

RHB-OSK AGRICULTURE FUND

The Fund aims to achieve long-term capital appreciation through an over-the-counter derivative investment in the form of a swap agreement that is linked to the agricultural commodities sector.

INVESTMENT STRATEGY

- Up to 100% of NAV: Investments in bonds, money market instruments, cash and deposits with financial institutions.
- Up to 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 agricultural commodities sector. With this investment, the Fund can have a Notional Amount of up to 100% of its Net Asset Value exposed to a Contag Index.

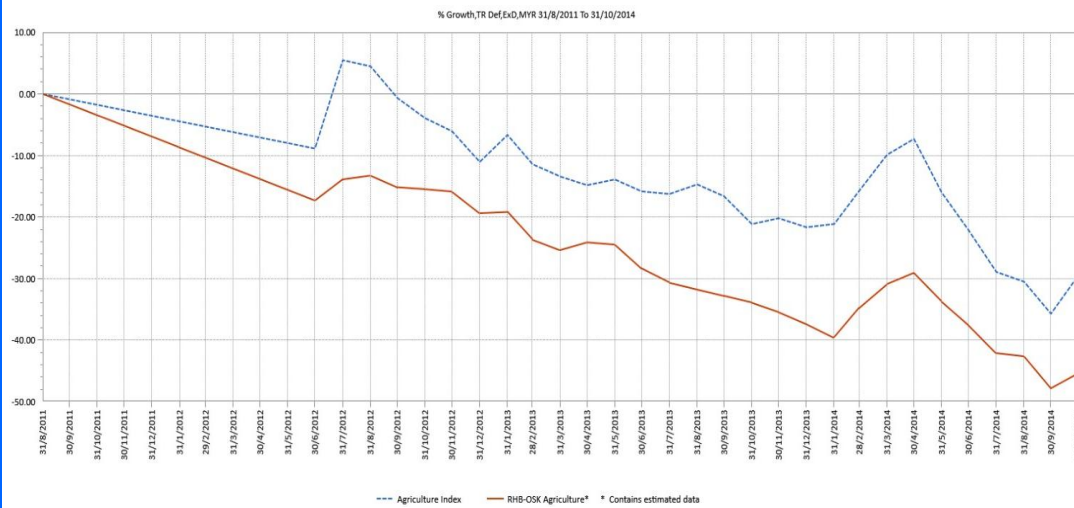
INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

- seek investment opportunities in the agricultural commodities 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	4.76	-5.63	-22.96	-12.80
Benchmark	9.78	-0.70	-23.82	-9.89

	1 Year	3 Years	Since Launch
Fund	-17.37	-38.85	-45.38
Benchmark	-10.48	-19.15	-29.39

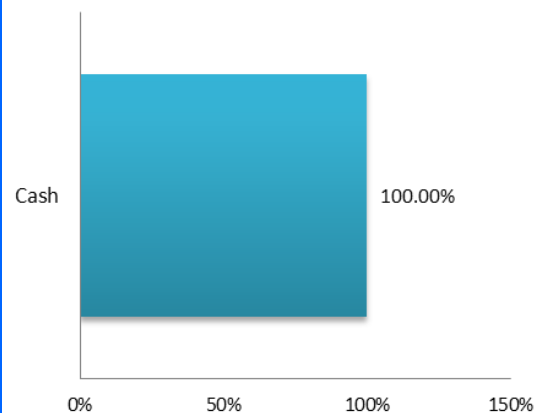
Calendar Year Performance (%)*

	2013	2012
Fund	-22.30	-7.25
Benchmark	-11.92	2.55

*Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2736	0.3545	0.5003
Low	0.2607	0.2604	0.2604

Source: Lipper IM

Historical Distributions (Last 2 Years) (Net)

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

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS**MARKET REVIEW**

During the month of October, prices of soft commodities were mostly trending positively with Corn (+17.5% MoM) being the best performer. Soybean (+13.7% MoM); Wheat (+11.5% MoM); Cotton (+5.0% MoM) and CPO (+3.3% MoM) also trended higher during the period under review. Among the crops that depreciated, Cocoa had the worst negative performance with an 11.2% MoM decrease, followed by Coffee (-2.8 % MoM) and Sugar (-2.5% MoM).

Corn registered a sharp rebound as it benefited from the unusual weak pace of US Corn harvesting these last 3 weeks due to rainy weather conditions in the main producing states. Due to unfavourable weather conditions, the US Corn harvest has only reached 31% completion by end of October, well short of the 53% of the crop farmers normally have in the barn at this time of the year. A late crop and wet weather conditions will impact yield significantly in the coming weeks, impacting which was expected to be a record harvest for this year.

Soybean also benefited from the delay in the US crop while slow sowing in Latin America will imply a late harvest, allowing the US a longer post-harvest period when it has free rein over the World export market. Furthermore, the fall in soybean prices in the recent quarters has, in reducing profitability prospects, raised the potential for a drop in Argentine sowings. For instance, Oil World forecasts a drop of 200,000 hectares in the country's plantings.

CPO continued its rebound initiated in September, benefiting from dry weather in Indonesia and continued strong exports. In fact, Malaysian and Indonesian exports continued to be strong in the aftermath of both governments cutting Palm Oil export tax to zero for at least two months. While the recent drop in Crude Oil prices makes biodiesel less economically competitive, Malaysia announced in October its intention to implement the B7 Biodiesel scheme in peninsular Malaysia by November, three months earlier than initially planned. With the new Indonesian administration now in power, Pertamina is likely to launch its third tender for its B10 biodiesel scheme before the end of the year. The deterioration of weather conditions in Indonesia, dryer than usual weather, also contributed to improve market's sentiment regarding the CPO price. While a lot of headwinds remain in place, stronger than expected production growth; large crop prospects for Soybean in the US and Latin America and tighter financing conditions in China, we think that CPO may have reached a low point for the year in August and we expect price to stabilize in the next quarters between MYR2000 and MYR2200.

Cocoa was the worst performer among the major soft commodities. Cocoa prices declined as Europe's Cocoa grind eased fell in the July-to-September period, modestly disappointing investors, who had hoped for flat processing volumes. Processors in European countries, including major chocolate centre Switzerland, ground 327,866 tonnes of Cocoa beans in the quarter, the European Cocoa Association said. The figure was - while up from the 307,938 tonnes in the April-to-June period, following a typical seasonal pattern - down 1.1% on volumes for the same quarter of last year. That fell slightly short of expectations of a flat grind for the period, and represented a somewhat disappointing start to a quarterly statistics period which will also see data from Asia and North America. This decline in Cocoa prices follow a strong run of the bean in the previous months which was mostly build on speculative buying.

Coffee was also under downward pressures during the period under review as threats of the recent drought in Brazil seem to have been overdone by the market. With significant rainfall in the major Brazilian Coffee regions and given that investors have already built a large position in the bean, anticipating the worst outcome, an improving outlook for the crop could result in the unwinding of these speculative long positions.

For 2015, we expect a volatile environment for Agricultural commodities, with Grains (Corn and Wheat) as well as Soybean likely to remain highly volatile given the ongoing ample supply which characterizes these markets. However, the long-term thematic of higher demand from EM and scarcer supply remains intact. On the other side, some Soft commodities such as Coffee; Cocoa and Sugar have entered a bottoming out process and their respective supply-demand ratio improved after the low level of prices recorded these last two years. Among the soft commodities, Cocoa and Coffee remain the commodity offering the better prospects despite their recent price's strength. For Palm-Oil, the global supply-demand picture has recently improved once again although it will continue to face significant headwinds in the coming months. Therefore, we think that CPO has reached its lowest point in August and expect CPO price to be ranged bound between MYR2000 and MYR2200 in the coming months. Potential upside risks exist to MYR2200-MYR2400 if weather related supply disruptions occur and El Niño phenomenon finally materializes.

DISCLAIMER:

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 15 March 2014 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 credit/default risk, interest rate risk, counterparty credit risk associated with derivatives, derivatives risk, legal/regulatory risk, specific risks relating to the Contag Indices. 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.