

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.

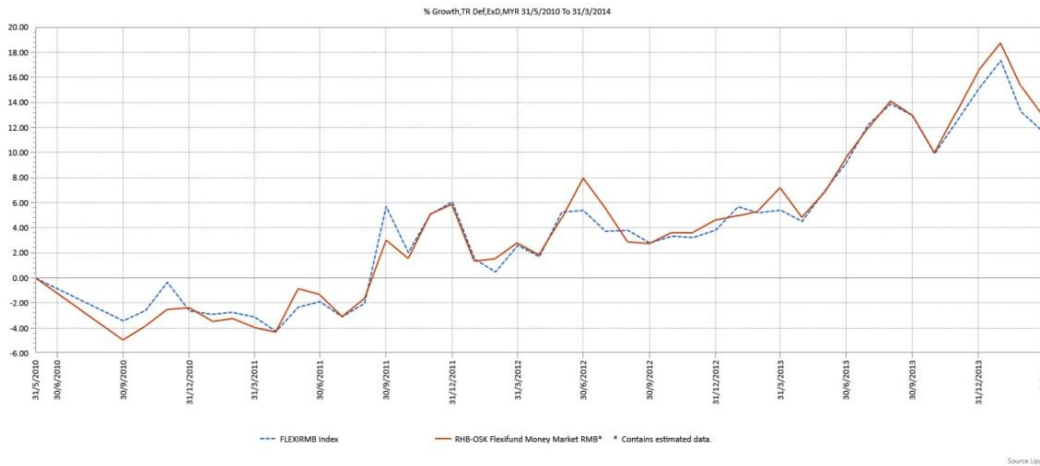
INVESTOR PROFILE

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	-2.09	-3.12	-0.08	-3.12
Benchmark	-1.42	-2.97	-1.17	-2.97

	1 Year	3 Years	Since Launch
Fund	5.35	17.56	12.90
Benchmark	5.90	15.20	11.64

Calendar Year Performance (%)*

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

*Source: Lipper IM

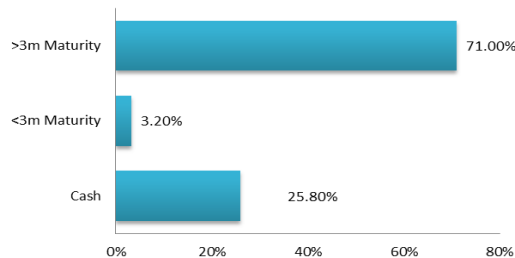
FUND DETAILS

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	RM1.1290
Fund Size (million)	RM0.77
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 3.48 040714	67.91
CASH/ Others	25.82
CGB 2.62 0414	3.16
HFT MONEY MKT	3.12

*As percentage of NAV

*Source: BNP Paribas Investment Partners, 31 March 2014. Exposure in Flexifund Short Term RMB - 95.45%

FUND STATISTICS

Historical NAV (RM)	1 Month	12 Months	Since Launch
High	1.1531	1.1875	1.1875
Low	1.1290	1.0289	0.9427

Source: Lipper IM

Historical Distributions (Last 3 Years) (Net)

	Distribution (sen)	Yield (%)
31 May 2013	-	-
31 May 2012	-	-
31 May 2011	-	-

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 steepened in March - we saw a decrease in yields in short-term maturities, while yields from medium to long-term maturities increased. China's first onshore corporate bond default occurred in early March. Shanghai Chaori Solar Energy missed a coupon payment, putting the liquidity of the onshore Chinese market into the spotlight. As of the end of March, the yield for a 1-year China government bond is 3.09% and 4.19% for a 5-year bond. The Shanghai Treasury Bond index rose 0.46% over the month, while the Shanghai Corporate Bond index had a strong performance of 0.29% in local currency terms. The Chinese yuan (CNY) continued to depreciate by 1.14%, finishing the month at 6.2171/USD. The People's Bank of China (PBoC) is letting the renminbi depreciate to curb hot-money flows. In addition, the central bank widened the renminbi's daily trading band from +/-1% of its daily fixing rate to +/-2%, as of 17 March. This latest move underscores the view that the PBoC has shifted its FX policy towards allowing market forces to influence the exchange rate.

China's February macro indicators were mixed. Exports fell by 18.1% YoY compared to a 10.6% YoY rise in January. Meanwhile, imports grew by 10.1% YoY in February, marginally up on the 10.0% YoY rise in January. China's headline CPI inflation slowed to 2.0% YoY in February from its January reading of 2.5% and the consensus forecast of 2.0%. PPI deflation widened to -2.0% YoY, the fastest declining pace since July 2013. Food inflation slid to 2.7% YoY from 3.7% the previous month while non-food inflation softened to 1.6% YoY from its prior reading of 1.9%. The soft inflationary environment creates some room for manoeuvre on monetary policy.

China's official manufacturing PMI increased in March to 50.3, up from 50.2 in February and coming in slightly better than market expectations. However, the post-holiday improvement paled in comparison with the March rebound in previous years (averaging 2.8ppt from 2005-13, minimum 0.8ppt). Overall demand recovered from eight-month lows with the new orders index creeping up by 0.1ppt to 50.6. In particular, the new export orders index advanced 1.9ppt to 50.1 as the US economy recovered from its winter-related soft patch. Correspondingly, the import index jumped by 2.6ppt to 49.1. The flip side saw sluggish domestic new orders.

Fund performance

The fund decreased in value by 1.58% gross of fees in EUR terms in March, compared to a decrease of 0.94% for the cash benchmark. The valuation snapshot effect detracted 0.89% from relative performance in EUR terms. Due to CNY and EUR depreciation, FX detracted 0.90% from the performance last month.

In USD terms, the fund decreased in value by 1.07% gross of fees, compared to a decrease of 1.14% for the cash benchmark. The valuation snapshot effect detracted 0.18% from relative performance in USD terms in March. Due to renminbi depreciation, FX detracted 0.18% from the fund's performance last month.

Portfolio activity

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 and we are looking for attractive opportunities on the short-term part of the curve. Government bonds in the portfolio have a yield to maturity from 2.32% to 3.16%, for duration of less than 95 days. Exposure into money market instruments yields 5.0% for a short duration positioning.

Outlook & positioning

Economic indicators disappointed investors and most investors downgraded their economic growth forecast for Q1 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, the inflation rate was 2% YoY in February and 2.5% YoY in March. We believe a stable monetary policy will be maintained, with the inflation rate remaining low and the PBoC leaving the required reserve ratio and interest rates unchanged. However, as GDP growth is no longer the focus of local government officials, we believe the active fiscal policies being implemented by Beijing can become more efficient and support the economy better than it has in the past. Such policies will focus more on environmental projects and forcing consolidation in over-capacity 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.

DISCLAIMER:

Based on the fund's portfolio returns as at 14 March 2014, the Volatility Factor (VF) for this fund is 7.5 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.3 but not more than 7.9 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 31 December 2013 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2014.

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 Information Memorandum dated 1 December 2013 and its supplementary(ies) (if any) ("the Information Memorandum") before investing. The Information Memorandum 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 Information Memorandum relates will only be made on receipt of a form of application referred to in the Information Memorandum. The sub-funds are only offered to "qualified investors" as defined in the Information Memorandum. For more details, please call 1-800-88-3175 for a copy of the PHS and the Information Memorandum or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the sub-funds are management risk, liquidity risk, currency risk, country risk and the specific risks of the target fund are tax risks, market risks, investment and repatriation risks, liquidation and custody risks, currency fluctuation risks, volatility risks and liquidity risks. These risks and other general risks are elaborated in the Information Memorandum.