RHB OSK
RHB Asset Management

FUND FACTSHEET – JANUARY 2014

All data expressed as at 231 December 2013
unless otherwise stated

3-year Fund Volatility 16.1 very high Lipper Analytics

RHB-OSK ENERGY FUND (formerly known as OSK-UOB ENERGY FUND)

The Fund aims to achieve long term capital appreciation through an investment that is linked to the global energy sector.

INVESTMENT STRATEGY

- 90% to 100% of NAV: Investments in Malaysian bonds, money market instruments, cash and deposits with financial institutions.
- Up to 10% of NAV: As capital payment for exposure to a derivative instrument in the form of a swap agreement that will provide the Fund with exposure to the global energy sector. With this capital payment, the Fund can have a notional amount of up to 100% of its NAV exposed to the Underlying which are linked to the global energy sector.

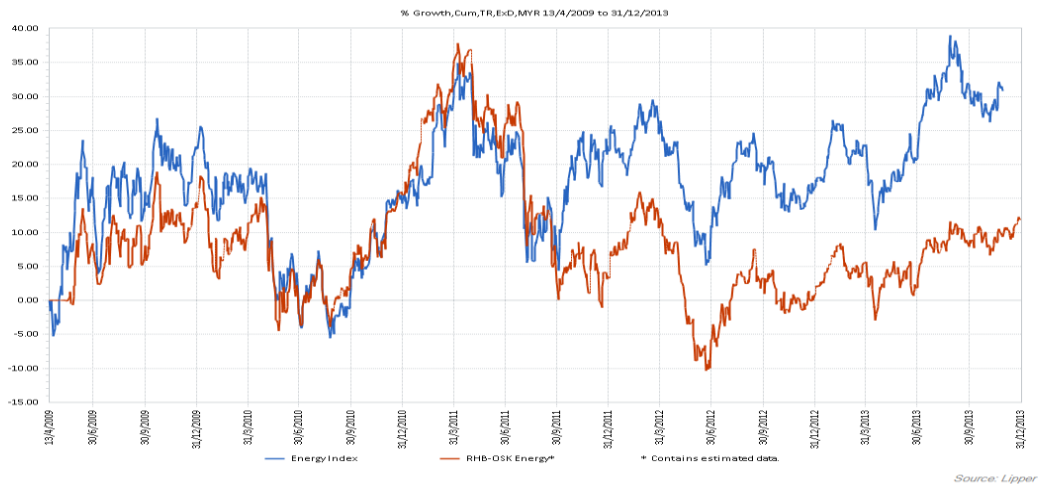
INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

- seek investment opportunities in the global energy sector;
- seek capital growth;
- have a long 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	**2.35**	**3.77**	**9.92**	**11.02**
Benchmark	4.78	4.04	13.67	17.49

	1 Year	3 Years	Since Launch
Fund	**11.02**	**-3.03**	**11.98**
Benchmark	17.49	19.49	34.56

Calendar Year Performance (%)*

	2013	2012	2011	2010
Fund	**11.02**	**-2.40**	**-10.52**	**1.56**
Benchmark	17.49	-4.35	6.75	-6.82

**Source: Lipper IM*

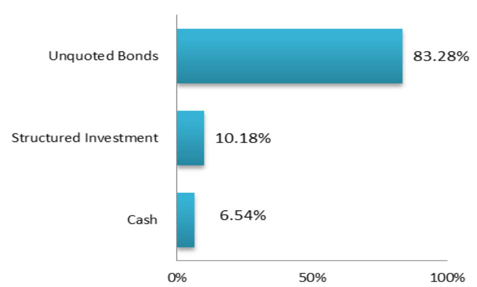
FUND DETAILS

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
Fund Type	Growth Fund
Launch Date	23 March 2009
Unit NAV	RM0.4653
Fund Size (million)	RM69.33
Units In Circulation (million)	148.99
Financial Year End	31 March
MER (as at 31 Mar 2013)	1.58%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	60% S&P GSCI Energy Official Close Excess Return Index (RM) + 40% MSCI World Energy Index (RM)
Sales Charge	Up to 5.00% of investment amount
Redemption Charge	None
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	RM25.00 per switch
Redemption Period	Within 10 days after receipt the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Incidental

**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 PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

UOB (M) BHD-4.88% (27/3/2020)	10.23
EXPORT-IMPORT BK KOREA-4.5%(1/7/15)	10.21
JPMCCI ENERGY EXCESS RETURN SWAP	10.18
SABAH DEVELOPMENT BK-4.45%(10/2/16)	7.25
HONG LEONG BANK BHD-4.85% (10/8/20)	5.12

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4667	0.4667	0.6014
Low	0.4530	0.4036	0.3726

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Mar 2013	-	-
31 Mar 2012	-	-
31 Mar 2011	4.7357	9.43
31 Mar 2010	-	-
31 Oct 2009	4.3600	8.22

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

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MANAGER'S COMMENTS

MARKET REVIEW

Brent crude oil prices started the month at $109.69/bbl and ended higher at 110.80$/bbl. Moreover, WTI started the month at $92.72/bbl before ending higher at 98.42$/bbl. Oil prices volatility increased during the period under review as prices suffered in a first phase from fears of the negative impact of the US QE tapering by the FED. While the impact of QE tapering on risky assets in general and on commodities in particular could be negative in the medium-term, the market was reassured by the FED's guidance to a lower-for-longer FED Fund rate on a backdrop of weak inflation, putting an increase in the FED funds rate some way around mid-2015 or later. Crude prices were also supported by continued supply outages in Libya and Iraq coupled with low exports from Russia and strong seasonal demand which boosted Brent price above 110$/bbl. In the US, WTI prices benefited from delays in the construction of new pipeline and lower inventories in Cushing. In fact, the delay in the launch of new pipeline capacity, namely XL South and Seaway Twin helped WTI prices to recover from their November lows. Therefore, WTI crude Oil recovered above $100/bbl for the first time since mid-October. Therefore, WTI spread to Brent shrunk from 16.9USD the previous month to 12.3USD as recent inventory data in the US continued to be more bullish than the previous month.

Despite our cautious view on 2014 in aggregate for Oil prices, some bullish signs are emerging that could support seasonally higher crude prices once again in Q1 14. First Brent may be too cheap versus Asian crudes. Forties differentials are rising with increased Korean purchases, and Brent-Dubai has compressed some since early December. Secondly, product markets and cracks are increasingly supportive. Distillates are generally more backwardated, high-frequency product stocks are low early in winter, and even transatlantic cracks are recovering. Thirdly, recent refinery outages in Europe and China may result in a 'catch-up' for runs in Q1 14 to rebuild product stocks. Finally, geopolitical/supply risks are likely to stay high into Q1. Globally, while geopolitical tensions and outages could remain an issue, non-OPEC supply outside US has recently recovered with the end of maintenance in the North Sea. On the demand side, while global GDP growth is expected to improve into Q1 14, runs are set to fall on weak refinery margins and fall refinery maintenance. Oil prices could also continue suffering from mixed macroeconomic data in China, with continued tension on availability of liquidity having an impact on a structural rebound in Energy products in the coming quarters.

In conclusion, we think that although the recent development in the oil sector are slightly positive, Brent is likely to face some downside risks in heading into H2 2014 on returning supply and weaker crude demand. Moreover, the earlier than expected QE tapering by the FED and its direct effect on continued pressure on EM Currencies and yields could keep energy prices in local currencies in major EM exceedingly high, putting downward pressure on demand growth which will already be impacted by slower GDP growth.

In fact, in contrast to the recent sustained prices, Brent physical market is quietly loosening and Brent is now close to contango which could push Brent prices at the low end of their recent trading ranges. Therefore, we can't rule out that Brent prices will revisit the $100 per barrel level in 2014. In the US, the WTI could face additional downward pressures from potential transportation, storage, and refining bottlenecks. Rising storage issues should push the crude oil forward curve further into contango. We still see a risk of $80/bbl or lower for the Oklahoma grade at some point over the next 12-24 months on the back of potential midstream and downstream bottlenecks, a possibility that was evidenced by $50/bbl prices in Canada recently.