

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:

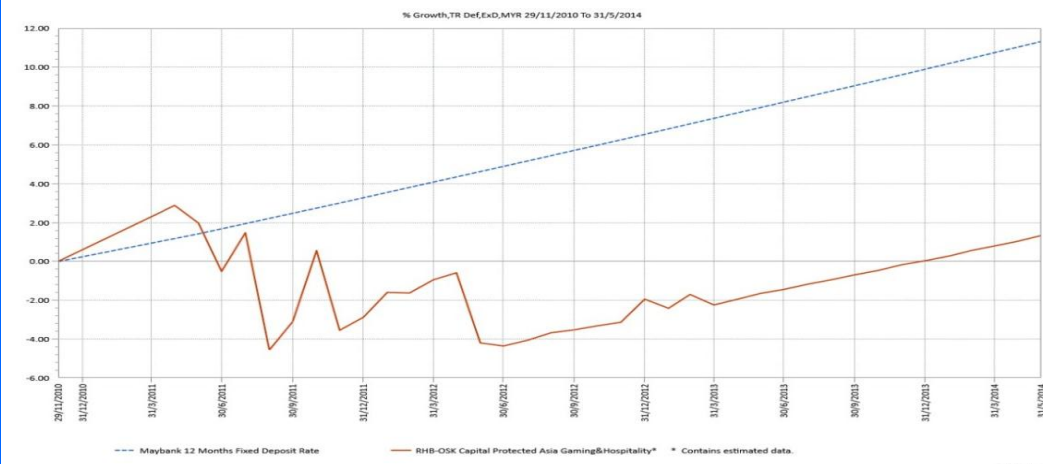
- have a low risk tolerance;
- seek capital protection;
- share our view on the growth potential of the Asian gaming and hospitality sector during the run up to the world economic recovery;
- have a medium term horizon; and
- seek regular income.

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	0.30	0.78	1.51	1.30
Benchmark	0.27	0.79	1.57	1.30

	1 Year	3 Years	Since Launch
Fund	3.03	-0.62	1.34
Benchmark	3.15	9.75	11.32

Calendar Year Performance (%)*

	2013	2012	2011
Fund	2.02	0.96	0.36
Benchmark	3.15	3.15	3.05

*Source: Lipper IM

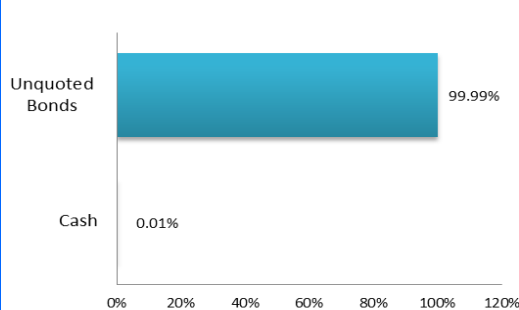
FUND DETAILS

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	RM1.0134								
Fund Size (million)	RM28.88								
Units In Circulation (million)	28.50								
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	<table border="1"> <tbody> <tr> <td>≤ 1 year</td> <td>1.00%</td> </tr> <tr> <td>≥ 1 year < 2 years</td> <td>0.75%</td> </tr> <tr> <td>≥ 2 years < 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								
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	20.08
AMBANK (M) BHD ZNID-CP GAME	20.07
UOB (M) BHD ZNID-CP GAME	20.07
CIMB BANK BHD ZNID-CP GAME	20.04
HONG LEONG BANK BHD ZNID-CP GAME	19.73

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)			
	1 Month	12 Months	Since Launch
High	1.0134	1.0134	1.0340
Low	1.0103	0.9836	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

May generated MOP32.4bn gaming revenue, up 9% yoy or 3% mom. VIP luck factor was 3.10% for May (vs. historical average of 3.15% and 3.11% from May 13). Adjusted for luck, headline revenue grew ~10.5% yoy, based on our estimate. By segment, VIP revenue dropped 2% yoy and mass revenue rose by a robust 36% yoy. VIP junket chips volume (not affected by luck) was down by 1% yoy. We believe the slowing VIP growth rate is related to tighter junket liquidity and impact from China property market. On a profitability basis, J.P. Morgan Macau Profitability Index rose 20% yoy before and after luck adjustment. Year-to-May revenue has grown by 16% yoy (VIP 7% yoy, mass & slot 34% yoy), in line with current consensus estimates. However, we see downside risks for GGR and earnings revisions.

Wynn Macau reported first-quarter profit that beat analyst estimates as billionaire Steve Wynn's casino drew more premium mass-market customers in the world's largest gambling hub. Adjusted property earnings before interest, taxes, depreciation and amortization, or Ebitda, rose 16 percent from a year earlier to \$384.3 million. Wynn Macau, which is building the \$4 billion Wynn Palace resort to add to its sole casino in the city, has been reallocating gambling tables to serve the so-called premium mass gamblers who bet in cash.

SJM reported its 1Q14 operating figures, with reported revenue and adjusted EBITDA at HK\$ 22.9bn (-4% QoQ/ +5% YoY) and HK\$ 2.2bn (-7% QoQ/ +3% YoY), respectively, which is in line with expectations. EBITDA was dented by a lower VIP hold rate of 2.6% at Grand Lisboa in 1Q14 (1Q13: 3.2%) alongside disruption to operations from property upgrades at Casino Grand Lisboa. Recognia has detected a "Descending Continuation Triangle" chart pattern formed on SJM Holdings Ltd (880 on HKG). SJM Holdings Ltd has fallen 22 percent this year, compared with the 4.1 percent decline in the city's Hang Seng Index. SJM has also lost its No.1 market share position in Macau to Sands China during the quarter.

Sands and Galaxy accounted for \$1.35 billion, or 67%, of the \$2 billion overall revenue added in 1Q. Sands China (1928) shareholder Waddell & Reed said it has sold its entire stake in the Macau casino operator for US\$1.38 billion (HK\$10.76 billion). Japan's Diet may delay consideration of a proposal to legalize casinos until its fall session because other bills have a higher priority, Takashi Kiso, CEO of Japan-based International Casino Institute, said at the Macau Global Gaming Expo. Macau government is mulling further tightening the rules regarding the period of stay for mainland visitors holding passports for entry. BOA Merrill Lynch predicted that this move will affect Macau's gaming revenue by 3%-5%. Sands China Ltd chief executive Edward Tracy expects Macau to have enough demand to keep all the forthcoming gaming industry capacity busy. Sands China to invest \$8bn in Asia resorts.

Genting Singapore Plc posted their biggest jump in three months after Southeast Asia's largest casino operator by market value reported first-quarter profit almost doubled. Genting climbed 2.7 percent to S\$1.345 in Singapore, the biggest one-day gain since Feb 7. Genting's Resorts World Sentosa boosted its share of Singapore's VIP gaming 11 percentage points yoy in 1Q to a record 59%. Genting Bhd has said the group's 51.9%-owned Genting Singapore Plc will partner unnamed "Japanese institutions" to bid for an integrated casino resort in Japan.

FIXED INCOME REVIEW & OUTLOOK

US Treasuries ("UST") continue to rally in May, as the revised 1Q2014 Real GDP was even weaker than previous releases, nudging down by -1% annualized YoY (4Q2013: +2.6% YoY). At close, the 2-, 5-, 10- and 30-year UST were traded at 0.38% (April: 0.41%), 1.54% (1.68%), 2.48% (2.65%) and 3.33% (3.46%) respectively.

The hawkish tone from Bank Negara's Monetary Policy Committee ("MPC") meeting, as well as strong 1Q2014 GDP growth has caused the Malaysia Government Securities ("MGS") yield curve to underperform on the short end. The curve inched up by 10bps on the short end while tightened by 1 – 6bps on the long end, exhibiting a bearish flattening trend in May. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.48% (April: 3.38%), 3.72% (3.62%), 3.94% (3.94%), 4.03% (4.08%), 4.36% (4.42%), 4.59% (4.60%) and 4.89% (4.89%) respectively.

In the US, 1Q2014 GDP was revised down on weaker inventories, the first quarterly contraction since 2011. However, the recent housing data should alleviate Fed's concern, while labor market, consumption and durable goods numbers point to a rebound in 2Q2014. We do not expect the weather-related softness in 1Q2014 to translate to a one-to-one increase in growth for the rest of the year. This somewhat slower growth profile does not change our view on the Fed, we still expect the interest rate to normalize in 2H2015. The labor market continues to strengthen more quickly than Fed's forecast, and after the most recent inflation reports, the headline PCE price index is up 1.6% YoY, while core is up 1.4%, very close to the Fed's year-end forecast of 1.5% YoY. Finally, Fed Presidents Dudley and Williams have both recently indicated that the Fed might not stop re-investing its portfolio run-off after the first rate increase.

The European Central Bank ("ECB") meeting in early June along with coming US payroll data should remain as the markets' main focus. While we expect the ECB to cut rates and announce a new lending scheme, we do not expect a large-scale asset purchases at this juncture. Separately, we now expect the Bank of Japan ("BoJ") to remain on the sidelines for the rest of 2014, unless output gap widens again.

Back home in Malaysia, following the MPC meeting on 8th May, markets have increasingly raised their expectation that the next policy move is just around the corner. While markets are digesting this new set of information, we argue that the rate hike expectation is yet to be fully priced in. Previous study shows that bulk of the adjustment usually takes place a month prior to the rate hike. As such we expect a near term bear flattening trend with an upward pressure on the front end of the curve depending on the subsequent inflation expectations and build up in financial imbalances. Subsequently, yield curve should bear steepen in the long term to reflect higher inflation and underlying interest rate risk. Overall, we still favor neutral duration with overweight in PDS over MGS/GII for better yield pick-up.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 May 2014, the Volatility Factor (VF) for this fund is 5.8 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.3 but not more than 7.9 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 31 December 2013 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2014.

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 05 October 2010.

Investors are advised to read and understand the contents of the Prospectus dated 05 October 2010, 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, and country risk. 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.*