



Your gateway to China A-Share market

**OSK-UOB
Capital
Protected
China
A-Share Fund
- Series 2**

OSK-UOB CAPITAL PROTECTED CHINA A-SHARE FUND - SERIES 2

Despite the global financial crisis, China's economic growth remains resilient albeit slower than before. This is in light of the current economic recession experienced by many countries around the world. Nevertheless, investors around the world are expecting the China economy to rebound strongly when developed economies such as US and UK come out of recession at the end of the year or early next year.

With such great expectations from the China economy, we are back again to offer Malaysian investors another opportunity to participate in the China A-Shares market, i.e. Chinese companies that are listed on the China Stock Exchanges. A market, traditionally limited to Chinese nationals only but which has recently been made available to the selected few qualified foreign institutional investors, is now accessible through the **OSK-UOB Capital Protected China A-Share Fund - Series 2**. This Fund is your gateway to the China A-Shares market.

WHO SHOULD INVEST?

This Fund is suitable for investors who:

- have a very low risk tolerance;
- seek capital protection;
- seek capital appreciation from the potential returns from the China A-Shares market; and
- have a medium term investment horizon.

FUND DETAILS

Objective

This Fund aims to provide capital appreciation over the medium term* whilst protecting investors' capital on the Maturity Date.

*Note: medium term in this context refers to a period of four (4) years.

Principal Investment Strategy

(1) Capital Protection: Fixed Income portion

The Fund will invest such sum as necessary in 4-year Zero Coupon Negotiable Instruments of Deposits (ZNIDs) which upon the maturity of the Fund will achieve an amount equivalent to one hundred per centum (100%) of the capital raised for investments. **The capital protection covers the investors' capital investment only and does not include the sales charge payable by the investors.** Please refer to the illustration below:

The capital protection covers the investors' capital investment only and does not include the sales charge payable by the investors.

Capital Investment = RM10,000

Sales Charge @ 3.50% = RM350

Total amount paid by Investor = RM10,350

(2) Fund's Returns: Option portion

The remaining portion of the capital raised that is not invested in ZNIDs will be used to generate the Fund's returns through the purchase of 4-year over-the-counter call option whose underlying asset is the China A-Share Vol Controlled 20% Index ("China Options") of up to 10% of the Fund's Net Asset Value. Any remaining cash will be retained by the Fund as liquid assets to defray the annual management fee.

The China Options are denominated in Ringgit Malaysia and has a participation rate of 90%. The China Options will generate a positive return on the Maturity Date, **if** the best performing semi-annual return observed on each of the 8 semi-annual observation dates during the 4-year tenure is a positive return. The computation of the returns at each observation date will be made at the Maturity Date when the final index levels of the China A-Share Vol Controlled 20% Index ("Index") for all the observation dates would be available.

The computation of the return will always be by reference to the initial Index level determined at the Commencement Date of the Fund. The return for each observation date ("Semi-Annual Return") is computed based on the final Index level at each observation date relative to the initial Index level. The Fund's return from the China Options on the Maturity Date will be the best performing Semi-Annual Return divided by 4. In the event the best performing Semi-Annual Return is a negative, the Fund will not, incur any further losses (in excess of the

China Options' premium that is paid to the issuer of the China Options at the time of the initial purchase of the China Options) if such a situation should occur.

Its indicative asset allocation is as follows:

87% to 95% of Net Asset Value (NAV) (depending on prevailing interest rates)
- Investments in 4-year Zero Coupon Negotiable Instruments of Deposits (ZNIDs) issued at a discount on the Commencement Date.

Up to 10% of NAV
- Investments in options.

Up to 3% of NAV
- Investment in liquid assets.

Initial Approved Fund Size

200 million units.

Launch Date

28 October 2009.

Offer Price and Offer Period

RM1.00 per unit from 28 October 2009 to 11 December 2009 or such other shorter period within which the approved fund size has been fully sold.

Capital Protected Value per Unit

RM1.0000 per unit.

Commencement Date

The seventh (7th) Business Day immediately following the end of the Offer Period.

Tenure and Maturity Date

The tenure of this Fund is 4 years and as such, the Maturity Date is the fourth (4th) anniversary of the Commencement Date.

Name of Trustee

Equity Trust (Malaysia) Berhad.

FEES, CHARGES AND EXPENSES

Sales Charge by distribution channels	
Institutional Unit Trust Adviser (IUTA)	Up to 3.50% of investment amount.
Tied (Retail) Agent	Up to 3.50% of investment amount.
Direct Sales (Direct Investment with Fund House)	Up to 3.50% of investment amount.

An investor can expect differing sales charge being levied by the various distribution channels and within each distribution channel, subject to the maximum sales charge stipulated herein. This is due to the different levels of services provided by each distribution channel and / or the size of the investment undertaken.

From the sales charge received, the Manager shall pay the distributors' commission and all expenses of the Fund including the Trustee Fee, unless otherwise stated in the Prospectus. Investors do not pay any other expenses of the Fund during the 4-year tenure.

Repurchase Charge	
Period from the Commencement Date	Repurchase Charge based on the redemption amount
≤ 1 year	1.00%
> 1 year till Maturity Date	Nil

Unit Holders may only redeem their units every Friday ("Valuation Day"). Application for redemption of units may be submitted to the Manager's office earlier, on any day other than Saturday, Sunday and public holiday during its business hours, before the Valuation Day cut-off time for acceptance of the redemption request.

Any redemption request received by the Manager after the cut-off time of 12 noon on Friday will be considered as transactions for the next redemption cycle.

In the event the Valuation Day is a non-Business Day, then the Fund's valuation shall take place on the next Business Day.

All repurchase charges levied will be retained by the Manager.

Annual Management Fee

Based on the remaining liquid assets available after deducting the purchase of the investments of the Fund subject to a maximum of 0.50% per annum of the NAV of the Fund.

Annual Trustee Fee

Nil.

TRANSACTION DETAILS

Minimum Initial Investment

RM1,000.

Minimum Additional Investment

RM1,000.

Repurchase Transactions

Minimum 900 units subject to a minimum investment balance of 900 units. A repurchase charge is payable based on the redemption amount (if the redemption is made within one year from the Commencement Date).

Cooling-Off Period

Unit Holders have the right within six (6) Business Days commencing from the date of receipt of the application by the Manager, to obtain a refund of the investment, subject to eligibility.

Switching Facility

Not available (switching is not allowed).

Transfer Facility

Available. RM5 per transfer.

Business Day

A day (other than Saturday, Sunday and public holiday) on which:

- (i) Bursa Malaysia is open for trading; and
- (ii) the banks in Kuala Lumpur and Hong Kong, are open for trading or business as the case may be.

Dealing Hours

During Offer Period
9:00 a.m. to 4:00 p.m. on any Business Day.

After Offer Period

Submission of redemption request on any Business Day:
Mondays to Thursdays – 9:00 a.m. to 4:00 p.m.
Fridays (Valuation Days) – 9:00 a.m. to 12:00 noon.

DISTRIBUTION POLICY

Consistent with the Fund's objective which aims to provide capital appreciation over the medium term whilst protecting investors' capital on the Maturity Date, there will be no distribution of any returns during the tenure of the Fund.

Investors are advised to read and understand the contents of the Prospectus dated 28 October 2009, which has been registered with the Securities Commission who takes no responsibility for its contents. Amongst others, investors should read the Prospectus for further details of the capital protection structure and to consider the fees and charges involved before investing in the Fund. Investors should also note that the price of units and distributions payable, if any, may go down as well as up. The Fund is not guaranteed and is subject to investment risk. The capital protection only applies to investors who hold their investments until the Fund's Maturity Date. Any redemption after the Offer Period but before the Fund's Maturity Date will be based on the Net Asset Value of the Fund on the relevant Valuation Day and will be charged a repurchase charge if such redemption is made within one year from the Commencement Date, in which case the protection does not apply. Further, if the Fund is terminated earlier than the Maturity Date, the capital protection will not apply to any investor. There may be a dilution of performance due to the capital protection structure being in place as compared to a conventional fund without capital protection. Units will only be issued upon receipt of an application form referred to in and accompanying the Prospectus. A copy of the Prospectus can be obtained from any of our offices listed below.

The Manager wishes to highlight the specific risks for the Fund which are credit / default risk, interest rate risk, risk of early termination, option risk, legal risk, liquidity risk, prepayment and commitment risk. These risks and other general risks are elaborated in the Prospectus. Investors should note that returns are not guaranteed.

HEAD OFFICE

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BRANCHES	TELEPHONE NO.	FAX NO.
PENANG	(604) 264 5639	(604) 264 5640
BUTTERWORTH	(604) 390 0022	(604) 390 0023
IPOH	(605) 242 4311	(605) 242 4312
PETALING JAYA	(603) 7877 3733	(603) 7877 8733
KUANTAN	(609) 517 3611	(609) 517 3612
KOTA BHARU	(609) 741 8539	(609) 741 8540
MALACCA	(606) 284 4211	(606) 292 2212
BATU PAHAT	(607) 438 0271	(607) 438 0277
JOHOR BAHRU	(607) 278 8931	(607) 278 8930
KOTA KINABALU	(6088) 248 211	(6088) 232 312
KUCHING	(6082) 245 611	(6082) 242 712
MIRI	(6085) 422 788	(6085) 415 243