RHB Asset Management

FUND FACTSHEET – NOVEMBER 2014

All data expressed as at 31 October 2014 unless otherwise stated

RHB-OSK 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:

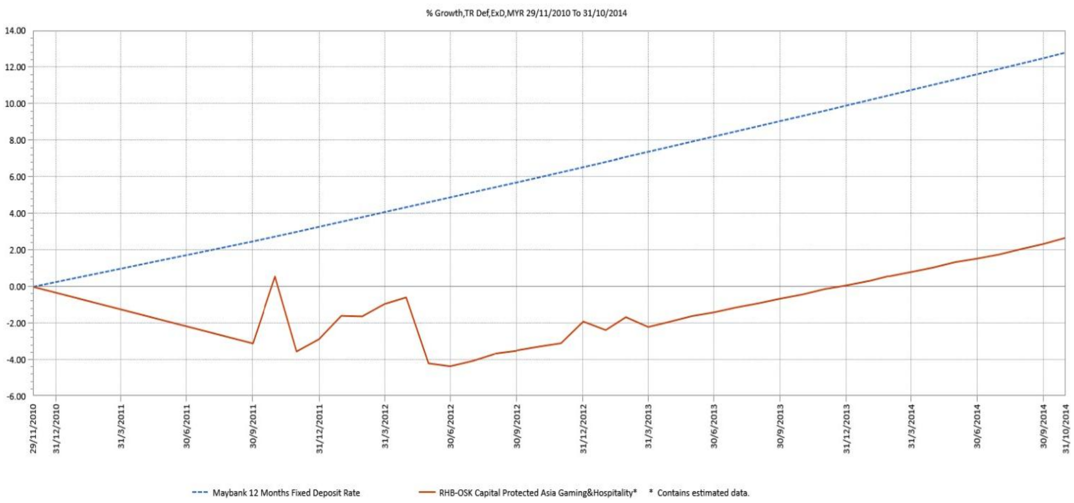
- have a low risk tolerance;
- seek capital protection;
- share our view on the growth potential of the Asian gaming and hospitality sector during the run up to the world economic recovery;
- have a medium term horizon; and
- seek regular income.

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	**0.33**	**0.89**	**1.61**	**2.63**
Benchmark	0.28	0.82	1.61	2.65

	1 Year	3 Years	Since Launch
Fund	**3.14**	**2.10**	**2.67**
Benchmark	3.17	9.77	12.79

Calendar Year Performance (%)*

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

**Source: Lipper IM*

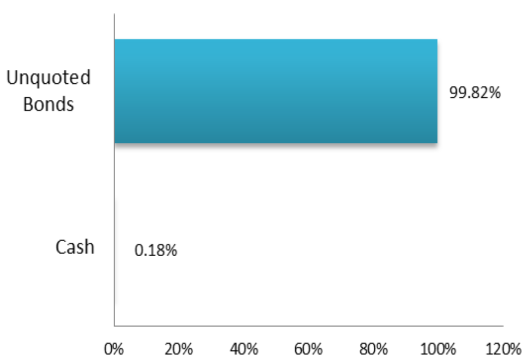
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
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	RM1.0267
Fund Size (million)	RM24.02
Units In Circulation (million)	23.40
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	20.75
AMBANK (M) BHD ZNID-CP GAME	20.75
HONG LEONG BANK BHD ZNID-CP GAME	19.72
CIMB BANK BHD ZNID-CP GAME	19.50
UOB (M) BHD ZNID-CP GAME	19.09

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0267	1.0267	1.0340
Low	1.0233	0.9931	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.

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RHB OSK
RHB Asset Management

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3-year Fund Volatility 4.2 Low Lipper Analytics 15 October 2014

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MANAGER'S COMMENTS

MARKET OUTLOOK

October generated MOP28.0bn gross gaming revenue (GGR), down 23% yoy or up 10% mom. While headline revenue was only modestly below our expectation of low-20s% decline yoy, the underlying quality was far worse than we thought: mass gaming revenues, a key profit and stock driver, printed a negative 8% yoy growth (vs. our estimated flat yoy or +14% yoy in 3Q), while low-quality VIP fared a tad better than expected at -31% yoy (vs. JPMe -35% yoy or -19% yoy in 3Q).

Macau casino operators' valuations rebounded in October, following declines caused by reduced earnings expectations and Hong Kong political protests. Wynn has the highest multiple at 16.3x forward consensus EV/Ebitda, possibly reflecting optimism about a mass-market floor renovation due to be completed for early 2015. Wynn Macau reported its 3Q14 operating figures, with net revenue of USD942mn (-2% QoQ/ -6% YoY) and adjusted property EBITDA of USD326mn (+6% QoQ/ -1% YoY). EBITDA was higher than consensus by 18%, mainly attributable to stringent cost control and higher revenue mix towards the mass market gaming segments, which helped to offset the impact of a 10% QoQ decline in VIP revenue and expand the EBITDA margin by 2.6 ppts QoQ (+1.6 ppts YoY) to reach 34.5%. Management attributes the slowdown in VIP revenue to the ongoing anti-corruption campaign in China. The smoking ban had limited impact on gaming revenue so far, and the company is in process of establishing additional smoking rooms.

In the 3Q14 results for SJM, revenues were down 14% y/y and EBITDA fell 14.3% y/y. VIP revenues declined 24% y/y while mass gaming rose 3% y/y. Despite favorable change to the revenue mix, margins were flat compared with last year. Flagship property Casino Grand Lisboa saw revenues fall 11% y/y, EBITDA declined 6.4% y/y, but margin rose by 70 bps y/y to 14.5%. Occupancy for the flagship property dropped by 7 ppts y/y to 90.5%, mainly due to renovation work at the hotel. Management noted that revenues at its two other self-operated properties, Oceanus and Casino Lisboa, were especially weak during the quarter and that the November grand prix will exert further pressure on Oceanus due its proximity to the event. Management said it would receive 10 new gaming tables from the DICJ and would be shifting 15 tables from VIP to mass gaming. The focus continues to be mass.

Sands China increased its casino revenue market share in Macau to 23.7% in October. The casino operator retook the monthly lead from SJM Holdings which had a share of 23.5% during the month. Sands China reported 3Q adj. property EBITDA of USD809mn, +1% qoq and +3% yoy, modestly beating consensus estimates by 3%. The beat mainly came from the stronger-than-expected performance of Four Seasons (EBITDA +49% qoq), which offset a weaker result from its flagship Venetian (EBITDA down 1% qoq). Although gross gaming revenue declined by 5% qoq (industry -7%), favorable business mix toward mass has helped margin to expand by 100bps. Despite the beat, however, read across on the sector will likely be largely neutral, given the managements remark on the deteriorating margin in premium mass (driven by rising competition amidst the slowing demand). Going forward, better seasonality is expected into 4Q, while a full-fledged recovery is unlikely until 1H of 2015.

Genting Singapore PLC's net profit fell 43% in the third quarter, hit by lower gaming revenue from VIP players, and it warned of challenges in the Asian gaming and tourism industry in a slowing economy. MBS VIP volume dropped by 30% qoq with unfavorable win rate while management now focusing more on profitability. The meaningful business mix shift of MBS suggests increasing difficulty for VIP business operations in the Singapore market, which may give GENS a harder time because GENS has relatively less market share in the mass segment due to its location. GENS hotel development in Jurong is on schedule and is planning to launch its soft-opening by May 2015 and to fully open by July 2015.

MALAYSIA BOND OUTLOOK

The pause in Overnight Policy Rate ("OPR") spurred buying interest on the short-end of the curve. As a result, the local government bond market bullish steepened with short-end yields compressed more than long-end yields. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.47% (August: 3.50%), 3.67% (3.68%), 3.80% (3.81%), 3.89% (3.91%), 4.21% (4.21%), 4.31% (4.30%) and 4.71% (4.64%) respectively.

On the domestic economic front, July trade surplus narrowed lass than expected to RM3.64bil from RM3.97bil reported a month ago, on lower imports. Exports to U.S., Japan and China continue to slump while mild expansion was seen in Europe and Singapore. July Industrial Production ("IP") rose just 0.5% YoY (June: 7.0% YoY), significantly below consensus of 4.3%. The slowdown in IP was broad base, and is likely exaggerated by moving holiday effects as Ramadan fell almost entirely in Jul 2014. Lastly, BNM held OPR unchanged at 3.25% in the September Monetary Policy Committee ("MPC"), as the central bank's assessment of domestic growth is somewhat less upbeat versus in July. The MPC noted that the global economy "continues to expand at a moderate pace", similar to the July assessment, though "growth performance has been uneven" among advanced economies. On the domestic economy, while the MPC continues to expect the economy to remain on a "steady growth path", the omission of the word "firmly" suggests somewhat less conviction.

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