

RHB-OSK TAIWAN OPPORTUNITY FUND (formerly known as OSK-UOB TAIWAN OPPORTUNITY FUND)

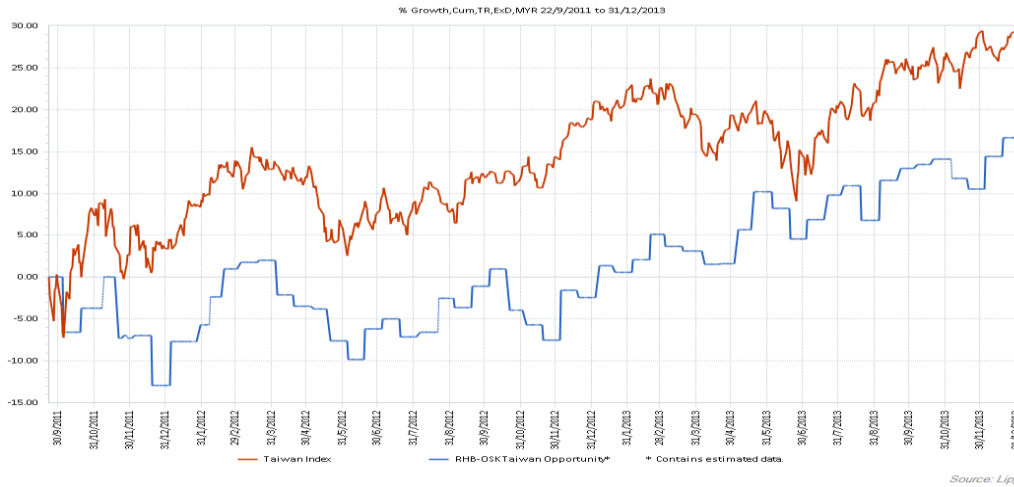
This Fund aims to achieve medium term capital appreciation through an over-the-counter derivative instrument in the form of a swap agreement that is linked to the performance of the TWSE.

INVESTMENT STRATEGY

- 90% of NAV: Investments in bonds, money market instruments, cash and deposits with financial institutions.
- 10% of NAV: As capital payment for an investment in an OTC derivative instrument in the form of a swap agreement that will provide the Fund with exposure to the performance of the TWSE equivalent to 100% of the value of the Fund's units in circulation computed / determined based on the Offer Price.

INVESTOR PROFILE
This Fund Is Suitable For Investors Who:

- seek investment opportunities in the Taiwan economy;
- seek capital growth;
- have a medium term investment horizon; and
- have an appetite for risk to gain higher returns.

FUND PERFORMANCE ANALYSIS
Performance Chart Since Launch*

Cumulative Performance (%)*

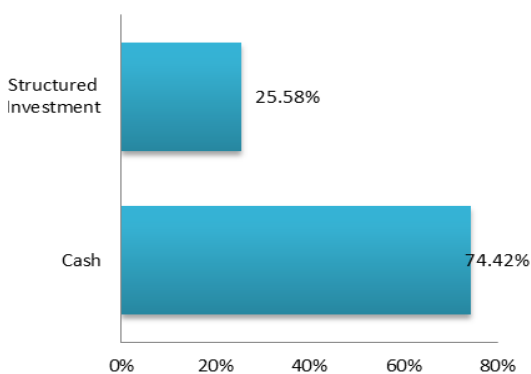
	1 Month	3 Months	6 Months	YTD
Fund	5.50	3.22	11.59	19.50
Benchmark	0.16	3.44	12.29	8.86

	1 Year	Since Launch
Fund	19.50	16.63
Benchmark	8.86	29.33

Calendar Year Performance (%)*

	2013	2012
Fund	19.50	12.08
Benchmark	8.86	14.73

*Source: Lipper IM

FUND PORTFOLIO ANALYSIS
Sector Allocation*

Top Holdings (%)*

UOB 3-YRS USD SWAP TAIWAN TAIEX INX 25.58

*As percentage of NAV

FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Fixed Income Fund (Closed Ended)
Fund Type	Growth Fund
Launch Date	29 July 2011
Maturity Date	22 September 2014
Unit NAV	RM1.1663
Fund Size (million)	RM1.08
Units In Circulation (million)	0.93
Financial Year End	31 October
MER (as at 31 Oct 2012)	2.27%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM1,000.00
Benchmark	MSCI AC Far East Ex Japan Index (RM)
Sales Charge	Up to 5.00% of investment amount
Redemption Charge	≤ 1 year 1.00% ≥ 1 year till Maturity Nil
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	0.08% p.a. of NAV, subject to a minimum of RM18,000 p.a.*
Switching Fee	Not available
Distribution Policy	None

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

FUND STATISTICS

Historical NAV (RM)	1 Month	12 Months	Since Launch
High	1.1663	1.1663	1.1663
Low	1.1055	0.9760	0.8708

Source: Lipper IM

Historical Distributions (Last 2 Years) (Net)

	Distribution (sen)	Yield (%)
31 Oct 2013	-	-
31 Oct 2012	-	-

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

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MANAGER'S COMMENTS

OVERVIEW

The TWSE Index posted another strong gain in December, rising 2.44% for its second best month of the year to close the year up 11.85%. While lagging the performance of developed markets – the Nikkei was up over 56%, the S&P500 gained almost 30%, and European stocks rose almost 20% on the year – Taiwanese stocks managed to vastly outperform its regional peers including Hong Kong, Singapore, Taiwan and China with a big 5.3% gain in Q4. Emerging markets have lagged this year as investors began pulling capital out of these riskier markets since May when the Federal Reserve first discussed the possibility of tapering its asset purchases. Despite the big gains, Taiwanese stocks are still inexpensive and may be favoured as they have shown more resilience than its Asian counterparts this year.

The TWSE Index closed at a two-year high to close the year, with financial stocks leading the rally on the sector's positive outlook. Auto shares also performed well in December, with optimistic forecasts for car sales in Taiwan in 2014 being released, helping to boost stocks even as the electronics sector is consolidating. Yulon Group Chairman Kenneth Yen said at the Taipei International Auto Show that car sales in the local market could reach 400,000 in 2014, up from 379,000 in 2013 on renewed consumer enthusiasm driven by the introduction of new models

OUTLOOK

Going forward, the outlook for Taiwan in 2014 remains positive, with the Taiwanese economy likely to benefit from an accelerating recovery in the global economy and earnings at the export-oriented Taiwanese companies expected to improve. Economic conditions domestically remain favourable as well, with Taiwan's central bank, the CBC, expected to keep interest rates low in 2014. The CBC is likely to maintain its cautious stance and keep rates unchanged at least through the first half of 2014. This comes after it has kept its benchmark rates unchanged for the 10th consecutive quarter in December, maintaining the discount rate at 1.875%. Low inflation has provided the CBC with the flexibility to keep rates low and support both the Taiwanese economy and market.

Malaysia Government Securities ("MGS") performance in December was mostly bearish bias as investors took profit for the year. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.33% (November: 3.09%), 3.69% (3.61%), 3.98% (4.04%), 4.08% (4.07%), 4.50% (4.27%), 4.55% (4.45%) and 4.92% (4.75%) respectively. Meanwhile, Ringgit corporate bond flows further weakened to RM313m average daily trade in December, from RM408m reported last month. Secondary market saw interest mostly skewed towards the GG/AAA segment (49%), followed by AA (48%) and A segment (3%).

On the domestic economic front, trade surplus for October narrows slightly to RM8.23bn (Sep: RM8.66bn) as import outpaced exports. October Industrial Production ("IP") also up sequentially to 1.7% YoY (September: 1.0% YoY) on higher manufacturing and mining activities, in line with strong export demand. While it is still too early to be sure, the October data does hint at a pick-up in 4Q2013 GDP. Lastly, November CPI ticks up to 2.9% YoY (October: 2.8%), mainly led by food and non-alcoholic beverages. This comes as no surprise as sugar subsidies was removed in the 2014 Budget announcement.

As for outlook on the local bond market, by comparing the number of MGS/GII tenders in 2014 versus 2013, trends are generally quite similar with more frequencies of auction within the 10-year segment (6 tenders in 2014 compared with 5 in 2013). Higher UST yields in 2014 as US tapering talks unfolds combined with inflation concerns may potentially influence a steepening bias MGS curve in 2014. But we opine the impact of steepening however could be moderated by benign supplies in 2014. Volatility should persist into 1H2014 and overall yields are expected to rise. Bond prices could face re-pricing risk in the face of healthy primary issuances.

DISCLAIMER:

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 29 July 2011. Investors are advised to read and understand the contents of the Prospectus dated 29 July 2011, 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, interest rate risk, counterparty credit risk associated with derivatives, derivatives risk, returns are not guaranteed, legal/regulatory risk, currency risk, country risk, and risk relating to the underlying. 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.