

RHB-OSK FOCUS BOND FUND – ENHANCED (formerly known as OSK-UOB FOCUS BOND FUND – ENHANCED)

The Fund aims to provide regular income during the tenure of the Fund and capital appreciation at its maturity date primarily from a concentrated portfolio of global debt instruments / bonds.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

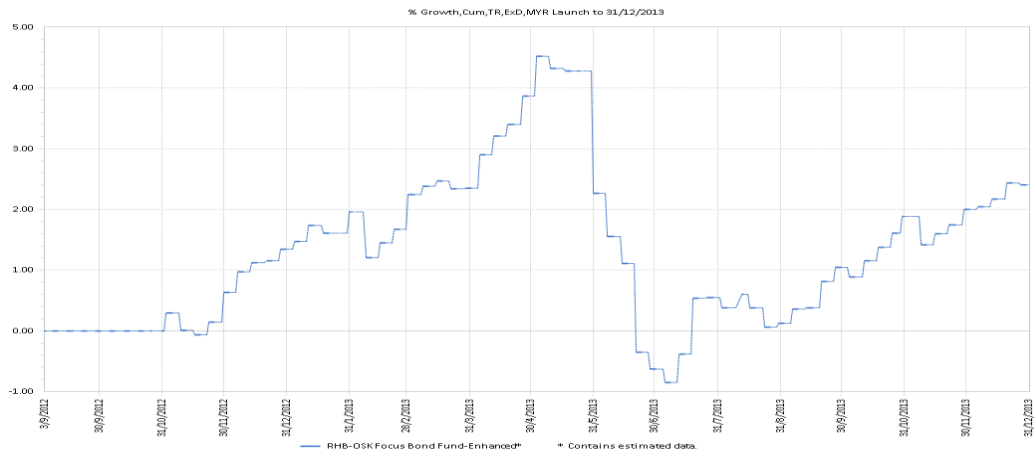
- are moderate to conservative;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments / bonds portfolio with potential additional returns from investment in an option; and
- have a medium term (i.e. 3 years) investment horizon.

INVESTMENT STRATEGY

- 92% - 100% of NAV : Investments in global debt instruments / bonds.
- Up to 3% of NAV: Investments in the YES Option.
- Up to 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	0.40	1.34	3.05	1.05

	1 Year	Since Launch
Fund	1.05	2.40

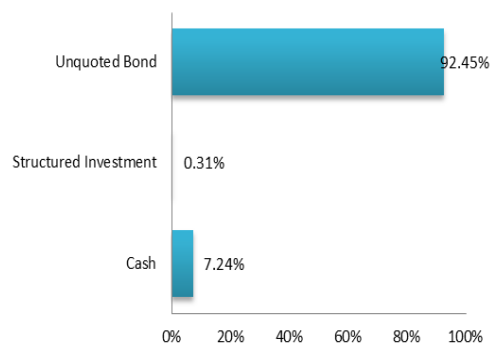
Calendar Year Performance (%)*

	2013
Fund	1.05

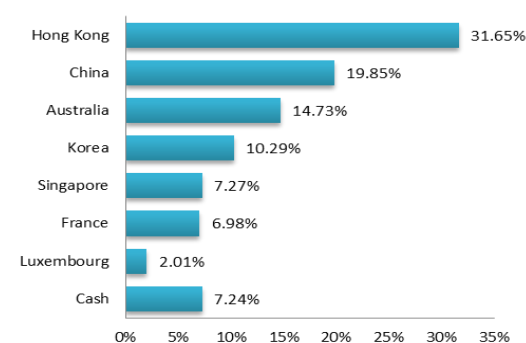
*Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

NATIONAL CAP II-5.486% (29/12/2049)	9.23
YUEXIU REIT MTN-3.1% (14/5/2018)	8.34
HONGHYUP BANK-2.625% (01/11/2018)	7.05
RENAULT S.A.-4.65% (11/04/2016)	6.98
NOBLE GROUP LTD-4%(30/1/2016)	6.95

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9776	1.0452	1.0452
Low	0.9734	0.9679	0.9679

Source: Lipper IM

Historical Distributions (Last 1 Years) (Net)

	Distribution (sen)	Yield (%)
30 Oct 2013	4.6500	4.65

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

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MANAGER'S COMMENTS

MARKET REVIEW

The Fed surprised the market (again) in December by taking the first step toward unwinding the unprecedented stimulus by US\$10 billion per month (from US\$85 billion) on improved economic data. UST yields were stable as the Fed committed that its benchmark rate remain low well past the time that the unemployment rate declines below 6.5%, especially if projected inflation continues to run below the Fed's 2% target. 10-year UST closed the year at 3.03%, just marginally above September high at 2.99%; while the 5-year UST closed the year at 1.74%.

While 10-year US Treasury looks to trend higher over the course of 2014, the pace of increase is likely to be measured unlike the sharp correction experienced in 2013 as tapering was largely reflected. Fed funds target rate, currently at 0-0.25%, will remain low as the Fed seems intent on using forward guidance to keep the short rates low and well anchored.

Global bond markets sold off in December with UST and UKT 10Y yields increasing by over 25bps, German 10Y yields moving up by approximately 20 bps and JGB 10Y yields up by 15bps. The sell off started into and continued after FOMC meeting on 18 December where the Fed indicated the reduction of asset purchases but also emphasized that it would maintain its benchmark target rate lower for longer. Economic data across the world continued to surprise on the upside in December. The US economy is now estimated to grow 4.1% in Q3 with some economists projecting as strong growth in Q4 2013.

STRATEGY

We will continue to be defensive and stay nimble in light of market volatility while overweighting on good quality high grade credits. The RHB-OSK Focus bond funds will await opportunistically for entry points as well as participate in primary issues with attractive pricing to deploy cash selectively.

The strategy was long short dated Euribor, Eurodollar, Short Sterling and AUD Bank Bill futures. Economic data surprised on the upside leading to pressure on prices of short dated futures. The markets also moved adversely after FOMC meeting as a faster pace of rate hikes was priced in by the market.

The strategy is long in AUD, EUR and USD short dated futures markets while it is short GBP interest rates futures and Euro Swiss futures. Should Euribor, Eurodollar and AUD markets rally while Short Sterling/Euro Swiss markets sell off, the performance may be positive. Choppy trading in the markets, quick reversal of trends may be negative for the performance of the strategy.

DISCLAIMER:

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 3 September 2012. Investors are advised to read and understand the contents of the Prospectus dated 3 September 2012, which has been registered with Securities Commission who takes no responsibility for its contents, before investing. 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 Prospectus relates will only be made on receipt of a form of application referred to in 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 principal risk factors of the funds are credit/ default risk, currency risk, interest rate risk, liquidity risk, market risk, country risk, inflation/purchasing power risk, concentration risk, mismatch risk and YES option risk. These risks and other general risk 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.