RHB Asset Management

FUND FACTSHEET – JULY 2014

All data expressed as at 30 June 2014 unless otherwise stated

RHB-OSK TAIWAN OPPORTUNITY FUND (formerly known as OSK-UOB TAIWAN OPPORTUNITY FUND)

This Fund aims to achieve medium term capital appreciation through an over-the-counter derivative instrument in the form of a swap agreement that is linked to the performance of the TWSE.

INVESTMENT STRATEGY

- 90% of NAV: Investments in bonds, money market instruments, cash and deposits with financial institutions.
- 10% of NAV: As capital payment for an investment in an OTC derivative instrument in the form of a swap agreement that will provide the Fund with exposure to the performance of the TWSE equivalent to 100% of the value of the Fund's units in circulation computed / determined based on the Offer Price.

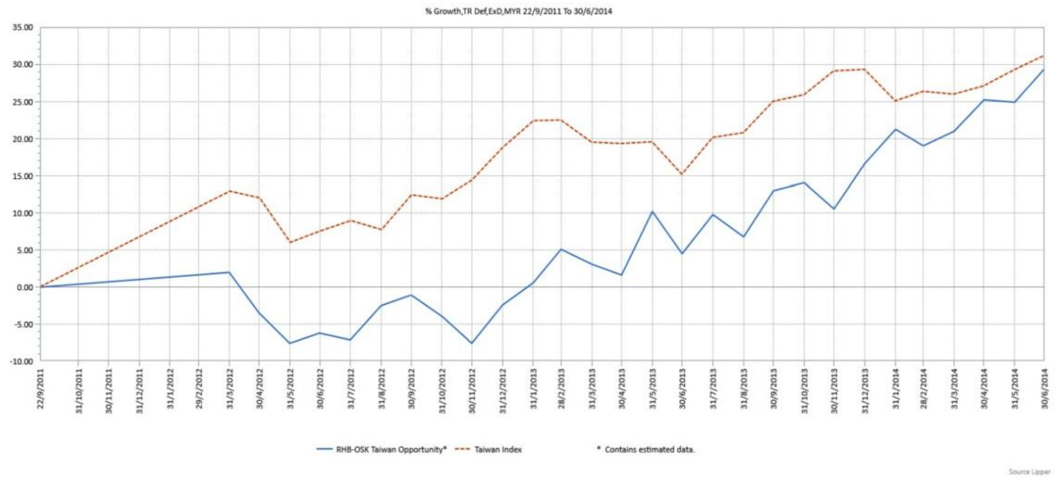
INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

- seek investment opportunities in the Taiwan economy;
- seek capital growth;
- have a medium term investment horizon; and
- have an appetite for risk to gain higher returns.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**3.65**	**7.00**	**10.97**	**10.97**
Benchmark	1.48	4.13	1.45	1.45

	1 Year	Since Launch
Fund	**23.83**	**29.43**
Benchmark	13.91	31.20

Calendar Year Performance (%)*

	2013	2012
Fund	**19.50**	**12.08**
Benchmark	8.86	14.73

**Source: Lipper IM*

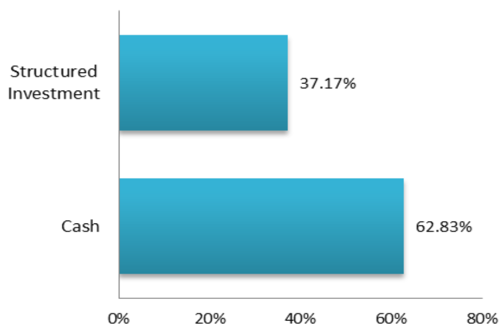
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.(formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Fixed Income Fund (Closed Ended)
Fund Type	Growth Fund
Launch Date	29 July 2011
Maturity Date	22 September 2014
Unit NAV	RM1.2943
Fund Size (million)	RM0.96
Units In Circulation (million)	0.75
Financial Year End	31 October
MER (as at 31 Oct 2013)	1.90%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	MSCI AC Far East Ex Japan Index (RM)
Sales Charge	Up to 5.00% of investment amount
Redemption Charge	≤ 1 year 1.00% ≥ 1 year till Maturity Nil
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a minimum of RM18,000 p.a.*
Switching Fee	Not available
Distribution Policy	None

**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 (%)*

UOB 3-YRS USD SWAP TAIWAN TAIEX INX	37.17

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.2943	1.2943	1.2943
Low	1.2487	1.0452	0.8708

Source: Lipper IM

Historical Distributions (Last 2 Years) (Net)

	Distribution (sen)	Yield (%)
31 Oct 2013	-	-
31 Oct 2012	-	-

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

RHB OSK
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MANAGER'S COMMENTS

TAIWAN EQUITY MARKET REVIEW AND OUTLOOK

The TWSE Index posted its best monthly gain since November 2012 this June, rising 3.49% to a six-and-a-half-year high, the highest level since November 2007). Led by an acceleration in economic growth domestically and globally as well as growing optimism surrounding equity markets, the Taiwanese market extended its gains for the year and is now up over 9% in 2014, making it one of the best-performers globally this year. A major cause for the recent outperformance of the Taiwanese market is foreign institutional investors reversing their seven-year de-weighting of the Taiwan market and the funds flowing in from these investors has driven gains even as enthusiasm from domestic investors has taken a while to rebound.

Taiwan's central bank, the CBC, kept its key interest rates unchanged for the twelfth consecutive quarter at its June meeting, in line with market expectations that the bank would continue to maintain ample liquidity to give a boost to the Taiwanese economy. At the same meeting, the CBC expanded its measures to control high housing prices by reducing the amount of money banks can lend to home buyers and implementing the measures in more areas around Taiwan.

Economic data during the month continued to point to an acceleration in growth in the Taiwanese economy, led by a recovery in the export and manufacturing sector. The moderation in the global economy in Q1 has slightly slowed down Taiwan's external demand-oriented economy, but heading into the second half of the year, the global economy is expected to experience above-trend demand growth generated from the developed economies in the US and Western Europe, which should benefit emerging market economies closely levered to a pickup in demand in these markets.

Few analysts see a major pullback is likely in the near term even with markets at multi-year highs, although a mild correction is seen as a distinct possibility and would be viewed as healthy for the market in the mid- to long-term. Since late May, the index has been trading above the 9,000 mark and a number of market analysts see a 10,000 target by the end of the year as a possibility.

Tech sector earnings prospects have seen a revival following several years of declining PC demand on the back a more extensive line-up of Apple product launches and the advent of wearables. The cyclical recovery of the tech sector, led by semiconductors has led to strong earnings momentum and provides a catalyst for further gains. Earnings momentum in the TWSE is largely driven by tech, and the likely launch of as new iPhone as well as wearables and other new devices should boost earnings in the second half of the year. This is a positive for the tech-heavy Taiwanese market and should be supportive of the market going forward.

MALAYSIA BOND MARKET REVIEW AND OUTLOOK

The local Malaysia bond market bullish flattened in June with strengthening Ringgit, and low market volatility prompted for yield pick-up trades. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.51% (May: 3.48%), 3.72% (3.72%), 3.91% (3.94%), 4.03% (4.03%), 4.33% (4.36%), 4.40% (4.59%) and 4.74% (4.89%) respectively. Strong govvies also spurred buying interest on the local corporate bond market, with the average daily trading volume increased to RM408mil from RM370mil a month ago.

On the domestic economic front, April exports surged 18.9% YoY (Mar: 8.3% YoY) partly on base effects while imports rose 5.0% YoY (Mar: 0.5% YoY). With April seasonally adjusted export 4% above 1Q2014 levels, and April IP up sequentially to 4.2% YoY (Mar: 4.3% YoY), accelerating growth momentum points to a strong start to 2Q2014 GDP. May CPI inflation edged down to 3.2% YoY (April: 3.4%). Lower YoY inflation was led by F&B, Utilities and Communication. Despite the weaker CPI level, MPC's concern is still on financial imbalances, which is likely to see the Central Bank to take interest rate action in the coming meeting in July.

As such we expect a near term bear flattening trend with an upward pressure on the front end of the curve depending on the subsequent inflation expectations and build up in financial imbalances. Subsequently, yield curve should bear steepen in the long term to reflect higher inflation and underlying interest rate risk. Also from demand-supply dynamic, 3Q2014 has 5 medium-to-long government bond auctions compared to only 3 short government bond auctions. While reinvestment from government bond maturities is also healthy at RM19.9bil, we believe investors would demand for higher yield to remain invested in the current interest rate environment.