

## RHB-OSK CAPITAL PROTECTED DUAL OPPORTUNITIES FUND (formerly known as OSK-UOB CAPITAL PROTECTED DUAL OPPORTUNITIES FUND)

This Fund aims to provide income and capital appreciation over the medium term whilst protecting investors' capital on the Maturity Date.

### INVESTOR PROFILE

#### This Fund Is Suitable For Investors Who:

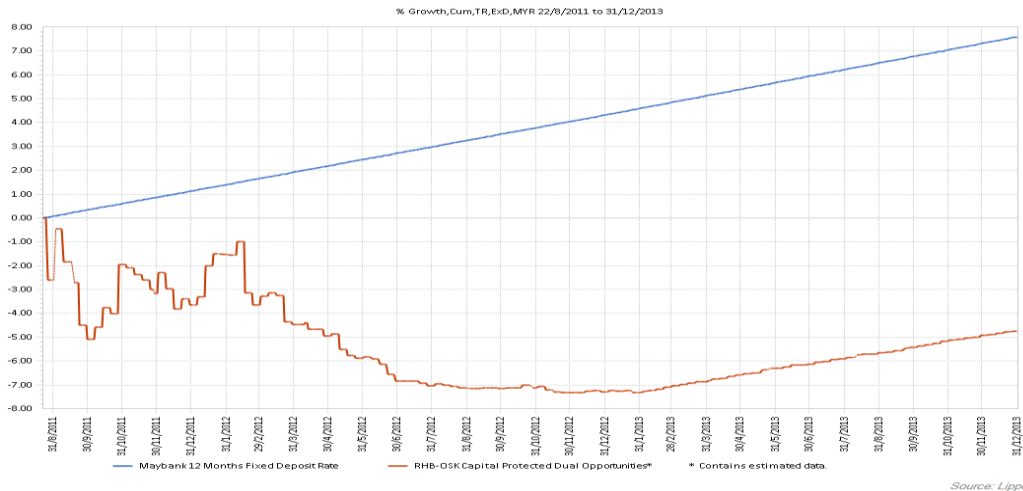
- have a low risk tolerance;
- seek capital protection;
- have a positive outlook on China's growth potential;
- have a positive outlook for gold prices;
- have a medium term horizon; and
- seek regular income.

### INVESTMENT STRATEGY

- 87% - 90% of NAV (depending on prevailing interest rates): Investments in 4-year ZNIDs issued at a discount on the Commencement Date.
- Up to 10% of NAV: Investment in an option.
- Up to 3% of NAV: Investments in liquid assets.

### FUND PERFORMANCE ANALYSIS

#### Performance Chart Since Launch\*



#### Cumulative Performance (%)\*

	1 Month	3 Months	6 Months	YTD
Fund	0.18	0.71	1.47	2.74
Benchmark	0.27	0.79	1.59	3.15

	1 Year	Since Launch
Fund	2.74	-4.75
Benchmark	3.15	7.60

#### Calendar Year Performance (%)\*

	2013	2012
Fund	2.74	-3.77
Benchmark	3.15	3.15

\*Source: Lipper IM

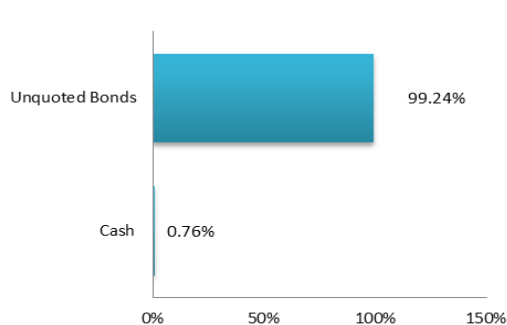
### FUND DETAILS

<b>Investment Manager</b>	RHB Asset Management Sdn. Bhd.(formerly known as RHB Investment Management Sdn. Bhd.)								
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd								
<b>Fund Category</b>	Fixed Income Fund (Closed Ended)								
<b>Fund Type</b>	Capital Protected Fund								
<b>Launch Date</b>	28 June 2011								
<b>Maturity Date</b>	21 August 2015								
<b>Unit NAV</b>	RM0.9525								
<b>Fund Size (million)</b>	RM12.86								
<b>Units In Circulation (million)</b>	13.50								
<b>Financial Year End</b>	31 August								
<b>MER (as at 31 Aug 2013)</b>	0.63%								
<b>Min. Initial Investment</b>	RM1,000.00								
<b>Min. Additional Investment</b>	RM1,000.00								
<b>Benchmark</b>	12-month FD rate by Malayan Banking Bhd								
<b>Sales Charge</b>	Up to 2.50% of investment amount								
<b>Redemption Charge</b>	<table border="1"> <tbody> <tr> <td>≤ 1 year</td> <td>1.00%</td> </tr> <tr> <td>≥ 1 year &lt; 2 years</td> <td>0.75%</td> </tr> <tr> <td>≥ 2 years &lt; 3 years</td> <td>0.50%</td> </tr> <tr> <td>≥ 3 years till Maturity</td> <td>Nil</td> </tr> </tbody> </table>	≤ 1 year	1.00%	≥ 1 year < 2 years	0.75%	≥ 2 years < 3 years	0.50%	≥ 3 years till Maturity	Nil
≤ 1 year	1.00%								
≥ 1 year < 2 years	0.75%								
≥ 2 years < 3 years	0.50%								
≥ 3 years till Maturity	Nil								
<b>Annual Management Fee</b>	Up to 0.625% p.a.*								
<b>Annual Trustee Fee</b>	Nil								
<b>Switching Fee</b>	Not available								
<b>Distribution Policy</b>	Annually, if any								

\*Based on the remaining liquid assets available after deducting the purchase of investments of the Fund.

### FUND PORTFOLIO ANALYSIS

#### Sector Allocation\*



#### Top Holdings (%)\*

UOB (M) BHD ZNID-CP DUAL	20.20
PUBLIC BANK(M) BHD ZNID- CP DUAL	20.19
AMBANK (M) BHD ZNID - CP DUAL	19.84
HONG LEONG BANK(M) BHD ZNID-CP DUAL	19.52
OCBC (M) BANK BHD ZNID- CP DUAL	19.49

\*As percentage of NAV

### FUND STATISTICS

Historical NAV (RM)	1 Month	12 Months	Since Launch
	High	0.9525	0.9525
Low	0.9508	0.9269	0.9267

Source: Lipper IM

#### Historical Distributions (Last 2 Years) (Net)

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

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

**RHB-OSK CAPITAL PROTECTED DUAL OPPORTUNITIES FUND (formerly known as OSK-UOB CAPITAL PROTECTED DUAL OPPORTUNITIES FUND)**

This Fund aims to provide income and capital appreciation over the medium term whilst protecting investors' capital on the Maturity Date.

**MANAGER'S COMMENTS****REVIEW**

The US Federal Reserve announced beginning of December it would reduce its asset purchases by \$10 billion each month starting in January 2014. Even with this reduction the Fed's assets are expected to grow to \$4.5 trillion in 2014, emphasizing its ample impact in providing liquidity to the US markets. In China the HSBC/Markit Purchasing Managers' Index (PMI) fell to a three month low of 50.5 in December, similar to the drop in government's PMI to a four-month low of 51.0. Furthermore the seven day repurchase rate for interbank lending in China had spiked to the highest level since June (above 9%) despite regulator's efforts to calm concerns about a potential cash crunch. China Agri-Industries and China Yurun Food both suffered further losses, with a negative performance of -40.09% and -70.50% respectively since inception, whereas Sands China continued its positive rally, ending the year with an astonishing performance of 209.78%. Consumer Goods Company Hengan International showed a drop from 52.66% to 43.13% within one month and finally Gold kept its performance relatively unchanged.

As widely expected by the investment community, the Federal Open Market Committee ("FOMC") has decided to reduce the pace of monthly asset purchase by USD10 bln, to USD75 bln, in January 2014. Market reaction to this announcement was somewhat muted, as "tapering talk" has been a common conversation since late May 2013. At close, the 2-, 5-, 10- and 30-year UST printed at 0.38% (November: 0.29%), 1.74% (1.38%), 3.03% (2.75%) and 3.97% (3.83%) respectively.

Most of the economic data released in December was positive. Real GDP growth for 3Q2013 came in stronger than consensus at 4.1% annualized (2Q2013 annualized 2.5%), mainly due to higher inventory growth. ISM Manufacturing Index for November also came in stronger at 57.3 (56.4 in October), suggesting that growth momentum is likely to sustain to 2014. Employment situation continues to show gain in November with unemployment rate further eased to 7.0%, a commendable drop from 7.3% reported a month ago. On the other hand, Consumer Price Index ("CPI") in November posted a flat reading MoM after dipping 0.1% in October, mainly due to the softening energy price in the North America.

**OUTLOOK**

The FOMC is trying to maintain policy accommodation even as it cuts back on QE. While monthly asset purchases will be cut back by USD10 bln, new forward guidance now indicates a lower expected Fed funds rate in 2015 and 2016. FOMC signaled a strengthening in its commitment to hold down Fed Funds as long as inflation is soft. Further cuts in QE are "likely" at future meetings as long as economic data on employment and inflation meet FOMC expectations. Fed Chairman Ben Bernanke indicated that a "measured reduction" would be roughly a USD10 bln cut in the pace of purchases at each FOMC meeting. We think a reasonable expectation is that the total QE program will end by 2014 and Fed will keep the front end of the yield curve anchored for longer than previously anticipated.

For the local market, by comparing the number of MGS/GII tenders in 2014 versus 2013, trends are generally quite similar with more frequencies of auction within the 10-year segment (6 tenders in 2014 compared with 5 in 2013). Higher UST yields in 2014 as US tapering talks unfolds combined with inflation concerns may potentially influence a steepening bias MGS curve in 2014. But we opine the impact of steepening however could be moderated by benign supplies in 2014. In 2014, given the higher concentration of maturities in April and Q3, there will be good liquidity window for new issuances. New supply during these periods will be well absorbed by the market as funds from maturing bonds would be returning back as investment to the local bond scene.

On strategy front, volatility should persist into 1H2014 and overall yields are expected to rise. Bond prices could face re-pricing risk in the face of healthy primary issuances. We remain tactically overweight in PDS over MGS/GII for better yield pick-up. Trading opportunity could also arise as market tends to overreact in downwards price adjustment.

**DISCLAIMER:**

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus and its supplementary prospectus both dated 28 June 2011. Investors are advised to read and understand the contents of the Prospectus and its supplementary prospectus both dated 28 June 2011 (collectively, the "Prospectus") which has been registered with the Securities Commission who takes no responsibility for its contents. Amongst others, investors should read the Prospectus for further details of the capital protection\* structure and to consider the fees and charges involved before investing in the Fund. 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. The capital of the Fund is not guaranteed and is exposed to the credit/default risk of the issuer of the ZNIDs. The investment returns of the Fund are not guaranteed and are still subject to investment risks and are exposed to the credit/default risk of the issuer of the option. The capital protection\* only applies to investors who hold their investments until the Fund's Maturity Date. Any redemption from the Commencement Date but before the Fund's Maturity Date will be based on the Net Asset Value of the Fund on the relevant Valuation Day and will be charged a repurchase charge, in which case the capital protection\* does not apply. Further, if the fund is terminated earlier than the Maturity Date, the capital protection\* will not apply to any investor. There may be dilution of performance due to the capital protection\* structure being in place, as compared to a conventional fund without capital protection\*. Units will only be issued upon receipt of an application form referred to in and accompanying the Prospectus. For more details, please call 1-800-88-3175 for a copy of the Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks for the Fund are credit/default risk, interest rate risk, risk of early termination, option risks, legal risk, liquidity risk, prepayment and commitment risk, currency risk, country risk, capital and returns are not guaranteed. These risks and other general risks are elaborated in the 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.

*\*Investors are advised that the Fund is not a guaranteed fund. This capital protected fund is provided through investments in ZNIDs and not by a guarantee. Consequently, the return of capital is SUBJECT TO the credit/default risk of the issuers of the ZNIDs and may result in losses.*