FUND FACTSHEET – SEPTEMBER 2014

All data expressed as at 31 August 2014
unless otherwise stated

RHB-OSK FOCUS BOND FUND – SERIES 7 (formerly known as OSK-UOB FOCUS BOND FUND – SERIES 7)

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:

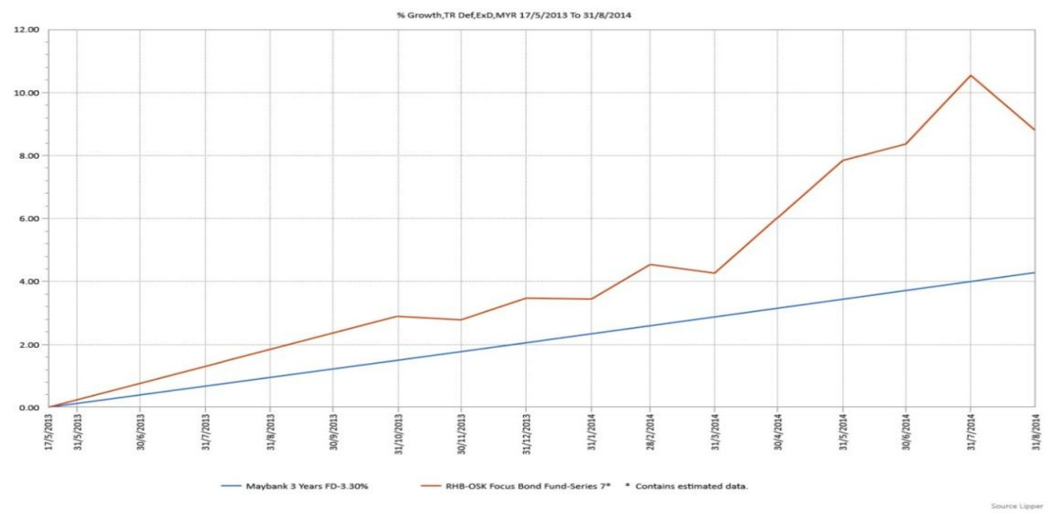
- have a moderate to conservative risk appetite;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments portfolio; and
- have a medium term (i.e. 3 years) investment horizon.

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	**-1.59**	**0.87**	**4.06**	**5.13**
Benchmark	0.28	0.82	1.65	2.19

	1 Year	Since Launch
Fund	**10.38**	**8.78**
Benchmark	3.30	4.28

**Source: Lipper IM*

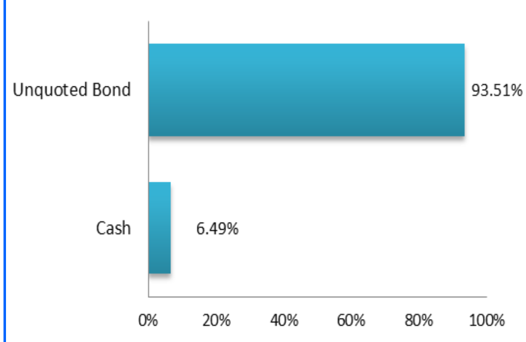
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Bond Fund (Closed Ended)
Fund Type	Income Fund
Launch Date	25 March 2013
Maturity Date	10 May 2016
Unit NAV	RM1.0424
Fund Size (million)	RM207.94
Units In Circulation (million)	199.45
Financial Year End	31 May
MER (as at 31 May 2014)	0.07%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	3-years FD rate by Malayan Banking Bhd
Sales Charge	Up to 3.00% of investment amount
Redemption Charge	< 3 years 1.00% Maturity Nil
Annual Management Fee	None
Annual Trustee Fee	0.08% p.a. of NAV*
Switching Fee	Not available
Distribution Policy	Annually, if any

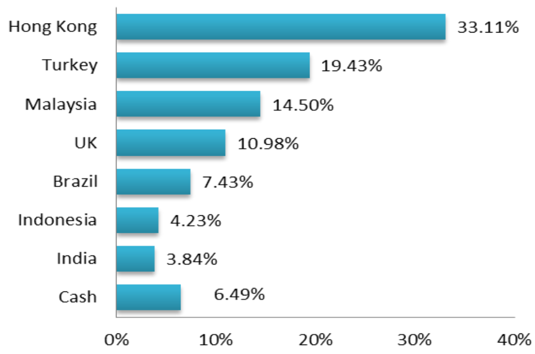
**For the purpose of computing the annual trustee fee, the NAV of the Fund is exclusive of the trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

OJSC NOVOLIPETSK-4.45% (19/02/2018)	10.98
BAHRAIN MUMTALAKAT-5.50%(3/10/17)	9.70
TURKIYE BANKASI-5.5% (21/04/2019)	9.44
AGILE PROPERTY - 9.875% (20/3/2017)	9.09
TURKIYE VAKIFLAR-5.75% (24/04/2017)	8.80

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0593	1.0647	1.0647
Low	1.0374	0.9874	0.9854

Source: Lipper IM

Historical Distributions (Last 1 Years) (Net)

	Distribution (sen)	Yield (%)
09 May 2014	4.6500	4.65

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

Head Office: 19th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. **General Line: 603-2164 3036** **Fax: 603-2164 4226** **Website: www.rhbgroup.com**

RHB-OSK FOCUS BOND FUND – SERIES 7 (formerly known as OSK-UOB FOCUS BOND FUND – SERIES 7)

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

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 unlike 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.