

RHB-OSK US FOCUS EQUITY FUND

The Fund will invest in a target fund which aims to provide capital growth primarily through investment in equity securities of smaller and medium-sized US companies. Smaller and medium-sized US companies are considered companies which, at the time of purchase, form the bottom 40% by market capitalisation of the US market.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

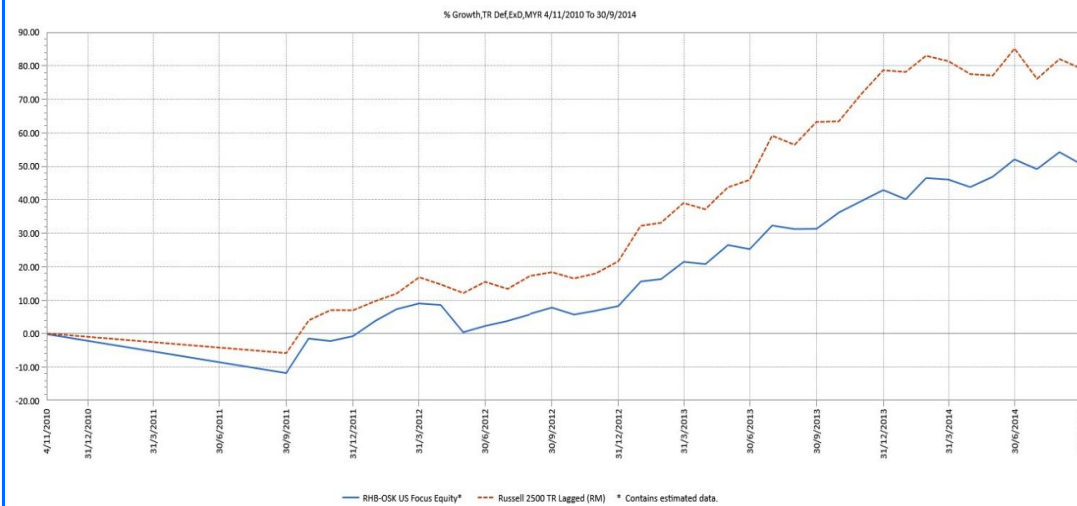
- seek investment opportunities in the US market;
- have medium to high risk appetite; and
- seek capital growth.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the X Accumulation Shares of Schroder ISF USSME.
- 2% - 5% 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	-2.36	-0.96	3.12	5.39
Benchmark	-1.57	-3.23	-1.22	0.28

	1 Year	3 Years	Since Launch
Fund	14.69	70.35	50.52
Benchmark	9.76	90.33	79.16

Calendar Year Performance (%)*

	2013	2012	2011
Fund	32.00	8.88	-4.02
Benchmark	47.04	13.65	-0.29

*Source: Lipper IM

FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	15 October 2010
Unit NAV	RM0.7526
Fund Size (million)	RM87.80
Units In Circulation (million)	116.67
Financial Year End	31 October
MER (as at 31 Oct 2013)	0.75%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	Russell 2500 TR Lagged (RM)

Sales Charge Up to 5.50% of investment amount

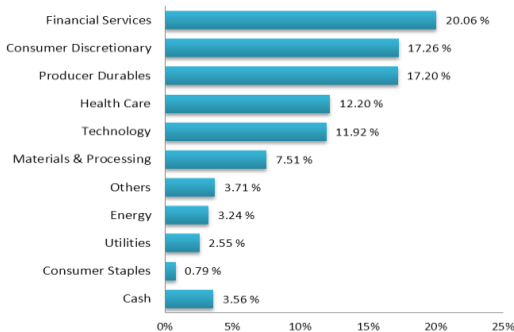
Redemption Charge None
Annual Management Fee 1.80% p.a. of NAV*
Annual Trustee Fee Up to 0.08% p.a. of NAV

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 Incidental

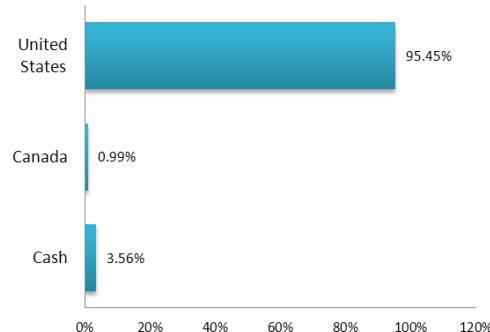
*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

Schroder ISF US Dollar Liquidity	3.71%
Ryder System	2.00%
Aramark	1.82%
Berry Plastics Group	1.81%
Parexel International	1.69%

*As percentage of NAV

*Exposure in Schroder ISF US Small & Mid-Cap Equity - 97.50%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7738	0.7738	0.7738
Low	0.7474	0.6503	0.4185

Source: Lipper IM

Historical Distributions (Last 2 Years) (Net)

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

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS**OVERVIEW**

For the first time in two years, the Russell 2500 Index posted a quarterly loss. The fund outperformed its index over the quarter, helped largely by positive stock selection, particularly in the consumer discretionary and healthcare sectors.

Healthcare stocks Parexel International and Salix Pharmaceuticals were among the best performing holdings. A falling oil price negatively impacted holdings in EP Energy and Denby Resources. After years of having an overweight technology position we moved to a neutral weighting during the quarter.

THE MARKET AND THE DRIVERS OF FUND PERFORMANCE

After many years of being overweight technology we are now at a neutral weighting due to the sales of some of our long-term 'steady eddie' positions within the sector. It is important to bear in mind that weighting variances at the sector level are a function of the market opportunities we are finding rather than being a top-down call. We added a number of new holdings this quarter in a wide variety of sectors, for example Catalent, Inc (health care), Louisiana-Pacific Corporation (materials) and HFF Inc (financials).

Catalent provides advance formulation and delivery technologies to the pharmaceutical industry. It is a stable but slow growth business with long-term contracts levered on the growth of existing and new products in the drug and biotech industry. Upside is likely to come from gaining market share from smaller service providers and expansion into higher margin biological and biotech products. Louisiana Pacific Corporation is the number one player in the production of oriented strand board (OSB), an engineered wood particle board. This market has been very depressed due to over capacity as the pace of the housing recovery stalled just after capacity was brought back on line in 2013. The industry still has the opportunity to consolidate and/or begin to exercise supply discipline to increase returns.

HFF, our other main purchase, provides commercial real estate and capital markets services to the users and providers of capital in the US commercial real estate industry. The firm is growing market share in a stable environment of real estate transactions and financing. It also has a strong management team whose goals are aligned with shareholders. Meanwhile, sales over the quarter include Bally Technologies, which (as mentioned above) we sold after its stock rose sharply as a result of a takeover bid from Scientific Games. We also sold Energen, a long-term holding after it sold off its utilities business. We had liked the business mix of energy and utilities and saw no near term catalysts to support the current valuation. We also sold Micros Systems after Oracle's acquisition of the company was completed.

THE MARKET OUTLOOK AND PORTFOLIO STRATEGY

The US economy is performing better than its overseas counterparts, which would lead us to conclude that smaller companies should be doing better. There are many good things going on in the US, including energy, a manufacturing revival (perhaps a bit over-hyped but nonetheless real), and improving housing and employment. In theory this should favour smaller companies over large in US equities. However, there has been a noticeable divergence between US large cap and US small cap stocks this year in favour of large cap. At the end of September the S&P 500 was approximately 800 basis points ahead of our benchmark the Russell 2500 on a year-to-date basis. Versus the small cap index (Russell 2000) the gap is over 1270 basis points.

Beyond a valuation disparity (which is closing) this suggests that the market is anticipating a revival in the fortunes of large cap companies. Given the large exposure to non-US revenue sources this is counter-intuitive to us, but over many years of experience we have come to learn that the market is the best leading indicator. The US recovery is real, which should benefit the US equity market. The question is who gets the larger boost – large cap or small cap? The answer so far is large. We take comfort in the fact that we are bottom-up investors and we build our portfolio on a stock by stock basis, which may be the best answer when there is uncertainty.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 September 2014, the Volatility Factor (VF) for this fund is 11.9 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are above 13.0 (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 30 June 2014 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 Master Prospectus dated 1 December 2013 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus 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 Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are management risk and foreign investment risks such as currency risk and country risk and the specific risks of the target fund are general risks, investment objective risk, regulatory risk, risk of suspension of share dealings, liquidity risk, financial derivative instrument risk, warrants risk, counterparty risk, custody risk, smaller companies risk, initial public offerings risk, emerging and less developed markets securities risk, specific risks linked to securities lending and repurchase transactions and potential conflict of interest risk. These risks and other general risks are elaborated in the Master Prospectus.

This factsheet is prepared for information purposes only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive it. Past performance is not necessarily a guide to future performance. Returns may vary from year to year.