RHB OSK

RHB Asset Management

FUND FACTSHEET – NOVEMBER 2014

All data expressed as at 31 October 2014
unless otherwise stated

RHB-OSK MULTI ASSET REGULAR INCOME FUND

The Fund aims to provide regular income and medium to long term capital growth through a multi asset strategy.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

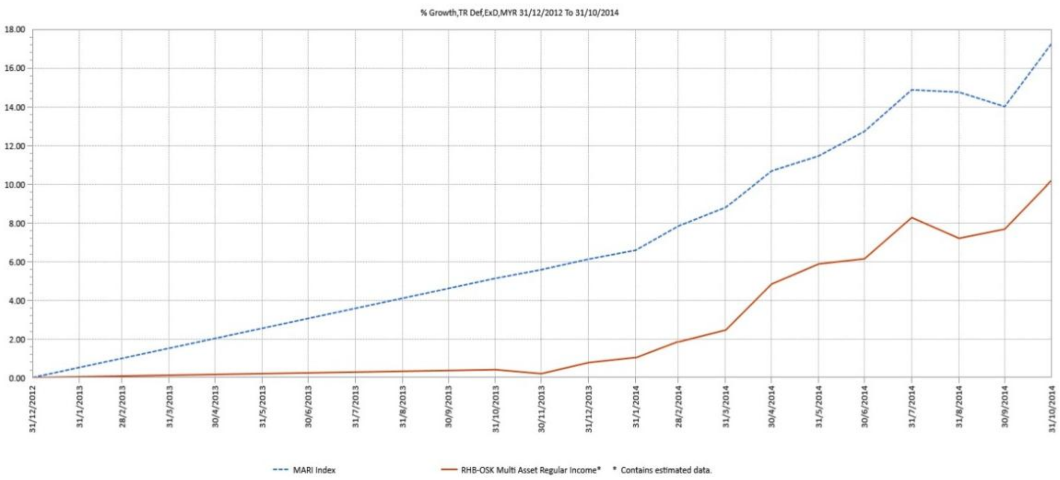
- seek regular income and capital growth over the medium to long term;
- are willing to accept moderate risk in their investments; and
- wish to benefit from investment exposure in the Asia and Asia Pacific (ex Japan) region.

INVESTMENT STRATEGY

- 65% - 98% of NAV: Investments in Asian (ex Japan) debt instruments / bonds, Asia Pacific (ex Japan) dividend equities and Asia Pacific (ex Japan) REITs.
- 2% - 35% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**2.35**	**1.79**	**5.12**	**9.39**
Benchmark	2.88	2.10	5.97	10.53

	1 Year	Since Launch
Fund	**9.79**	**10.23**
Benchmark	11.57	17.29

Calendar Year Performance (%)*

	2013
Fund	**0.77**
Benchmark	6.12

**Source: Lipper IM*

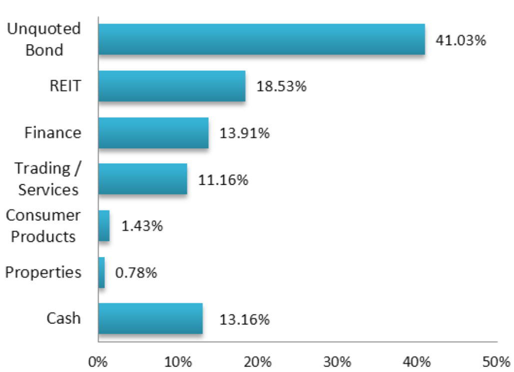
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Mixed Asset Fund
Fund Type	Income and Growth Fund
Launch Date	07 December 2012
Unit NAV	RM0.5357
Fund Size (million)	RM65.98
Units In Circulation (million)	123.16
Financial Year End	31 January
MER (as at 31 January 2014)	2.18%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	50% JP Morgan Asia Credit Index TR Composite (RM) + 30% MSCI AC Asia Pacific ex Japan Index (RM) + 20% MSCI AC Asia Pacific ex Japan REITS Index (RM)
Sales Charge	Up to 5.00% of investment amount
Redemption Charge	None
Annual Management Fee	1.80% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a minimum of RM18,000 p.a.*
Switching Fee	RM25.00 per switch
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Quarterly, if any

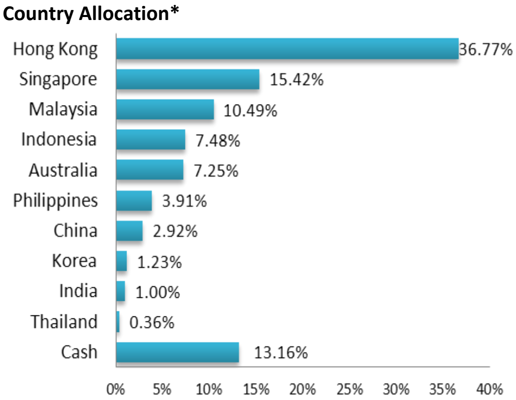
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

YUEXIU PROPERTY-4.5% (24/01/2023)	6.34
CHAMPION MTN LTD-3.75%(17/01/2023)	5.00
COSCO PACIFIC-4.375%(31/01/2023)	4.67
JGSH PHILIPPINES-4.375%(23/01/2023)	3.91
FRANSHION BRILLIANT-5.75%(19/03/19)	3.89

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5357	0.5357	0.5357
Low	0.5193	0.4828	0.4636

Source: Lipper IM

Historical Distributions (Last 4 Quarters) (Net)

	Distribution (sen)	Yield (%)
30 Jul 2014	0.3600	0.71
28 Jan 2014	0.2000	0.41
30 Oct 2013	0.0700	0.14
26 Jul 2013	0.3630	0.75

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET REVIEW

The Asia ex-Japan equity market gained in October, outperforming global markets where emerging market equities outperformed developed markets. Within fixed income, market performance was mixed with high-yield and Asia credits outperforming investment-grade and G7 bonds. There was also a huge dichotomy in the performance of commodities with agriculture far outperforming with strong gains while energy and gold posted huge losses. Investors' attention was focused on the significant global central bank actions at the end of October. The US Federal Reserve (Fed) ended quantitative easing as scheduled while the Bank of Japan (BoJ) surprised markets with its announcement to further ease monetary policy and the Japan government pension fund announced its plan to raise allocation to equities and foreign assets.

Across the Asia ex-Japan markets, Hong Kong was the top performer even as the ongoing pro-democracy protests created uncertainty for the territory's political outlook. China, India and Taiwan also outperformed with gains. Korea was the worst-performing market as corporate earnings for 3Q14 disappointed with several industrial companies making provisions for their major overseas projects. Singapore, the Philippines and Thailand also underperformed. Sector performance across Asia ex-Japan in October was diverse with defensive sectors such as utilities and telecommunication services gaining, while the cyclical materials, energy and industrials sectors posted losses.

Global economic leading indicators all improved across the developed markets in October, though they were softer in emerging markets. The US PMI rose back to 59.0 from 56.6, Japan PMI rose to 52.8 from 51.7, the Eurozone inched up to 50.6 from 50.3 and the UK PMI rose to 53.2 from 51.5. China's official PMI softened to 50.8 in October from 51.1 in September, with the private sector HSBC PMI inching up to 50.4 from 50.2. Other latest activity indicator such as industrial production mostly dipped in August, though there was some improvement in September where data was available. Inflation remained largely stable across most markets although the Eurozone continued to slip. The South Korea Central Bank cut interest rates by 25 bps at its meeting in October.

The Hong Kong market's strong performance in October was led by the property developers which benefited as primary residential property sales stayed robust even as the pro-democracy protests heightened social tension. The better-than-expected 3Q14 GDP data out of China allayed some concerns on further deterioration in the near-term economic outlook. China's central bank injected short-term liquidity into small banks and focused on lowering market interest rates, targeted quantitative easing and a shift in credit components to support the economy.

Asean underperformed the broader Asia ex-Japan market in October with individual markets all underperforming. Singapore was the worst-performing market as September industrial production fell by 1.2% year-on-year from a rise of 4.2% y/y in August and non-oil domestic exports fell 8.8% month-on-month in September from a gain of 7.6% m/m in August. The Philippines and Thailand also underperformed within Asean with investors generally on risk-off mode. Foreigners were net-sellers in the Philippines. The Indonesian market fared relatively better as the rupiah gained and the new President Jokowi was sworn in and formed his Cabinet consisting of a mix of politicians and professionals.

ASIA FIXED INCOME OUTLOOK

While no one expected it at the beginning of the year, this is turning into a great year for Asia fixed income markets. As of the end of October, Asian fixed income benchmarks like the JACI total composite were up by 9% on a year to date basis (in line with this fund). At the start of the year, sentiment was fairly negative for global fixed income and particularly negative for Asian fixed income due the possibility of the ending of the US FED QE program and the eventual rise of interest rates. While the US has in fact ended its QE program, and have brought forward (compared to the beginning of the year) the expected first rate hike, Asia fixed income has continued to perform.

We continue to think the "goldilocks" environment of low global inflation but reasonable global growth is a healthy environment for Asian credits. Maintaining positive growth helps avoid a rise in defaults that usually is associated with a sharply slowing economic environment and low inflation reduces the risk of rapidly rising interest rates that can hurt the current prices levels of fixed income positions. As both the rate environment and the economic cycle appear benign, we continue to remain comfortable with Asian fixed income markets.

MARKET OUTLOOK AND STRATEGY

Globally, while the US Fed's ending of its asset purchase programme was widely anticipated by the market, the BoJ and Japan government pension investment fund's (GPIF)'s announcements came as a positive surprise to the market. The feared tightening of global liquidity following the end of QE by the US will now likely be off-set by monetary easing by the BoJ and the GPIF's target to raise its allocation in domestic equities and foreign assets. We expect the overall liquidity backdrop to remain supportive for risk assets, including Asia ex-Japan equities.

Asia remains the fastest growing region in the world and a beneficiary of the global economic recovery. Valuations for the region are still attractive and we believe the region presents favourable investment opportunities.

In China, rising financial risks and a slowing property market remain some of the key macroeconomic challenges but gradually improving corporate profitability and reform in the state-owned enterprises provide positive tailwinds for the market. Our strategy is to focus on reform beneficiaries. We continue to find attractive investment opportunities within Asean where the structural growth story of improving economic fundamentals underpins our optimism for the region.