FUND FACTSHEET – AUGUST 2014

All data expressed as at 31 July 2014 unless otherwise stated

RHB Asset Management

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.

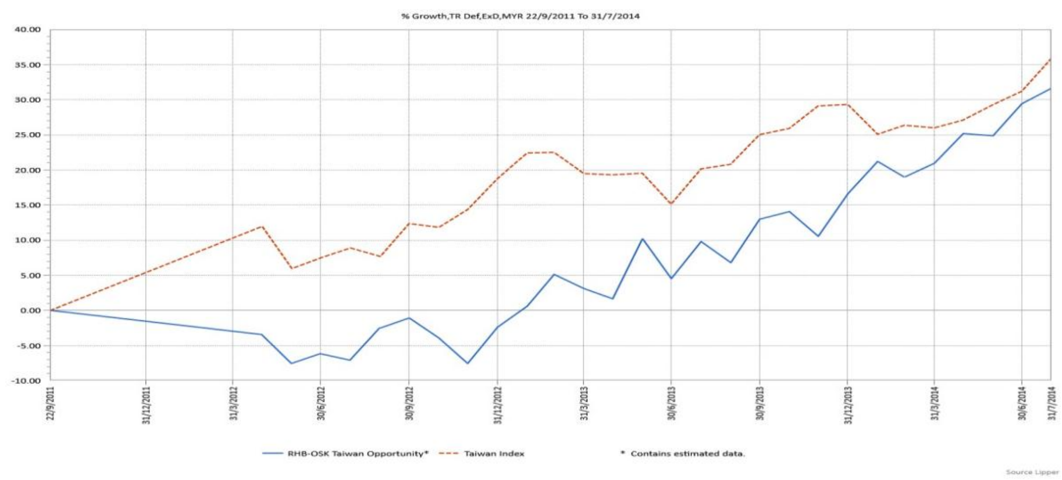
INVESTOR PROFILE

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	**1.72**	**5.17**	**8.59**	**12.88**
Benchmark	3.59	6.93	8.65	5.09

	1 Year	Since Launch
Fund	**19.90**	**31.65**
Benchmark	13.11	35.91

Calendar Year Performance (%)*

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

**Source: Lipper IM*

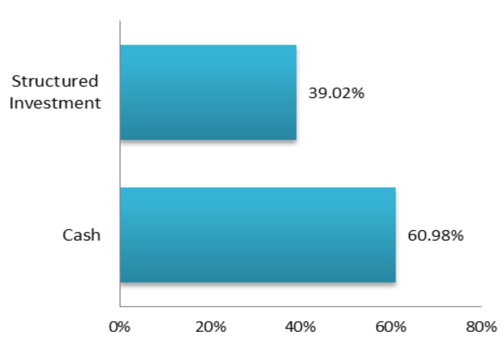
FUND DETAILS

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	RM1.3165
Fund Size (million)	RM1.00
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	39.02

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.3321	1.3321	1.3321
Low	1.2943	1.0680	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.)

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

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MANAGER'S COMMENTS

TAIWAN EQUITY MARKET & MACRO REVIEW

The TWSE Index rose early in the month to peak just under 9,600 at 9,593.68 points, but a brief period of weakness in the second half of July led the index to close 0.82% down, making this the first monthly loss since April. This dip is likely due to temporary consolidation after the index's recent sharp rally (up nearly 7% in the months of May and June) and this is unlikely to be the beginning of a correction. The technology sector has led gains in the first half of the year, significantly outperforming the TWSE Index, but this trend was reversed in July on the back of heavy selling by foreign institutional investors. Major large cap technology stocks experienced big sell-offs on 31 July that further dragged down the index after several companies issued weak third-quarter guidances that disappointed the market.

The Taiwanese economy showed good growth in July, with the unemployment rate dipping to 3.97% in June, the lowest level since August 2008. Employment growth has accelerated since late 2013, boosted by the impact of recovery in the export and manufacturing sector, and while it has slowed somewhat in recent months, firming global demand for Taiwanese exports should continue to boost employment going into the second half of the year. Export orders for June also handily beat expectations to rise 10.6% y/y, with broad-based pickup in demand across major markets and product groups. China saw orders grow by 5.4% m/m, the US and Europe saw gains of 1.9% m/m and 7.1% m/m respectively, while Japan was the only market of weakness with orders falling again following April's VAT hike.

Taiwan's Q2 GDP reported on 31 July rose to a new six-quarter high on the back of better-than-expected exports. GDP rose 3.84% y/y, the highest since Q4 2012, beating official growth forecasts in May of 2.79% as exports rose a robust 4.45%. Economics Minister Chang Chia-juch expressed optimism after the release of the report that Taiwan will be able to maintain economics growth of more than 3% this year and may even reach 4% growth.

TAIWAN EQUITY MARKET OUTLOOK

Despite the dip in the TWSE Index in the second half of July, the index remains up over 8% for 2014 and is one of the best-performing markets this year. A consolidation here is healthy for the Taiwanese market over the medium- to longer-term after the short-term run-up that has pushed the TWSE Index to multi-year highs. Most market watchers do not believe that the recent weakness will result in a correction, and this may be a good buying opportunity before the index pushes back on towards new all-time highs. The losses led by the large-cap technology sector appear to be an overreaction to their outperformance from the start of the year and recent weak guidance from a number of companies – despite these factors, valuations on these tech stocks are still cheap, with the sector trading at a forward P/E discount to the overall market.

MALAYSIA BOND AND MACRO REVIEW

The local bond market bullish flattened across the curve in July despite a 25bps hike in Overnight Policy Rate ("OPR") on 10th July. The increase in OPR was well expected and the market interpreted the subsequent Monetary Policy Committee ("MPC") statement as neutral. As a result, investors were seen adding duration to portfolio which caused the govvy yield curve flattened. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.47% (June: 3.51%), 3.66% (3.72%), 3.75% (3.91%), 3.89% (4.03%), 4.21% (4.33%), 4.29% (4.40%) and 4.64% (4.74%) respectively.

Corporate bond trading volume continues to surge with July reported RM550mil of daily trades compared to RM408mil a month ago. Similar to govvies, credit investors are also extending duration as most of the trades in July were long dated bonds.

On the domestic economic front, May trade surplus narrowed again to RM5.72bil (April: RM8.89bil) as imports outpaced exports. However, exports to EU expanded by 2.7% MoM in May (April: 4.5% MoM) but exports to US (May: -0.5% MoM, April: 9.7% MoM) and China (May: -2.3% MoM, April: 10.4% MoM) fell. With April-May seasonally adjusted exports 2.3% above 1Q2014, Malaysia's 1H2014 growth has clearly benefited from better demand from developed markets. May IP rose 6.0% YoY (April: 4.9% YoY), led by manufacturing activities. Finally, BNM delivered a 25bps hike in OPR during the MPC meeting to 3.25% as expected. MPC's assessment on inflation is still "above long-run average", though demand pressure is "contained". On this note, investors are taking cue that BNM is likely to pause on rate hike for the remaining of 2014. Lastly, June inflation edged up slightly to 3.3% YoY (May: 3.2% YoY), in line with market consensus.

MALAYSIA BOND OUTLOOK

The rebound in 2Q2014 US GDP supports our view that the 1Q2014 weakness was temporary. We expect the economy to grow at an above trend through 2015. Economic fundamentals have improved, fiscal drag is fading, and financial conditions are providing a significant tailwind to growth. Inflation is likely to remain quiet, despite some higher readings earlier this year. The Fed is in the process of revising its exit principles, but we do not expect the Fed to hike rates until 2H2015.

On the European front, we are not making any changes to outlook for ECB monetary policy and continue to expect that the persistence of low and below target inflation, with a fragile recovery, will lead the ECB to launch a large-scale asset purchase programme by end of this year. Meanwhile, in Japan, there appears to be more to sluggishness in consumer spending that just payback to frontloaded demand ahead of the consumption tax hike in April. Also, Prime Minister Abe is expected to make a final decision in early December 2014 on whether to implement another consumption tax hike in October 2015, although there seems to be no consensus on this issue now. For now, we continue to expect the BoJ to ease monetary policy further in late October 2014

Back home in Malaysia, inflation and Ringgit volatility will continue to shape market direction. The recent strengthening of Ringgit could see more foreign buying into the MGS market as rates move higher. However, we expect Ringgit volatility to be more pronounced given growth and financial market uncertainties globally. Also, prospect of inflation depending on further subsidy rationalization plan, could add pressure to the front end of the curve.

All in all, we still see BNM to keep rates steady at 3.25% throughout the year baring any negative surprise in financial imbalances. On this note, we expect the govvy yield curve to remain flat.