RHB OSK
RHB Asset Management

FUND FACTSHEET – AUGUST 2014

All data expressed as at 31 July 2014 unless otherwise stated

3-year Fund Volatility 13.5 very high
Lipper Analytics 15 JULY 2014

RHB-OSK MALAYSIA DIVA FUND (formerly known as RHB MALAYSIA DIVA FUND)

This Fund aims to provide total returns primarily through investment in equity and equity related securities of companies which offer potentially high dividend yields and sustainable dividend payments.

INVESTOR PROFILE

This Fund is suitable for Investors who:

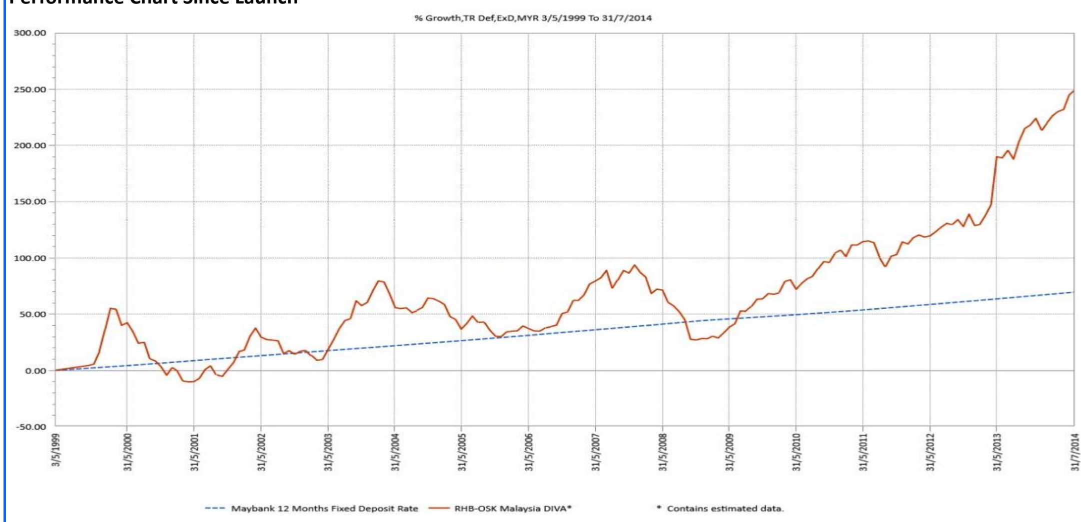
- are looking for potential income through equities that offer dividend and growth potential; and
- have medium to long term investment horizon.

INVESTMENT STRATEGY

- Up to 100% of NAV: Investments in equities and/or fixed income securities or liquid assets.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**1.31**	**5.84**	**11.47**	**7.86**
Benchmark	0.27	0.79	1.56	1.83

	1 Year	3 Years	5 Years	Since Launch
Fund	**18.11**	**63.73**	**128.35**	**249.53**
Benchmark	3.15	9.75	15.86	69.57

Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	**35.55**	**11.47**	**4.28**	**20.04**	**31.04**
Benchmark	3.15	3.15	3.03	2.74	2.62

**Source: Lipper IM*

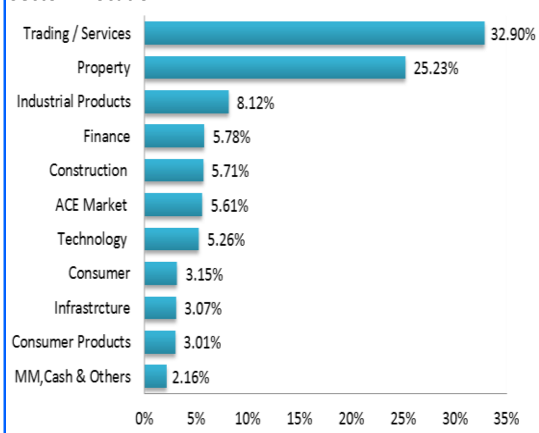
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn Bhd)
Trustee	CIMB Islamic Trustee Bhd
Fund Category	Equity Fund
Fund Type	Income and Capital Growth Fund
Launch Date	03 May 1999
Unit NAV	RM0.6633
Fund Size (million)	RM12.12
Units In Circulation (million)	18.28
Financial Year End	31 March
MER (as at 31 Mar 2014)	1.77%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	Maybank's 12 mths FD Rate
Sales Charge	Up to 6.00% of NAV per unit
Redemption Charge	None
Annual Management Fee	Up to 1.50% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a min. of RM18,000 p.a.*
Switching Fee	RM25.00 per switch
Redemption Period	Within 10 days after receipt the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Annually, if any

**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 (%)*

SELANGOR PROPERTIES BHD	3.24
GLOBAL ORIENTAL BHD	3.18
YOONG ONN CORPORATION BERHAD	3.15
MALAYSIAN PACIFIC INDUSTRIES BHD	3.11
DESTINI BERHAD	3.09

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.6675	0.6869	1.7254
Low	0.6527	0.5799	0.3451

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)
27 Mar 2014	6.2000
29 Mar 2013	3.8849
30 Mar 2012	3.9062
31 Mar 2011	3.5816
31 Mar 2010	2.4926

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

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MANAGER'S COMMENTS

MARKET REVIEW

The FBMKLCI (KLCI) ended a tad lower in July after slipping by 0.6% to close at 1,871.36 vs. +0.50% in the month of June. On a year-to-date (YTD) basis, the KLCI remains a laggard after rising only 0.24% vs. the regional indices i.e. Jakarta +19.06%, the Philippines +16.55% and Singapore's STI +6.52%. The month of July saw Bank Negara Malaysia increasing the Overnight Policy Rate (OPR) to 25bps to 3.25% but the long holiday during Eid Mubarak has caused the KLCI to remain subdued on a monthly basis. The lack of earnings impetus from the recent quarterly reporting has caused the KLCI to remain a laggard against the regional peers whilst the already expensive nature of the KLCI based on the current PER of 16.6x would prevent any steep upside in the month of August. During the month, gainers were led by HLFG (+8.18%), BAT (+7.57%), IHH (+7.31%), UMW (+7.14%), RHB Capital (+5.96%); whilst laggards were led by Petronas Dagangan (-22.63%), IOI Corp (-4.76%), CIMB (-4.37%), and Astro (-4.27%).

On the economic front, Malaysia's inflation gained in the month of June as prices of transport, food, housing and utilities increased. Consumer prices rose 3.3% from a year earlier after rising 3.2% in May. Malaysia's industrial production growth for May accelerated to its fastest pace in 3 months to 6.0% after hitting a high of 6.7% in February. The mining sector was the worst performer with output increase of 1.4% YoY while manufacturing output rose 7.8% YoY, much higher than April's 4.0% increase.

Crude Palm Oil (CPO) prices decreased 5.60% MoM to close at RM2345.50/tonne, as rise in global oilseed output reduced demand for palm oil. WTI Crude Oil ended the month 6.83% lower to USD98.17/barrel, as market concerns on supply disruption abated with Libyan output gains and as Iraqi shipments appear unaffected by an insurgency. The Ringgit ended the month 0.10% weaker to RM3.2127/USD, as improving U.S. data added to speculation that the Federal Reserve will raise interest rates, reducing demand for emerging-market assets.

MARKET OUTLOOK AND STRATEGY

Leading indicators suggest that the global recovery is still taking place mainly driven by improvement in developed markets. However, in the short term basis, in particular second half of 2014, equity market might experience higher volatility and valuation adjustment once the Fed completely exit from its asset purchase program as that will trigger the investors to speculate the probability and timing of the interest rate hike. The US economy growth expectation has been revised up from 2.6% to 2.7% in 2014 with unemployment rate to improve to 6.5% in 2014 and 5.95% in 2015 as the business and manufacturing activities expand. Improvement in household wealth is expected to anchor consumer expenditure on real estate and automobiles. The European economy is showing signs of recovery with growth expectation of 1.1% by the ECB, supported by less austerity and continued strength in trade across the region. Nonetheless, the high unemployment rates, structural disparity between the core and peripheral European countries as well as the building deflationary forces remain a concern. The ECB will remain supportive with reflationary policies. Growth in emerging market and developing economies is expected to increase to 5.1% in 2014 and to 5.4% in 2015, according to IMF. Growth in China is expected to moderate to around 7.5% amid the economic transition and largely hinge on the execution of the reform blue print detailed in the Third Plenum.

Global portfolio adjustments continue from bonds to equities, despite equities being fully valued, mainly supported by confident on global economic growth outlook whilst offsetting rising bond yields. Equities in developed markets and North Asia in particular are likely to outperform on solid recovery whilst the Fed tapering will take a toll on emerging markets earnings growth due to higher borrowing costs and currency fluctuation. Emerging markets equities are likely to suffer from high volatility in the short term, however, as developed markets growth accelerate, Emerging markets should enjoy the spillover effect.

ASEAN is in healthy shape with a superior debt position relative to many markets in the West and is, in our view, standing on the brink of a multi-year structural growth story. The OECD projects an average annual growth of 5.5% for ASEAN over the next five years. Over the last decade, ASEAN GDP growth was driven by the ex-Singapore renaissance. Strong GDP growth was the result of rising productivity, the burgeoning middle class, young demographics in a huge population, governments' pro-stimulus policies on large scale infrastructure projects and increasing intra-regional trade flows as FTA come to the force.

Malaysia is expected to achieve a GDP growth of 4.5-5.5% in 2014 driven by private investment and consumption as well as the turnaround in the external demand. Efforts to rationalize subsidy and operating costs also boost investors' confidence on government's determination to rein in fiscal deficit. The major concern in 2014, however, will be the higher inflation and slower growth as a result of weaker ringgit and subsidy rationalization where after the adjustment of electricity tariff effective in January 1st of 2014 and the reduction of gas subsidy reduction.

We remained focus on investing in good quality companies with resilient earnings while we continue to hold on to our main thesis of investing on urbanization, and government's initiative in economic transformation projects. The key strategy would be to be nimble at adding or initiating new positions in well-managed companies that demonstrate a sustainable business models and decent dividend payouts with competitive advantages during the downside of the market.