

RHB-OSK FOCUS BOND FUND – SERIES 7

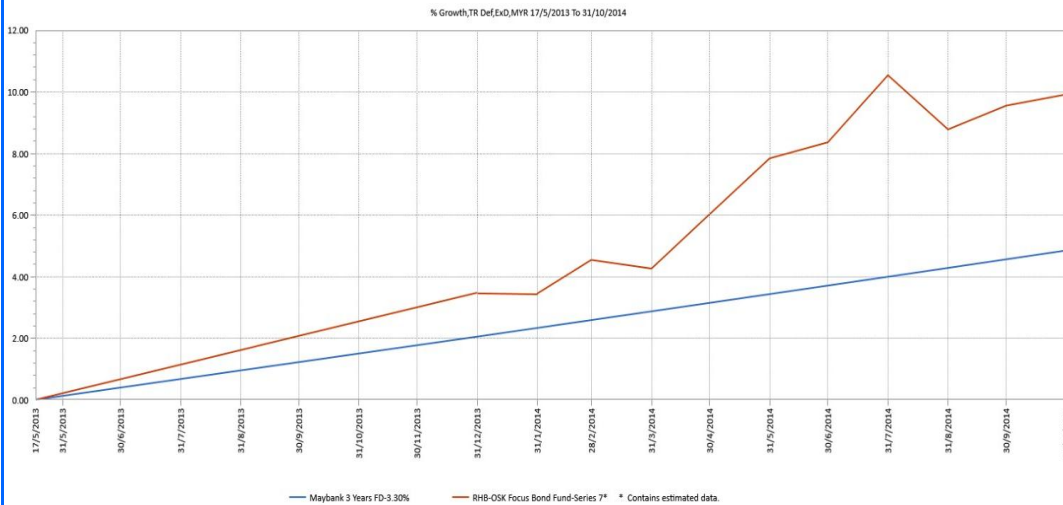
The Fund aims to maximise returns at its maturity date from a concentrated portfolio of global debt instruments.

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	0.33	-0.56	3.67	6.23
Benchmark	0.28	0.82	1.65	2.74

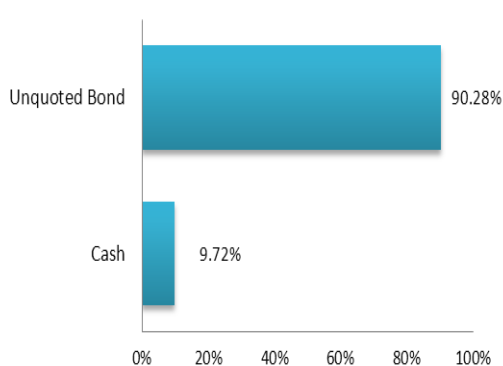
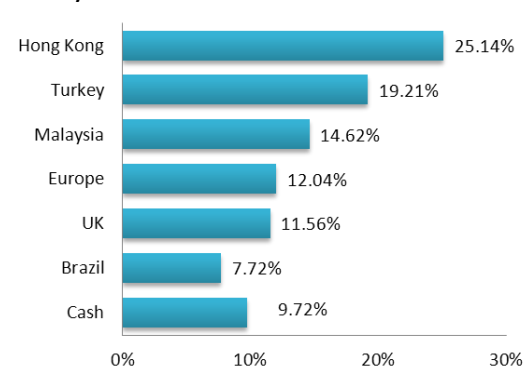
	1 Year	Since Launch
Fund	6.83	9.92
Benchmark	3.30	4.85

*Source: Lipper IM

FUND DETAILS

Investment Manager	RHB Asset 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	RM1.0533
Fund Size (million)	RM206.73
Units In Circulation (million)	196.28
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* Subject to minimum of RM 18,000 p.a.
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)	11.56
TURKIYE BANKASI-5.5% (21/04/2019)	9.96
BAHRAIN MUMTALAKAT-5.50%(3/10/17)	9.78
TURKIYE VAKIFLAR-5.75% (24/04/2017)	9.25
PARKSON RETAIL GRP- 4.5% (3/5/2018)	9.06

*As percentage of NAV

FUND STATISTICS
Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0533	1.0647	1.0647
Low	1.0382	1.0112	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.

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MANAGER'S COMMENTS

MARKET REVIEW

IMF guided lower growth outlook for the second time this year, with further bearish tone in the statement. Overall, the world growth outlook for 2014 was revised down to 3.30% YoY (April: 3.60% YoY) and mainly due to sharp downward revision from the Advanced Economies (from 2.20% YoY to 1.80% YoY). Lower revision in growth was due to increase geopolitical risk and a renewed risk of rise in longer term interest rate particularly in the U.S. Many emerging and developing economies are still adjusting to tighter financial conditions and implied higher cost of capital since May 2013 and weaker medium-term trajectory. Overall, there is an urgent need for structural reform and strengthen growth potential or make growth more sustainable.

IMF's lower growth guidance had spurred buying interest in risk free assets such as US Treasuries ("UST"). The curve bullish flattened in October, despite Federal Reserve ("Fed") ending Quantitative Easing ("QE") programme in the same month. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.49% (September: 0.57%), 1.61% (1.76%), 2.34% (2.50%) and 3.07% (3.20%) respectively.

Data released in October is still showing moderate growth with no signs of inflation picking up. ISM actively slowed to 56.6 in September (August: 59.0) but nevertheless remained on the expansionary territory. Industrial Production ("IP") also gained 1% in September (August: -0.2%) with Capacity Utilization Rate increased to 79.3% (August: 78.7%). Both utilities and manufacturing components were positive in the readings. Housing Starts, Existing Home Sales and New Home Sales all gained in September, given the sharp decline in key mortgage rates (-0.15% MoM to 3.97%) and steady improvement underway in the labor market. However on the expenditure side on the economy, both core and headline Consumer Price Index ("CPI") only rose by 0.1% MoM in September. Retail sales were also weak, with -0.3% MoM contraction in the same month. Overall, September Personal Income growth was weak at 0.2% MoM (August: 0.3% MoM), with Consumer Spending contracting -0.2% MoM (August: 0.5% MoM). The US economy grew by an annualized 3.5% YoY in 3Q2014 (2Q2014: 4.6% YoY). The increase in real GDP in 3Q2014 is mainly coming from non-residential fixed investment and federal government spending.

While Fed has officially ended the QE programme, the accompanied statement was still read as dovish. Slowing growth abroad and resultant USD appreciation have raised downside risks to US expansion. The mix of lower oil prices and stronger USD has dampened inflation prospects, and lowered inflation break-evens. With wage growth remains extremely mild, we do not expect US inflation to meet Fed's target of 2.00% in 2015. Heightened uncertainty about the GDP growth outlook, the implicit tightening arising from the strong dollar and dampened inflation expectation would likely prompt a desire among Fed policymakers to delay the first rate hike. Until we have more clarity as to how these various shocks crystalize in the impact on GDP growth, we are keeping our expectation of first rate hike in 2H2015.

DISCLAIMER:

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 25 March 2013. Investors are advised to read and understand the contents of the Prospectus dated 25 March 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.