

RHB-OSK SMALL CAP OPPORTUNITY UNIT TRUST (formerly known as OSK-UOB SMALL CAP OPPORTUNITY UNIT TRUST)

This Fund aims to achieve long term capital appreciation through investments in companies with market capitalisation of not more than RM750 million.

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

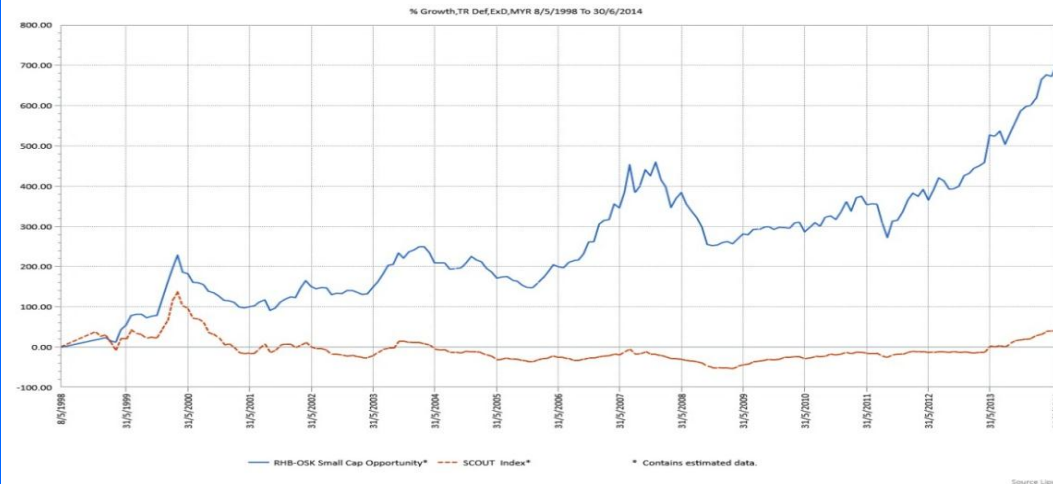
- are fairly aggressive investors; and
- are willing to accept higher risk in order to obtain higher growth of their capital over a long term period.

INVESTMENT STRATEGY

- 95% - 98% of NAV: Investments in securities of companies with market capitalisation of not more than RM750 million.
- 2% - 5% of NAV: Investments in liquid assets including bonds, 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	3.87	4.87	15.05	15.05
Benchmark	4.13	10.51	21.08	21.08

	1 Year	3 Years	5 Years	Since Launch
Fund	28.53	76.22	111.95	702.53
Benchmark	45.02	71.80	150.70	45.44

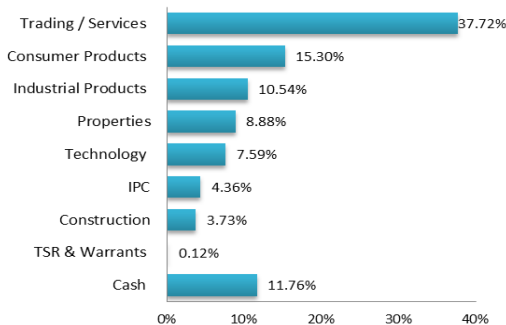
Calendar Year Performance (%)*

	2013	2012	2011	2010	2009
Fund	32.48	20.74	-0.02	9.70	12.56
Benchmark	36.33	6.21	0.08	17.43	44.62

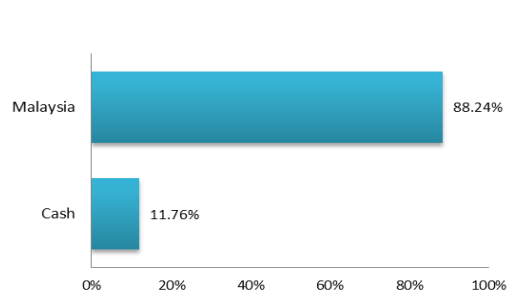
*Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BERJAYA FOOD BHD	5.92
PESTECH INTERNATIONAL BHD	4.94
KUMPULAN FIMA BHD	4.73
YOONG ONN CORPORATION BHD	4.66
POWER ROOT BHD	4.57

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.2064	1.2064	1.2241
Low	1.1614	0.9897	0.5291

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
27 Dec 2013	9.0625	8.94
31 Dec 2012	4.2542	4.83
31 Dec 2011	10.2400	10.89
31 Dec 2010	-	-
31 Dec 2009	-	-

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

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MANAGER'S COMMENTS

MARKET REVIEW

In June, FBM KLCI edged up marginally, +0.5% mom to 1882pt while YTD still recorded flattish return, +1.06%. In the meantime, Small Cap Index outperform in June, +2.75% and +14.96% YTD, KLCI Fledgling Index +4.13% mom and +22.16% YTD. The KLCI lacklustre trend underperformed ASEAN regional markets but outperformed some of the North Asia peers. Within Asia region, India, Philippines and Thailand were best performers, advanced circa +22%, +16% and 14% YTD respectively while CSI 300, Japan Nikkei 225 and HSCEI were worst performers, fell circa 6%, 5% and 3% YTD. Market sentiment and investors expectation remain high in India after Narendra Modi led BJP victory India general election with clear majority. On ASEAN front, calm after Thailand military coup has restored peace and confidence while decisive action by the military govt via rollout of infra projects and BOI approval of pending investment projects has spurred market rally and lifted SET Index. Despite lofty valuation in PCOMP Index, Philippines continue to offer compelling macro investing landscape within ASEAN.

MARKET OUTLOOK AND STRATEGY

Despite lacklustre June performance on KLCI due to lack of positive catalyst, we maintain our positive view on equity market and envisage bottoming of corporate earnings downgrade and expect gradual recovery in 2H 2014. Nevertheless, Malaysia economy is expected to remain resilient. 1Q14 GDP +6.2% yoy, better than consensus of 5.8% and 4Q13 +5.1%. The key growth come from net export +7.9% yoy while govt consumption +11.2% yoy vs +5.2% in previous quarter. From valuation perspective, KLCI currently trade at 16x P/E vs FBM SmallCap Index at 12x P/E, both trade above 10-year historical average P/E but below +1SD.

On regional front, latest China official manufacturing PMI came in improve to 51 in June vs 50.8 in May, a 6-month high PMI reading. We envisage China macro data continue to be mixed with soft patch due to Chinese govt determination to rebalance the economy. We expect the Chinese govt will react with selective/targeted easing should cyclical weakness threaten GDP growth and unemployment. EM reliance on China growth for commodities export may face headwinds in 2014. We envisage commodity producing countries equities performance to continue lag the Developed Market equities.

On sector basis, we continue to favour consumer, tech, healthcare, industrial and telco while selectively bullish bias on infra related construction stocks. We foresee 2014 to be a reform year for regional economies and Malaysia govt to rollout targeted infra projects to spearhead the economy and continue its reform agenda including subsidy rationalization which augur well for the economy. Increase market volatility globally will create capital misallocation and outflow of funds from emerging markets, thus misprice securities from fundamental. We remain cognizant of prevalent risks but look into adding bombed-out good fundamental stocks to enhance alpha.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 June 2014, the Volatility Factor (VF) for this fund is 16.2 and is classified as "Very High". (source: Lipper) "Very High" includes funds with VF that are above 13.1 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 31 December 2013 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2014.

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Master Prospectus dated 1 December 2013 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. 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 Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are lack of diversification to include larger sized companies, liquidity of underlying investments, equity investments risks such as market risk and particular security risk. These risks and other general risks are elaborated in the Master 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.