

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:

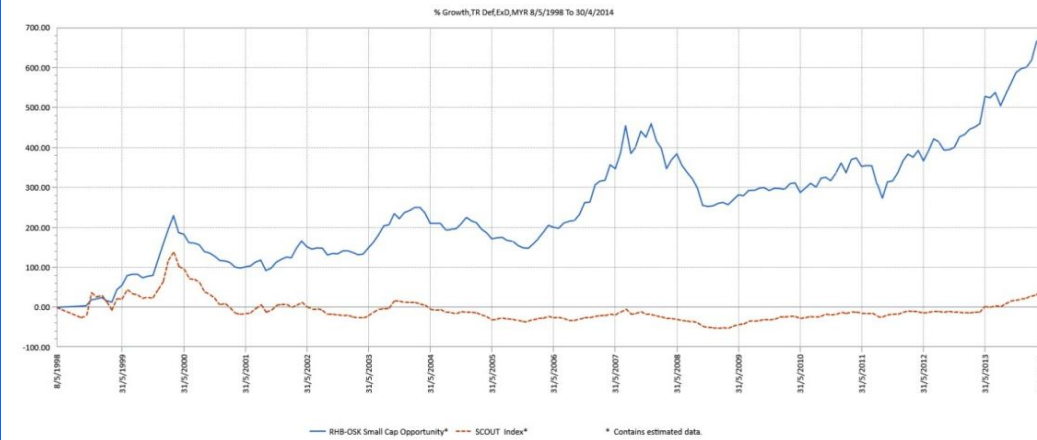
- are fairly aggressive investors; and
- are willing to accept higher risk in order to obtain higher growth of their capital over a long term period.

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 | 1.54 | 10.86 | 17.70 | 11.40 |
| Benchmark | 5.43 | 14.03 | 19.69 | 15.51 |

| | 1 Year | 3 Years | 5 Years | Since Launch |
|-----------|--------|---------|---------|--------------|
| Fund | 38.96 | 63.76 | 111.03 | 677.06 |
| Benchmark | 57.77 | 59.02 | 164.09 | 38.75 |

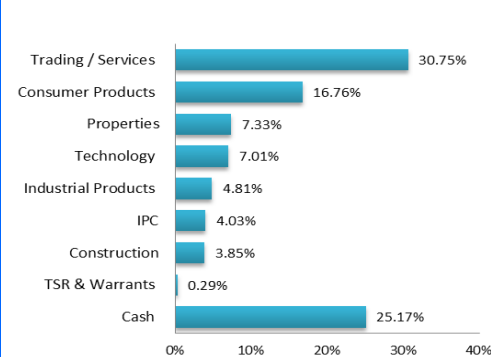
Calendar Year Performance (%)*

| | 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 |

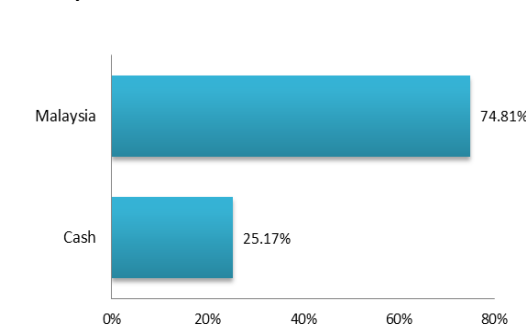
*Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

| | |
|---------------------------|------|
| KUMPULAN FIMA BHD | 5.15 |
| YOONG ONN CORPORATION BHD | 4.84 |
| ASIA BRANDS BHD | 4.42 |
| PESTECH INTERNATIONAL BHD | 4.14 |
| TIME DOTCOM BHD | 4.03 |

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

| | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 1.1952 | 1.1952 | 1.2241 |
| Low | 1.1504 | 0.9180 | 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)

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.

MANAGER'S COMMENTS

MARKET REVIEW

In April, FBM KLCI remain flattish, +1.21% mom while YTD still recorded negative return, -0.35%. In the meantime, small mid cap stocks were performing better than big caps, KLCI Fledgling Index +5.43% mom and +14.38% YTD. The KLCI lacklustre trend underperformed ASEAN regional markets but outperformed North Asia peers. Within Asia region, Philippines, Indonesia and Vietnam were best performers, advanced circa +14%, +13% and 10% YTD respectively while Japan Nikkei 225, HSCEI and SHCOMP were worst performers, fell circa 11%, 9.9% and 4% YTD. Corporate earnings are relatively mixed with investors stay cautious on Emerging Markets equities. Regional geo-political tension and corporate earnings disappointment are the key risks that drive equity risk premium higher while U.S and Eurozone recovery continue to weigh on EM fund outflow.

MARKET OUTLOOK AND STRATEGY

Despite early May selloff/limit down in 3 small cap stocks due to Bursa warning of unusual activity which dampen the market sentiment temporarily, 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. January loan growth edged up 11% yoy while inflation rate is projected to be around 3%. KLCI currently trade at 16x P/E vs FBM SmallCap Index at 11x P/E, both trade above 10-year historical average P/E but below +1SD.

On regional front, latest HSBC China manufacturing PMI came in 48.1, a reading below 50 level indicates contraction. 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 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 tech, oil & gas, healthcare, consumer 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 April 2014, the Volatility Factor (VF) for this fund is 16.6 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.