

## RHB-OSK EMERGING MARKETS BOND FUND (formerly known as OSK-UOB EMERGING MARKETS BOND FUND)

The Fund aims to provide investors with income and potential capital appreciation by investing in one target fund, i.e. the United Emerging Markets Bond Fund.

### INVESTOR PROFILE

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

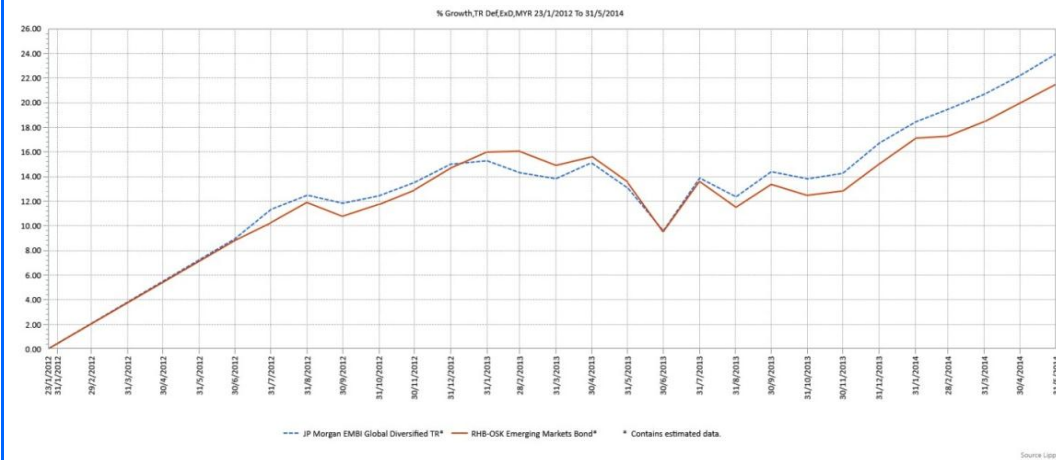
- seek income and potential capital appreciation over the longer term;
- have medium to high risk appetite; and
- seek returns in emerging markets debt investments and products.

### INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Emerging Markets Bond Fund.
- 2% - 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	1.29	3.60	7.68	5.62
Benchmark	1.45	3.76	8.49	6.21

	1 Year	Since Launch
Fund	7.03	21.49
Benchmark	9.66	23.97

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

	2013
Fund	0.31
Benchmark	1.84

\*Source: Lipper IM

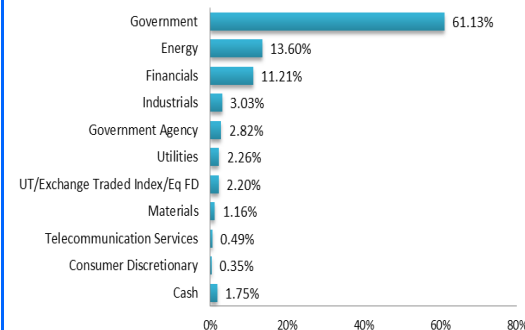
### FUND DETAILS

<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>	Feeder Fund
<b>Fund Type</b>	Income Fund
<b>Launch Date</b>	03 January 2012
<b>Unit NAV</b>	RM0.5409
<b>Fund Size (million)</b>	RM87.04
<b>Units In Circulation (million)</b>	160.93
<b>Financial Year End</b>	28 February
<b>MER (as at 28 Feb 2014)</b>	1.57%
<b>Min. Initial Investment</b>	RM1,000.00
<b>Min. Additional Investment</b>	RM100.00
<b>Benchmark</b>	JP Morgan Emerging Market Bond Index Global Diversified Index (RM)
<b>Sales Charge</b>	Up to 2.50% of investment amount
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	1.50% p.a. of NAV*
<b>Annual Trustee Fee</b>	0.08% p.a. of NAV, subject to a minimum of RM18,000 p.a.*
<b>Switching Fee</b>	RM25.00 per switch
<b>Redemption Period</b>	Within 10 days after receipt of the request to repurchase
<b>Cooling-Off Period</b>	Within 6 business days from the date of receipt of application
<b>Distribution Policy</b>	Quarterly, if any

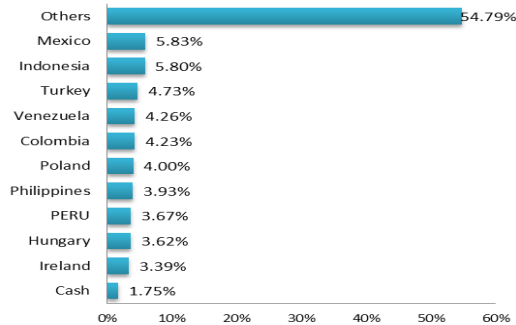
\*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

### FUND PORTFOLIO ANALYSIS

#### Sector Allocation\*



#### Country Allocation\*



#### Top Holdings (%)\*

REPUBLIC OF POLAND	6.375%	15/07/2019	1.80
REPUBLIC OF PERU	8.75%	21/11/2033	1.68
REPUBLIC OF COLOMBIA	4.375%	12/07/2021	1.18
REPUBLIC OF VENEZUELA	7.75%	13/10/2019	1.12
UOB UNITED RENMINBI BOND FUND (SGD)			1.10

\*As percentage of NAV

\*Exposure in United Emerging Markets Bond Fund - 98.14%

### FUND STATISTICS

#### Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5409	0.5409	0.5499
Low	0.5364	0.4959	0.4959

Source: Lipper IM

#### Historical Distributions (Last 4 Quarters) (Net)

	Distribution (sen)	Yield (%)
28 May 2014	0.2400	0.44
26 Feb 2014	0.1300	0.25
27 Nov 2013	0.3400	0.67
27 Aug 2013	0.6533	1.26

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

**RHB-OSK EMERGING MARKETS BOND FUND (formerly known as OSK-UOB EMERGING MARKETS BOND FUND)**

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**MANAGER'S COMMENTS**

**MARKET REVIEW**

Lower US Treasury rates and gradually improving sentiment led to a rally in Emerging Markets (EM) debt, with the fund posting a year-to-date return of 6.93% (SGD). The extra yield investors demand to own EM bonds over US Treasuries, as indicated by the EMBIG index, tightened 21 basis points to 273 basis points on sustained inflows and de-escalating geopolitical risk in Russia and Ukraine. The yield on EM bonds, which moves inversely with prices, was 5.1% at month-end.

EM bonds are priced off US government bonds. For this reason, we monitor US interest rates. Yields on benchmark 10-year Treasury notes dropped to their lowest in nearly 11 months on expectations that the European Central Bank will cut interest rates in June. The 10-year US Government bond yielded 2.48% at month-end, 17 basis points lower from a month ago. We continue to expect a gradual tapering strategy from the Fed in the short run.

We remain mostly market-weight in higher grade countries. We see higher volatility in the coming weeks due to uncertainty about rates and economic activity. We maintained our Russia underweight on concerns about the domestic economy arising from Western sanctions. We stayed modestly overweight on Ukraine after presidential elections yielded a decisive win by a pro-European candidate which the Kremlin also seemed to recognise.

Among markets with relatively high volatility, we maintained our Venezuela overweight on the implementation of a higher tier foreign currency system which may imply a further devaluation and a potential gas price hike, both positive for fiscal accounts. Our Indonesia overweight conviction is supported by a lower account deficit. We maintained our Mexico overweight on attractive new issue spreads and remained underweight on the Philippines on tight spreads. We also remain underweight on South Africa on a continued economic drag from strikes in the mining sector.

**STRATEGY**

We view EM valuations as attractive, particularly within the fixed income space. The interest rate on EM high yield (as measured by the EMBIG Diversified High Yield Index) is 7.0%, more than 2% higher compared to the interest rate on US high yield credits. Considering yields, EM also compares favourably to US high grade credits. The EMBIG yield of 5.1% is 155 bps wider than the US Domestic High Grade index yield (as measured by the JPM US Liquid Index "JULI"), almost 10% wider (cheaper) than the five year average.

We are generally constructive on EM debt as US interest rates remain at low levels (EM debt is priced off US interest rates). US recovery is weaker than expected and EM countries have improved their current accounts. Further, continued inflows from institutional investors will likely continue to provide support for the asset class.

**DISCLAIMER:**

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Master Prospectus dated 15 March 2014 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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 Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are management risk, lack of market economy risk of UEM Bond Fund, suitability standards and foreign investment risks such as currency risk and country risk and the specific risks of the target fund are market risk, debt securities risk, emerging markets risk, political and economic risks, repatriation of capital, dividends, interest and other income risks, regulatory risk, nature of investments and market risks, lack of market economy, derivatives risk, synthetic product risk, illiquidity of investments, broker risk, settlement risk, custody risk, counterparty risk, possible business failures, accounting practice, quality of information, legal risk, taxation, foreign exchange and currency risks, the banking system, risks of mis-management by debt issuers, actions of institutional investors, risk of use of rating agencies and other third parties and exceptional market conditions risk. These risks and other general risks are elaborated in the Master 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.