1.6% in May as stronger volumes partly offset falling prices. In its first-half trade review, the customs office said the outlook was challenging, noting that exports could be hard to increase amid weak global demand. However, the market still expects solid exports for the second half, although the recovery might actually be more gradual.

Since the beginning of the year, the Chinese onshore yield curve shifted downward: spreads fell by about 100 bp for the six-month tenor and on average by 50bp for longer maturities. We believe the central bank will inject further liquidity to help the government achieve its 7.5% growth target.

Since inflation is subdued, Beijing can ease monetary policy further. We 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-orient growth toward domestic consumption. This can only be done with reforms. Selective policy easing is needed to accompany those reforms. We believe a broad base reserve requirement cut is unlikely (compared with what we saw in previous years). Open-market operations are likely to continue to support market liquidity. AAA rated five-year corporate bonds, which still yield a solid 5.33%, should continue to see an improved performance. We believe the market is still pricing in liquidity stress and defaults, whereas the probability of such events should decrease in the second half of the year. We are far from the levels seen before June 2013, when there was a clear lack of market liquidity. Looking at 2012 levels, which are even lower, we believe there is a clear room for gains. Asset prices might become more volatile as financial reforms remain a priority for Beijing.

Despite concerns over renminbi depreciation in the first quarter, we believe the currency can continue to appreciate slowly on the back of the trade surplus and further internationalisation. It now looks attractive at 6.20/USD, which could be a good entry point for long-term investors, in our view. More volatility is likely since the trading band was widened last March from 1% to 2% and the central bank recently abolished pricing restrictions on over-the counter transactions. More flexibility to trading and pricing marks the start of the internationalisation which should support the valuation of the Chinese currency.