RHB Asset Management

FUND FACTSHEET – AUGUST 2014

All data expressed as at 31 July 2014 unless otherwise stated

3-year Fund Volatility 5.6 low
Lipper Analytics 15 JULY 2014

RHB-OSK CAPITAL PROTECTED ASIA GAMING & HOSPITALITY FUND (formerly known as OSK-UOB CAPITAL PROTECTED ASIA GAMING & HOSPITALITY FUND)

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

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

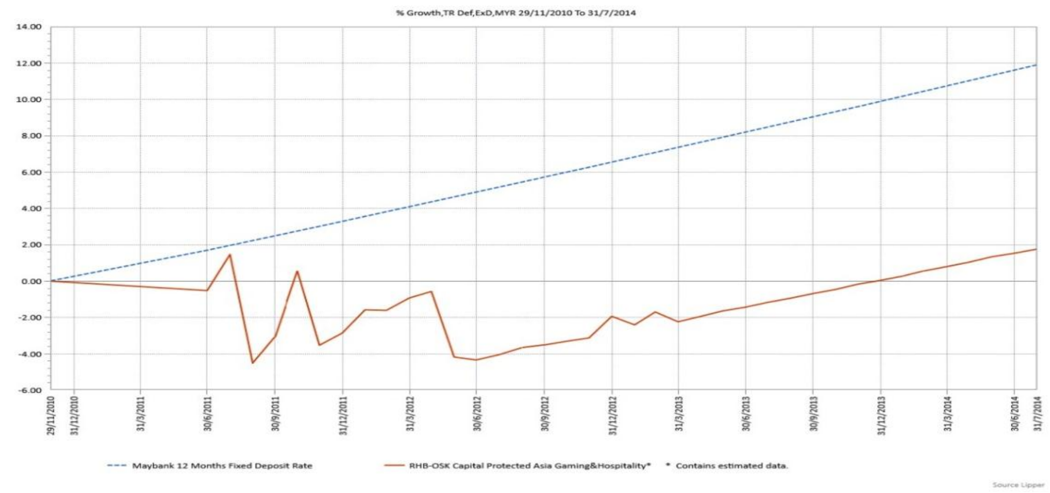
- have a low risk tolerance;
- seek capital protection;
- share our view on the growth potential of the Asian gaming and hospitality sector during the run up to the world economic recovery;
- have a medium term horizon; and
- seek regular income.

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	**0.23**	**0.71**	**1.48**	**1.72**
Benchmark	0.27	0.79	1.56	1.83

	1 Year	3 Years	Since Launch
Fund	**2.96**	**0.29**	**1.76**
Benchmark	3.15	9.75	11.90

Calendar Year Performance (%)*

	2013	2012	2011
Fund	**2.02**	**0.96**	**0.36**
Benchmark	3.15	3.15	3.05

**Source: Lipper IM*

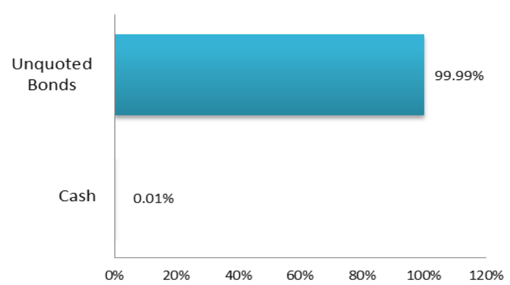
FUND DETAILS

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	Capital Protected Fund
Launch Date	05 October 2010
Maturity Date	28 November 2014
Unit NAV	RM1.0176
Fund Size (million)	RM26.45
Units In Circulation (million)	26.00
Financial Year End	30 November
MER (as at 30 Nov 2013)	0.50%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	12-month FD rate by Malayan Banking Bhd
Sales Charge	Up to 2.50% of investment amount
Redemption Charge	≤ 1 year 1.00% ≥ 1 year < 2 years 0.75% ≥ 2 years < 3 years 0.50% ≥ 3 years till Maturity Nil
Annual Management Fee	Up to 0.50% p.a. of NAV*
Annual Trustee Fee	Nil
Switching Fee	Not available
Distribution Policy	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 (%)*

OCBC BANK(M)BHD ZNID-CP GAME	20.33
CIMB BANK BHD ZNID-CP GAME	20.14
HONG LEONG BANK BHD ZNID-CP GAME	19.96
UOB (M) BHD ZNID-CP GAME	19.78
AMBANK (M) BHD ZNID-CP GAME	19.77

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0176	1.0176	1.0340
Low	1.0153	0.9883	0.9530

Source: Lipper IM

Historical Distributions (Last 3 Years) (Net)

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

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

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MANAGER'S COMMENTS

July generated MOP28.4bn in gaming revenue, -4% yoy and +4% mom. VIP luck factor was 3.19% for July (vs. the historical average of 3.15% and 3.20% from Jul 13). Adjusted for luck, headline revenue is also down 4% yoy. By segment, VIP revenue dropped 14% yoy and mass revenue growth slowed to only 17% yoy, mainly from the temporary impact of the World Cup in the first half of the month and the higher mass base from 3Q13 than 1H13 due to SJM reclassification of premium mass revenue back to mass. (We estimate that 1H14 yoy mass growth was inflated by around 6% due to the different classification method.) VIP junket chips volume (not affected by luck) was down 14% yoy on the back of the World Cup final games impact, tight junket liquidity and the impact from China macro. On a profitability basis, the J.P. Morgan Macau Profitability Index rose 6% yoy both before and after luck adjustment. Year-to-July nominal GGR has grown 10% yoy, with VIP revenue growing 1% yoy and mass and slot revenue growing 29% yoy.

Wynn Macau (WM) reported 2Q14 property EBITDA of USD307mn (JPM USD346mn), down 10% qoq. The miss is mainly the result of an increase in labor cost and unfavorable luck in their direct VIP business. Labor cost impact totals USD21mn, of which USD6mn is one-off and the other USD15mn accounts for
both 1Q and 2Q. Wynn leads Macau valuation gains amid July rally. Wynn has led gains, with its EV/Ebitda jumping to 17.1x from 13.6x forward consensus estimates, after management updated analysts on progress at its Wynn Macau refit and its Wynn Palace project.

SJM reported 2Q EBITDA of HK$2,254mn, up 3% qoq and beating consensus by 6%. For 2Q, SJM stands out among the six operators as the only one that delivered sequential profit growth (albeit from a relatively low base), and that has beaten the street's expectations. Significant margin expansion across its self-promoted properties (including Grand Lisboa) was the key reason behind the earnings beat, driven by mix shift towards the high-margin mass segment. SJM Holdings bucked Macau-wide falls in 2Q VIP revenue by posting a 12% jump. Every other operator to report so far has had a decline of between 5.5% and 27%. SJM's increase was driven by a 2% rise in total wagers, compared with falls elsewhere, and by an improved hold percentage. The company is trailing in the more profitable mass market, as its 31% growth lagged behind increases of 34% to 44% at other operators.

Sands China reported 2Q property EBITDA of USD801mn (JPM USD857mn), -15% qoq. Adjusted for the impact from special bonus (USD29mn) and unfavorable luck for premium mass segment (USD32mn), total property EBITDA would have been USD862mn, in line with consensus estimates. VIP slowdown throughout 2Q and World Cup impact during last 2 weeks of June have dragged overall top line performance. Sands China maintained its lead in Macau's mass market with $1.2 billion of 2Q revenue, about 25% more than second-placed SJM. The company has created a core position in the center of the Cotai Strip with a mainstream focus.

GENS reported 2Q14 EBITDA of S$318mn (JPM USD$346mn). The miss was mainly due to a higher-than-expected S$82mn bad debt expense from special provisions. Looking ahead, management remains cautious and expects the next two to three quarters to remain challenging, with soft VIP demand and flattish mass and slot growth. Recognia has detected that Genting Singapore PLC has experienced a Wave 3 extension in its Elliott Wave cycle. The new Wave 3 target price is 1.20.

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.