

**RHB-OSK FOCUS BOND FUND – SERIES 5 (formerly known as OSK-UOB FOCUS BOND FUND – SERIES 5)**

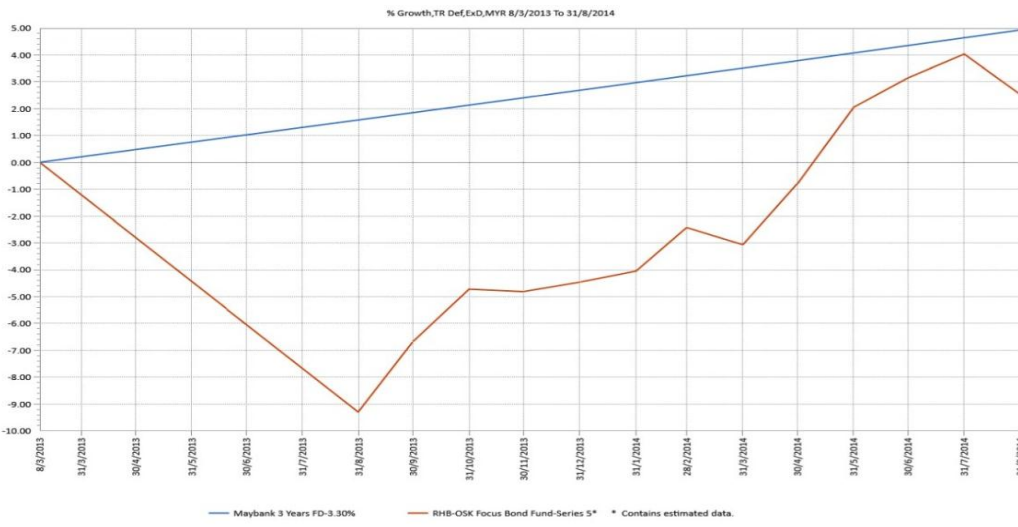
The Fund aims to maximise returns at its maturity date from a concentrated portfolio of global debt instruments.

**INVESTOR PROFILE**
**This Fund Is Suitable For Investors Who:**

- have a moderate to conservative risk appetite;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments portfolio; and
- have a medium term (i.e. 3 years) investment horizon.

**INVESTMENT STRATEGY**

- 95% - 100% of NAV: Investments in global debt instruments.
- 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	-1.44	0.46	5.08	7.32
Benchmark	0.28	0.82	1.65	2.19

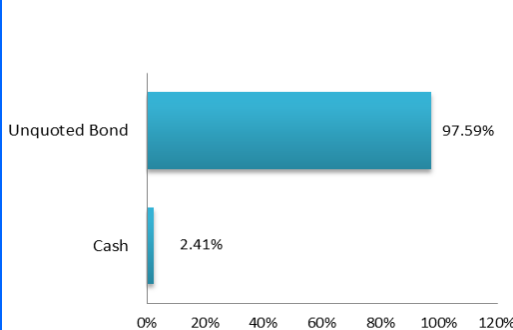
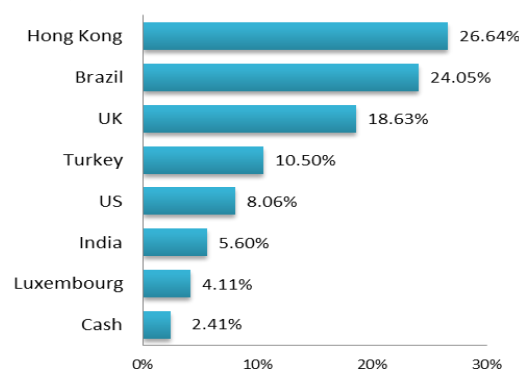
	1 Year	Since Launch
Fund	13.03	2.53
Benchmark	3.30	4.93

\*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>	Bond Fund (Closed Ended)
<b>Fund Type</b>	Income Fund
<b>Launch Date</b>	14 January 2013
<b>Maturity Date</b>	08 March 2016
<b>Unit NAV</b>	RM0.9790
<b>Fund Size (million)</b>	RM265.47
<b>Units In Circulation (million)</b>	271.13
<b>Financial Year End</b>	30 April
<b>MER (as at 30 April 2014)</b>	0.09%
<b>Min. Initial Investment</b>	RM1,000.00
<b>Min. Additional Investment</b>	RM1,000.00
<b>Benchmark</b>	3-years FD rate by Malayan Banking Bhd
<b>Sales Charge</b>	Up to 3.00% of investment amount
<b>Redemption Charge</b>	< 3 years 1.00% Maturity Nil
<b>Annual Management Fee</b>	None
<b>Annual Trustee Fee</b>	0.08% p.a. of NAV*
<b>Switching Fee</b>	Not available
<b>Distribution Policy</b>	Annually, if any

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

**FUND PORTFOLIO ANALYSIS**
**Sector Allocation\***

**Country Allocation\***

**Top Holdings (%)\***

SOHO CHINA LTD-5.75% (07/11/2017)	11.03
CSN RESO-6.5% (21/07/2020)	10.55
YUEXIU PROPERTY-4.5% (24/01/2023)	9.16
OJSC NOVOLIPETSK-4.95% (26/09/2019)	7.71
DELL INC-5.875%(15/06/2019)	5.99

\*As percentage of NAV

**FUND STATISTICS**
**Historical NAV (RM)**

	1 Month	12 Months	Since Launch
High	0.9934	0.9934	1.0026
Low	0.9673	0.9067	0.9002

Source: Lipper IM

**Historical Distributions (Last 1 Years) (Net)**

	Distribution (sen)	Yield (%)
07 Apr 2014	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**

US Treasuries ("UST") drew strong demand in August 2014 as yields in Europe fall to records amid speculation the European Central Bank ("ECB") will introduce additional stimulus. Fighting in Ukraine also increases investor appetite for the safest securities. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.49% (July: 0.53%), 1.63% (1.75%), 2.34% (2.56%) and 3.08% (3.32%) respectively.

Data released in August continues to prove US is on track for a modest recovery. ISM's manufacturing sample reported solid acceleration in July with the composite index rising a sizable 1.8 points to 57.1 in July. This is the best reading since Apr 2011. Industrial Production ("IP") increased a robust 0.4% in July, equaling the revised June pace. Consumer Price Index ("CPI") grew soft in August, but still appears to be creeping upward. Overall CPI rose 0.1% in July after a strong 0.3% boost the month before. Housing is also making a comeback with the labor market improving. Housing Starts, Existing Home Sales and New Home Sales all posted better readings compared to a month ago. In the Federal Open Market Committee ("FOMC") minutes, the Fed indicates that the economy is moving closer to the unemployment and inflation goal but a wage rate is still a concern. Hence policy tightening is still seen as data dependent. The second estimate for 2Q2014 GDP growth came in a little stronger than expected, rising 4.2% annualized (first estimate: 4.0%). With this second estimate for the 2Q2014, the general picture of economic growth remains the same; the increase in nonresidential fixed investment was larger than previously estimated and the weather-related rebound in was stronger than expected. Personal spending made a comeback and inventories were rebuilt. The economy is gradually regaining momentum.

With the US economy bouncing back forcefully in 2Q2014, we expect more information on how the Fed will revise its principles for exiting zero interest rates policy later this year. Wage inflation has been extremely mild during this expansion, and although there are signs that wage growth may pick up later this year or next, we think it is unlikely to post a serious inflation threat. Corporate profit margins have soared, reflecting cost cutting during the recession and a slow pace of labor cost increases since then. At this point, wage cost increase will likely be absorbed by the elevated margins.

We continue to expect the ECB and Bank of Japan ("BoJ") to ease further via major Quantitative Easing ("QE") programs in the next few quarters. At the early August press conference, ECB President Draghi repeated the ECB's willingness to loosen further via unconventional policies, if its inflation forecasts and inflation expectations trends indicate a sustained undershoot of its inflation target. We believe these conditions for easing are falling into place, and that further downgrades to the ECB's inflation forecasts are likely to trigger a major QE program. In Japan, the rise in inflation expectations may partly reflect the fears of a further hike in indirect taxes, and is not translating into underlying economic recovery. We expect the real GDP growth in 2014 to undershoot the BoJ's forecast especially if the government goes ahead with the next consumption tax hike planned for Oct-2015. On this note, BoJ is likely to show significant forecast downgrades – prompting policy easing soon after.

**DISCLAIMER:**

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 14 January 2013. Investors are advised to read and understand the contents of the Prospectus dated 14 January 2013, 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 and mismatch 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.