

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:

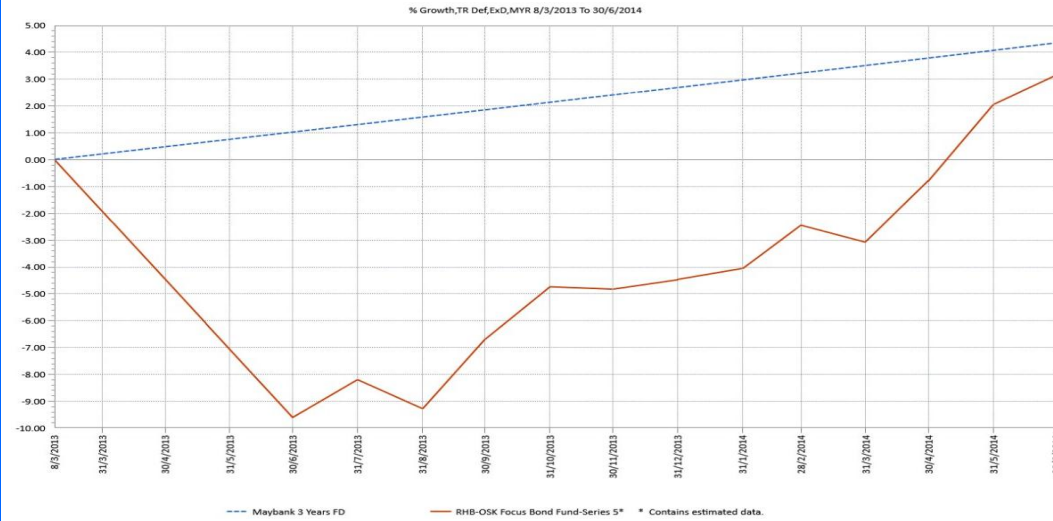
- have a moderate to conservative risk appetite;
- seek returns from the income accumulated and/or capital appreciation from a global debt instruments portfolio; and
- have a medium term (i.e. 3 years) investment horizon.

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	1.07	6.42	7.97	7.97
Benchmark	0.27	0.81	1.62	1.62

	1 Year	Since Launch
Fund	14.13	3.16
Benchmark	3.30	4.35

*Source: Lipper IM

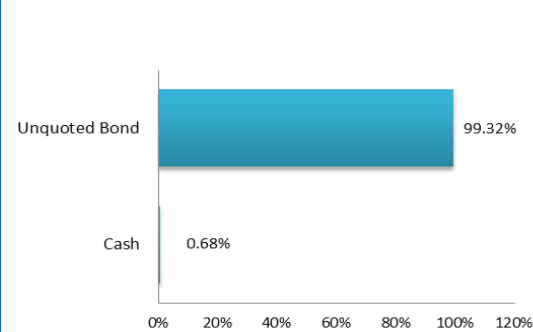
FUND DETAILS

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	RM0.9853
Fund Size (million)	RM267.23
Units In Circulation (million)	271.31
Financial Year End	30 April
MER (as at 30 April 2014)	0.09%
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

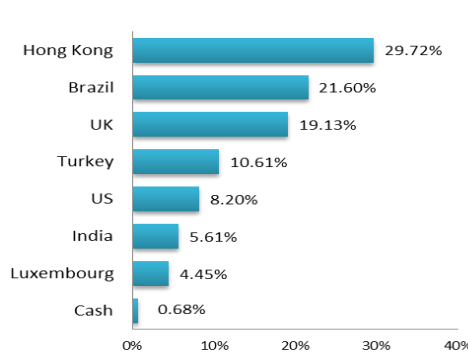
*For the purpose of computing the annual trustee fee, the NAV of the Fund is exclusive of the trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

CSN RESO-6.5% (21/07/2020)	10.53
YUEXIU PROPERTY-4.5% (24/01/2023)	9.32
CITIC PACIFIC-6.875% (21/01/2018)	8.05
OJSC NOVOLIPETSK-4.95% (26/09/2019)	8.02
SOHO CHINA LTD-5.75% (07/11/2017)	7.35

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9853	0.9888	1.0026
Low	0.9745	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") bearish flattened in June, as consumer price inflation was warmer than expected in May. However, geopolitical tension in the Middle East kept the 10-year UST firmly at 2.53%, as investors sought for safe heaven protection. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.46% (May: 0.38%), 1.63% (1.54%), 2.53% (2.48%) and 3.36% (3.33%) respectively.

Despite the sharp downward revision of 1Q2014 GDP to -2.9% YoY in June (from -1.0% YoY last month), most of the economic data released in June was pointing to a modest recovery. Both ISM Manufacturing Index as well as Industrial Production ("IP") came in stronger than expected in May, with the former reporting at 55.4 (Apr: 54.9, consensus: 55.5) and the latter at 0.6% MoM (Apr: -0.3% MoM, consensus: 0.5% MoM). The manufacturing sector appears to be making a comeback. Employment situation was largely unchanged with unemployment rate held steady at 6.3%. Consumer Price Index ("CPI") was warmer than expected in May, with the index posting a 0.4% MoM gain (Apr: 0.3% MoM, consensus: 0.2% MoM).

Two out of the 3 housing indicators also posted gain in May, with the New Home Sales at 504k in May (Apr: 425k, consensus: 441k) and Existing Home Sales at 4.9% MoM (Apr: 1.5% MoM). Although Housing Starts took a step back in May, reported at only -6.5% MoM (Apr: 12.7% MoM), the 1.001mil unit pace was up 9.4% on a YoY basis. Nevertheless, the housing sector is trending upward, where the Q2 starts are still running above the Q1 average, pointing to an improvement of residential investment in Q2 GDP.

Lastly on the FOMC meeting announcement, the bond purchases were cut by another USD10bil to USD35bil in July. The FOMC forecast lowered the 2014 GDP projection to 2.1 – 2.3%, from 2.8 – 3.0% in March, largely due to the harsh winter drag in 1Q2014. On the other hand, Fed raised the PCE inflation and Core PCE inflation forecast upward by 0.1% to 1.5 – 1.7% and 1.5 – 1.6% respectively (from 1.5 – 1.6% and 1.4 – 1.6%). During the Chair press conference, Yellen mentioned taper is still on gradually but policy rates are not likely to rise until in 2015. However, inflation may now be on the radar but the labor market is the key focus and inflation might be transitory. Uncertainty on monetary policy has increased somewhat.

We envision a weaker bond market in 2H14 as the economic data and growth outlook from US will improve. While, the Fed had pledged to keep interest rates low, it is possible that they could surprise the market if economic data releases show strong indication of a permanent recovery.

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.