

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:

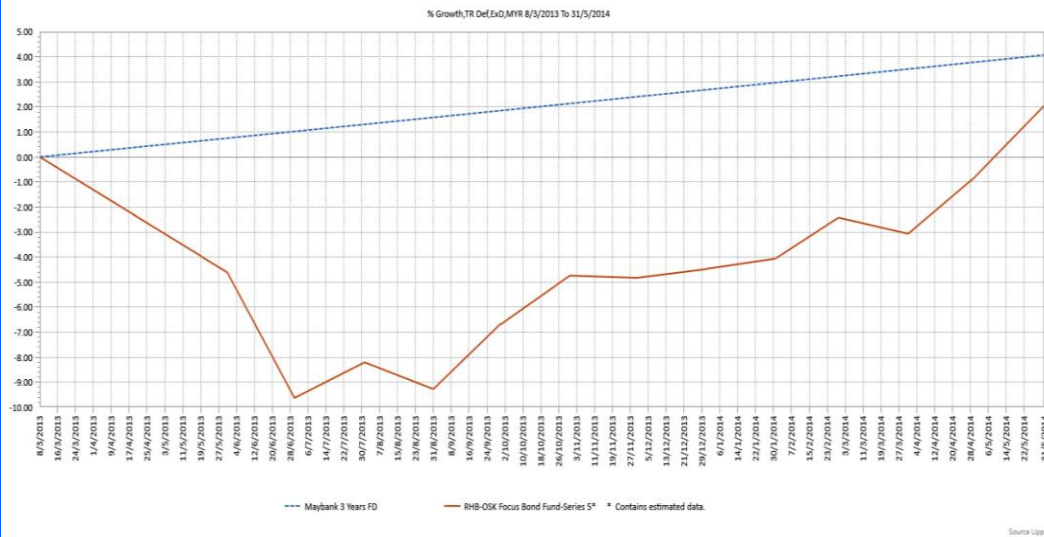
- have a moderate to conservative risk appetite;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments portfolio; and
- have a medium term (i.e. 3 years) investment horizon.

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 | 2.87 | 4.60 | 7.22 | 6.83 |
| Benchmark | 0.28 | 0.82 | 1.63 | 1.35 |

| | 1 Year | Since Launch |
|-----------|--------|--------------|
| Fund | 6.99 | 2.06 |
| Benchmark | 3.30 | 4.07 |

*Source: Lipper IM

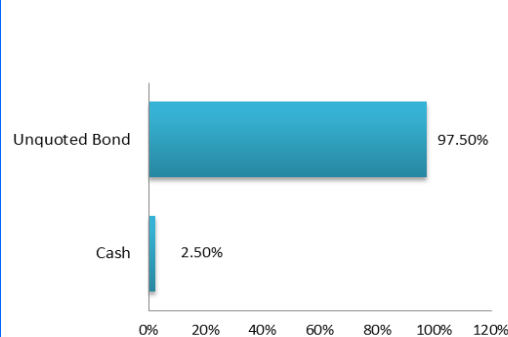
FUND DETAILS

| | |
|---------------------------------------|--|
| 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 | 14 January 2013 |
| Maturity Date | 08 March 2016 |
| Unit NAV | RM0.9745 |
| Fund Size (million) | RM264.55 |
| Units In Circulation (million) | 271.43 |
| Financial Year End | 30 April |
| MER | Not applicable |
| 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 |

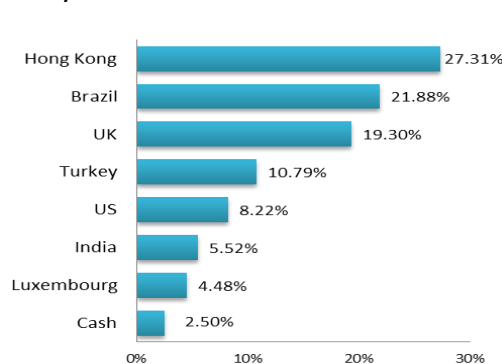
*For the purpose of computing the annual trustee fee, the NAV of the Fund is exclusive of the trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

| | |
|-------------------------------------|-------|
| CSN RESO-6.5% (21/07/2020) | 10.69 |
| YUEXIU PROPERTY-4.5% (24/01/2023) | 9.34 |
| OJSC NOVOLIPETSK-4.95% (26/09/2019) | 8.10 |
| CITIC PACIFIC-6.875% (21/01/2018) | 8.07 |
| DELL INC-5.875%(15/06/2019) | 6.09 |

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

| | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 0.9745 | 0.9888 | 1.0026 |
| Low | 0.9473 | 0.9002 | 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") continue to rally in May, as the revised 1Q2014 Real GDP was even weaker than previous releases, nudging down to -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.

Both the US ISM Manufacturing and Non-Manufacturing Index inched up higher in April, with the former reporting at 54.9 (March: 53.7, consensus: 54.3) and the latter at 55.2 (March: 53.1, consensus: 54.2). The great bulk of the nation's economy is picking up speed this spring but is not yet forcing business to add employees at a great rate. Actual non-farm payroll in April added 288k jobs (March: 203k, consensus: 215k) and unemployment fell to 6.3%, while jobless claim further reduced to 300k on the last week of May, compared to 329k a month ago.

Housing Starts, Existing Home Sales and New Home Sales were also showing modest gains. Housing Starts increased by 1.072M in April (March: 0.947M, consensus: 0.980M), Existing Home Sales increased by 4.65M (March: 4.59M, consensus: 4.69M) while New Home Sales increased by 433k (March: 407k, consensus: 420k). The housing sector has been bumping along so far this year, though the reports are a welcome exception of strength. On the consumption side of the economy, retail sales were weak at 0.1% MoM growth in April (March: 1.5%, consensus: 0.4%). Coupled with the still weak Consumer Price Index ("CPI" Apr: 0.3% MoM, March: 0.2% MoM, consensus: 0.3% MoM) and Producer Price Index ("PPI" April 0.6% MoM, March: 0.5% MoM, consensus range: 0 – 0.4% MoM), it appears that consumption is still oscillating from the adverse winter.

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.

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.