FUND FACTSHEET – DECEMBER 2014

All data expressed as at 30 November 2014
unless otherwise stated

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.

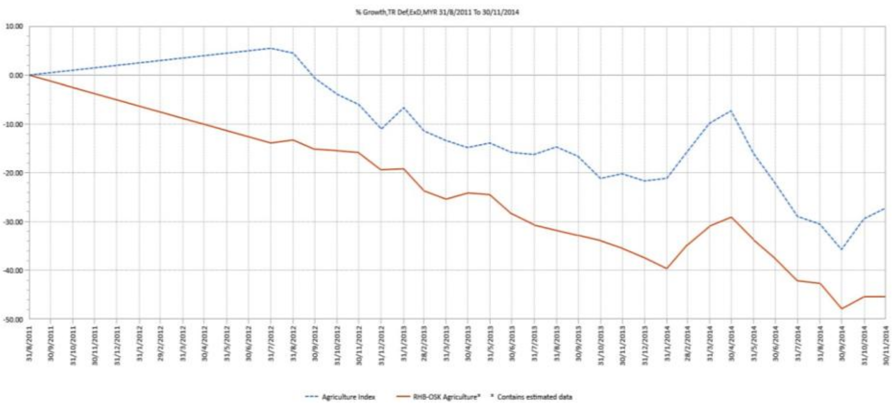
INVESTOR PRROFILE

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	**0.00**	**-4.78**	**-17.59**	**-12.80**
Benchmark	3.10	4.72	-13.35	-7.10

	1 Year	3 Years	Since Launch
Fund	**-15.42**	**-35.21**	**-45.38**
Benchmark	-8.82	-13.10	-27.21

Calendar Year Performance (%)*

	2013	2012
Fund	**-22.30**	**-7.25**
Benchmark	-11.92	2.55

**Source: Lipper IM*

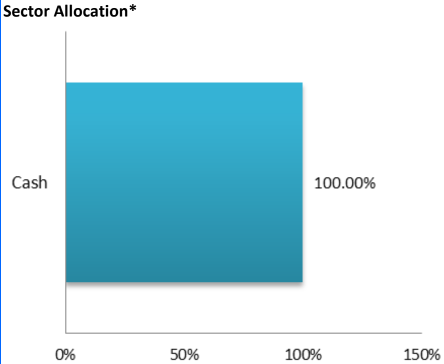
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Fixed Income Fund
Fund Type	Growth Fund
Launch Date	11 August 2011
Unit NAV	RM0.2731
Fund Size (million)	RM1.12
Units In Circulation (million)	4.09
Financial Year End	31 August
MER (as at 31 Aug 2013)	1.77%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	S&P GSCITM Agriculture Official Close Index Excess Return (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 (%)*

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.2742	0.3545	0.5003
Low	0.2685	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 November, prices of soft commodities were mostly trending negatively with Wheat (+6.2% MoM) being the best performer. Corn (+2.8% MoM) and Soybean (+0.1% MoM) were the others Soft commodities appreciating during the period under review. Among the crops that depreciated, Coffee (-4.7% MoM) was the worst performer, followed by Cotton (-4.4% MoM); Sugar (-3.4% MoM); Cocoa (-2.4% MoM) and CPO (-1.9% MoM).

Wheat capitalized on its previous month rebound as the market starts to worry of the impact of potential unfavourable weather conditions in Russia and in the US. In the US, the Winter Wheat planting has been delayed due to the recent weather which delayed Corn and Soybean harvests. In Russia, Wheat yield is expected to decline in 2015 as the ongoing lack of moisture is threatening the ongoing planting season. In Australia, the Wheat harvest season has been negatively impacted by the ongoing rainy season. This jeopardized the quality of the crop as harvest-time rains, which promote sprouting and can render grain fit only for feed, have already dented the quality of crops.

Corn registered another month of rebound as the US Corn harvesting season continued at an unusual weak pace. 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. In fact, the slow US harvest left the US with 1 billion bushels less Corn available as of the start of this month than a year ago, despite bigger production expectations.

The US Department of Agriculture bureau in Brasilia pegged the Brazilian Soybean crop, the World's second biggest after that of the US, at 92.0 million tons. While still a record, and up 5.3 million tons YoY, a harvest at that level would be 2.0 million tons lower than the USDA's official estimate. The USDA bureau kept by its forecast for Brazilian Soybean exports of 47.0 million tons despite the drop in production, and the planting delays which, in implying a late harvest, would have a knock-on effect too on the early availability of crop supplies for shipment. The USDA also flagged the regulatory moves within Brazil to cut plantings of safrinha Soybeans, in an effort to tackle the spread of diseases which have become increasingly prevalent. For instance, Mato Grosso, Brazil's top soybean producing state, last month extended to May 1-September 30 the period when farmers are not allowed to have the oilseed in the ground.

Coffee was the worst performer among the major soft commodities as supply is likely to be higher than expected. Coffee output in Brazil, the top producing country, may not have fallen as far as thought this year, USDA said, with the harvest in third-ranked grower Colombia beating earlier expectations too. US Department of Agriculture upped output forecasts from the two countries this season by a combined 2 million bags, in the main down to ideas that yields in many parts of Brazil proved better than expected, given the drought conditions which had hurt prospects. Indeed, at 51.2 million bags, an upgrade of 1.7 million bags, Brazilian coffee output was down a relatively modest 3.5 million bags YoY. For Colombia - which grows only Arabica beans, and is indeed the second-ranked producer of the variety, the coffee output estimate for 2014-15 was lifted by 300,000 bags to a seven-year high of 12.3 million bags. The upgrade reflected a bigger-than-expected boost from the coming on-stream of trees planted in a scheme begun in 2009 to increase the population resistant to the coffee rust fungus which had badly hurt Colombian output, and remains a severe problem in Central America.

Sugar prices were under selling pressures as output from Brazil is likely to be higher than expected while lower Crude Oil prices also threatened the demand of Biofuel. Sugar production in Brazil's Centre South region hit 2.37 million tons in the first half of October – 24% higher than in the same period last year. The rise, which took output 44% above that in the second half of last month, reflected in the main dry conditions which allowed producers to undertake swift cane harvesting.

CPO experienced some profit taking after its recent rebound in September and October. CPO prices were mainly impacted by lower Crude Oil prices which could threaten the economic viability of the Biodiesel scheme in Malaysia and Indonesia. On the supply side, stronger Indonesian and Malaysian exports combined with slowing down production due to dry weather in Indonesia continued to support prices. While CPO may have troughed in August and could trend higher in 2015, there are some key risks to this forecast. This include among others (1) governments not fulfilling mandates (in particular Indonesia due to lack of enforcement); (2) weaker edible oils demand from discretionary biodiesel usage due to lower crude oil price; and (3) higher than expected palm oil supplies. The key bullish factors that could drive up CPO prices are (1) slower edible oils supply growth; (2) rising biodiesel mandates from Brazil, Indonesia and Malaysia; and (3) potential weather uncertainties in the form of El Nino or others. We think that CPO could continue to rise between now and Q1 15 due to the low production season for CPO, replenishment of edible oils stocks by India (due to lower crushing activities) and China (due to lower palm oil stocks). But we are increasingly concerned about the potential demand impact from the sudden sharp drop in Crude Oil prices recently to USD70 per barrel. The current Crude Oil price is much lower than our assumption. We are worried that a sustained low Crude Oil price will reduce discretionary biodiesel demand that forms about 21% of global biodiesel demand. The low Crude Oil prices may also lead governments to rethink their higher biodiesel mandate programmes as it would be more costly to implement this for the subsidised fuel sector. This, coupled with the lack of enforcement or penalties for not fulfilling mandates, may slow the progress of Indonesia's biodiesel implementation. We believe that if the Indonesian biodiesel mandate is implemented in full, it would be a significant catalyst for CPO prices as it will raise the consumption of palm oil in Indonesia for biodiesel purposes to as high as 7.9m tons per annum by 2016, from around 1.8m tonnes in 2014. In conclusion, 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.

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 secular 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 quarters. Potential upside risks exist to MYR2200-MYR2400 if weather related supply disruptions occur and El Niño phenomenon finally materializes.