FUND FACTSHEET – DECEMBER 2014

All data expressed as at 30 November 2014 unless otherwise stated

RHB-OSK FOCUS INCOME BOND FUND – SERIES 2

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 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

- 90% - 100% of NAV: Investments in global debt instruments, of which at least 70% of NAV in bonds.
- Up to 10% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

There is no performance record as the Fund launched less than 1 year.

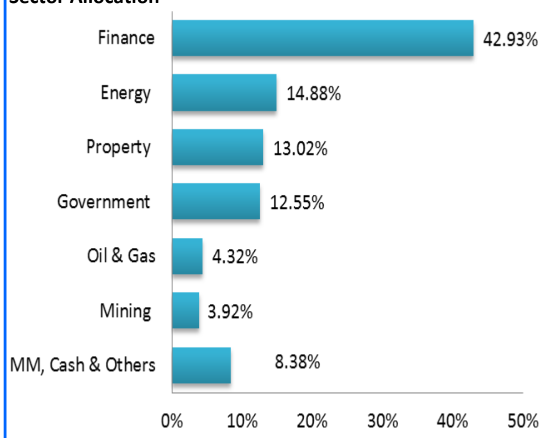
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Bond Fund (Closed Ended)
Fund Type	Income Fund
Launch Date	07 January 2014
Maturity Date	03 March 2017
Unit NAV	RM1.0814
Fund Size (million)	RM80.55
Units In Circulation (million)	74.49
Financial Year End	31 March
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	0.05% 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*



Top Holdings (%)*

MAJAPAHIT HOLDING	14.88
TURKIYE IS BANKASI A	13.35
TURKIYE VAKIFLAR BANKASI	13.05
SOHO CHINA LTD	13.02
BAHRAIN MUMTALAKAT HOLDING COMPANY B.S.C (AA2)	12.55

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0811	N/A	1.0811
Low	1.0614	N/A	0.9967

Source: Lipper IM

RHB-OSK FOCUS INCOME BOND FUND – SERIES 2

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

MANAGER'S COMMENTS

MARKET REVIEW

Organization of the Petroleum Exporting Countries ("OPEC") surprised the financial markets and left its oil production targets unchanged in the face of declining oil prices. As a result, inflation expectation in the US faltered resulting in a UST bullish flattened of the yield curve. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.47% (October: 0.49%), 1.48% (1.61%), 2.17% (2.34%) and 2.89% (3.07%) respectively.

US is still charting a recovery path; at least according to the data released in November. ISM surprised again to 59.0 in October (September: 56.6) with new orders rising to 65.8. Unemployment continues to ease to 5.8% in October compared to 5.9% previously. However, nonfarm payroll was a tad disappointing with only a 214k increase, moderately below consensus of 240k. Essentially, the labor market is improving but slowly and remains soft.

Industrial production slipped 0.1% MoM in October (September: 0.8% MoM, consensus: 0.2% MoM) mainly due to slowdown in mining activities and utilities. The slowdown is also partially attributable to lower capacity utilization rate which eased to 78.9% from 79.2% a month earlier. However, manufacturing activities still posted a moderate growth of 0.2% MoM (September: 0.2% MoM) which is a sign of relief.

The CPI report in October confirms that US is still struggling to achieve an inflation target of 2.0% YoY. Headline CPI was flat MoM (September: 0.1% MoM) as energy prices remained on the soft side. Core CPI was slightly better at 0.2% MoM and 1.8% YoY respectively. The consumer sector continues to nudge upward on income and spending as lower gasoline prices has boosted on personal consumption. Personal income and spending increased 0.2% MoM while retail sales also increased by 0.3% in the same period.

With the end of Quantitative Easing ("QE") in October, the Federal Open Market Committee ("FOMC") minutes shifted discussion to the headwinds from Europe and Asia. The first rate hike is still data dependent while Federal Reserve ("Fed") still read the labor market activities as "sluggish" and inflation down in the near team but expects firming further out. The drop in gasoline prices is seen as boosting near-term consumer spending.

The US 3Q2014 GDP growth was unexpectedly revised up with the economy growing 3.9% YoY annualized versus the previous estimation of 3.5% YoY. Contrast with the second estimation, private inventory investment decreased less while personal consumption and non-residential fixed investment increased more. In contrast, exports increased less than previously estimated.

On People's Bank of China ("PBoC") recent move to cut 1-year lending rate by 0.40% and 1 year deposit rate by 0.25%, we read it as Chinese government's swift action in responding to worsening economic situation and rising financial risks. We expect more policy easing actions to be carried out throughout 2015 as (1) the downside risk in GDP growth is still significant, especially in the housing market and manufacturing investment and (2) financing costs for borrowers need to be brought down as the heavily indebted real economy is deleveraging slowly. This outlook, if carry out as expected in 2015, will provide some breathing space for Emerging Market export oriented countries especially the voice of reverse fund flows is expected to get louder in the face of US eventual tightening.

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