RHB Asset Management

FUND FACTSHEET – NOVEMBER 2014

All data expressed as at 31 October 2014
unless otherwise stated

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:

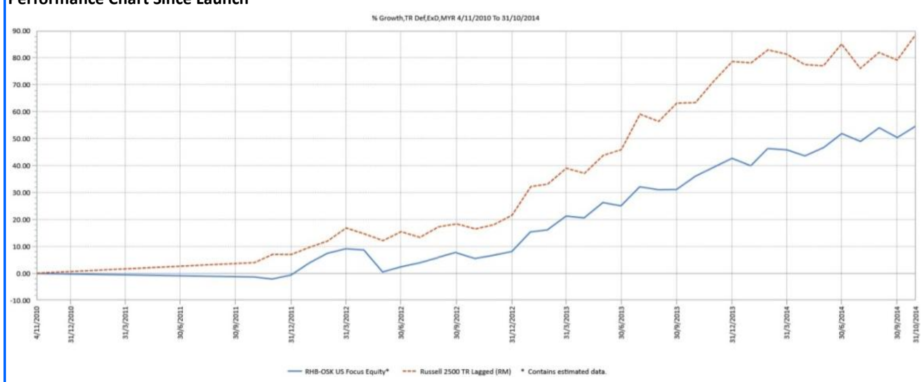
- seek investment opportunities in the US market;
- have medium to high risk appetite; and
- seek capital growth.

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	**2.87**	**3.86**	**7.74**	**8.42**
Benchmark	5.33	7.16	6.30	5.62

	1 Year	3 Years	Since Launch
Fund	**13.74**	**56.91**	**54.84**
Benchmark	15.47	81.62	88.71

Calendar Year Performance (%)*

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

**Source: Lipper IM*

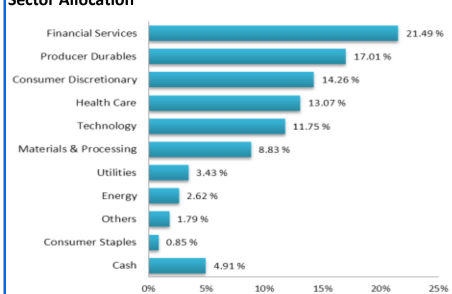
FUND DETAILS

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	RM0.7742
Fund Size (million)	RM83.10
Units In Circulation (million)	107.34
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

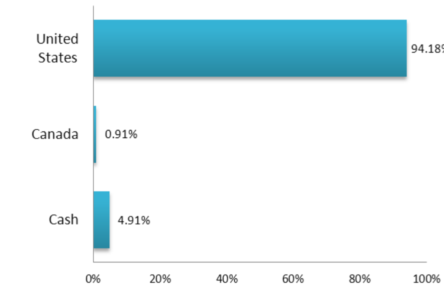
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

ARAMARK	1.88%
SCHRODER ISF US DOLLAR LIQUIDITY	1.79%
BERRY PLASTICS GROUP	1.77%
CAREFUSION	1.68%
RYDER SYSTEM	1.56%

**As percentage of NAV*
**Exposure in Schroder ISF US Small & Mid-Cap Equity - 100.69%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.7742	0.7742	0.7742
Low	0.7026	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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3-year Fund Volatility 11.4 very high Lipper Analytics 15 OCTOBER 2014

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MANAGER'S COMMENTS

OVERVIEW

US equity markets began October in a steep dive, but ended the period with a positive return. Small and smid caps outperformed large caps, although large caps remain significantly ahead year-to-date. The fund underperformed its benchmark over the month.

Our investment approach continues to target three types of opportunities: 'mispriced growth stocks' – stocks where we think the market continues to undervalue a company's growth prospects; 'steady eddies' – strong companies with recurring revenues and/or cash flows; and 'turnarounds' – firms that are addressing their problems, often with new management, which are likely to outperform over time.

THE MARKET AND THE DRIVERS OF FUND PERFORMANCE

Worries about global growth dominated sentiment in the first half of the month but markets were buoyed at the period end as investors adopted the view domestic growth will not be hurt by weakness overseas. Small and mid caps outperformed large caps. Energy was the worst-performing Russell 2500 sector, with a return of -12.0% as the Saudis lowered oil prices to preserve market share. Materials & processing was the second worst market segment, returning +2.3%. Factors influencing returns included beta (lowest beta outperformed, highest beta lagged) and capitalization (highest cap lagged while smallest cap outperformed).

The fund underperformed its benchmark over the month. Although it did well during the downdraft the strategy lagged in the rebound which resulted in a shortfall. We suffered poor returns in health care, as a result of lagging stock selection in pharmaceuticals and medical services and an underweight in biotechnology. Cash was a detractor, as was stock selection in technology and financials. Our strongest contributions came from producer durables (stock selection) and energy (underweight). In terms of our alpha categories, steady eddies outperformed due to their performance in the market swoon. Mispriced growth stocks and turnarounds both lagged the index.

The key stock contributors were Carefusion, Minerals Technologies and CoreLogic. Carefusion accepted a buyout offer from Becton Dickinson. Minerals Technologies rose on greater-than-expected earnings. CoreLogic did well as it reported strong margins and issued conservative guidance which was well received by investors. Main detractors included Parexel, Urban Outfitters and EP Energy. Parexel issued a disappointing earnings report; reporting earnings in-line but lowered guidance. Urban Outfitters shares fell when management issued an earnings warning for the third quarter. EP Energy stock fell along with the price of oil.

THE MARKET OUTLOOK AND PORTFOLIO STRATEGY

The We have been concerned about valuations for most of the year. Since April small and mid cap has lagged large cap which has brought relative valuations closer to the long-term average. We are finding selective opportunities in areas as diverse as mortgages, medical instruments, and packaging.

The market has widely anticipated a rise in rates since the beginning of 2014, but they continued to fall in October. The US 10-year Treasury yield fell from 2.49% on September 30 to as low as 2.14% on October 15 before closing the month at 2.33%. The rate volatility represented a flight to safety during the period that the equity markets were falling. At some point rates will rise but Fed Chair Janet Yellen has indicated the intention to keep short-term rates low. When rates do rise the question then will be if it is in response to a strengthening economy, which would be a good thing, or to growing inflationary pressures which would not be good. The impact on equities will initially be determined by the reason for the rate rise. If it is due to economic strength the rate impact should be benign on equities. If it is due to inflation then it would be expected to be negative. At the moment, with broadly declining commodity prices and generally flat wages, there is little evidence of inflationary pressure in the system.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.

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