RHB Asset Management

FUND FACTSHEET – AUGUST 2014

All data expressed as at 31 July 2014
unless otherwise stated

RHB-OSK AGRICULTURE FUND (formerly known as OSK-UOB 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.

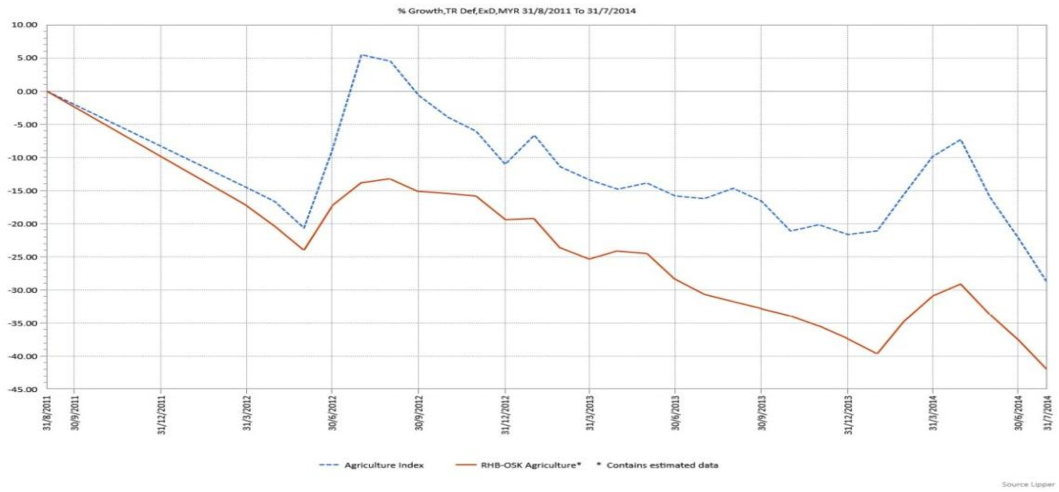
INVESTOR PRROFILE

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	**-7.33**	**-18.36**	**-4.17**	**-7.60**
Benchmark	-8.71	-23.28	-9.88	-9.25

	1 Year	Since Launch
Fund	**-16.50**	**-42.12**
Benchmark	-15.11	-28.89

Calendar Year Performance (%)*

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

**Source: Lipper IM*

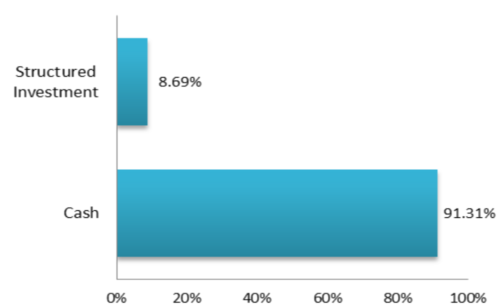
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.(formerly known as RHB Investment Management Sdn. Bhd.)
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Fixed Income Fund
Fund Type	Growth Fund
Launch Date	11 August 2011
Unit NAV	RM0.2894
Fund Size (million)	RM1.09
Units In Circulation (million)	3.75
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 (%)*

JPMCCI AGRI EXCESS RETURN SWAP	8.69

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.3123	0.3545	0.5003
Low	0.2894	0.2894	0.2894

Source: Lipper IM

Historical Distributions (Last 2 Years) (Net)

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

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

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MANAGER'S COMMENTS

MARKET REVIEW

During the month of July, prices of soft commodities were mostly trending negatively with Coffee (+11.4% MoM) and Cocoa (+2.9% MoM) being the only major Soft Commodities ending the month in positive territory. Among the crops that depreciated, Cotton had the worst negative performance with a 14.6% MoM decrease, followed by Corn (-13.1% MoM); Soybean (-6.2% MoM); Wheat (-7.0% MoM); CPO (-6.9% MoM); Soybean (-6.3% MoM) and Sugar (- 8.6% MoM).

Coffee price continued to benefit from the damage of the Brazilian crop as draught in the country has caused crop losses of 20% to 30%. Moreover, the impact of this draught is likely to prevail in 2015 as the 2015's output potential is being hampered by the lack of vegetative growth needed to bear coffee flower, and cherries for the crop. Therefore, next year's crop should inherently be smaller than the current crop and a sub 40 million bag crop for the 2015-2016 season seems unavoidable compared to an expected 44 million bags output expected for the 2014-2015 crop.

Cocoa price hit GBP2000 a ton for the first time in 3 years but this rally seems to have been driven by an extreme high level of speculative buying. In fact, on the fundamental side, Europe's cocoa grind was down 0.2% in the April-June quarter, which was seen as rather weak.
However, the market continues to speculate on a decline in production for the 2014-2015 harvest, leading to another year of deficit for the bean. Cocoa will benefit the prospect of a third consecutive year of production deficit in 2014-15, after shortfalls of 207,000 tons in 2013-2014, and 154,000 tons in 2012-2013. The combination of very dry weather in West Africa and adverse developments on the policy front in major producing countries such as Ghana and Ivory Coast should continue to support prices in the coming months.

On the other hand, Cotton registered a sharp decline given favorable weather conditions in the main US producing regions. With improving soil moisture in Texas, the state's Cotton crop has enjoyed highly favourable conditions and with only 21% of the crop currently rated poor to very poor, the US supply is likely to reach its highest level since 2010.

Moreover, Corn prices remained negatively impacted by higher production and yield in the US. In fact, US Corn yield were estimated at a 4-year high of 165.3 bushels per acre and the recent favorable weather conditions in the Midwest could push this yield further higher in the coming months.

Wheat prices failed to react to renewed political tension between Russia and the Western world as the expectation of better harvest in the US and in Europe given improved weather conditions reduced the risk of lower supply in the coming months.

CPO prices traded downward in July as Palm oil production in Malaysia and Indonesia continued to rise. In fact, production continued to recover from the seasonally low level and export demand remained rather weak recently. In the short-term, the biological yield cycle is positive in both Malaysia and Indonesia, with Malaysian production growing 12% in the past two months and most Indonesian companies reporting production growth above 10% in 1Q14. Most companies both in Malaysia and Indonesia also suggest that most companies are forecasting their CPO production to grow at least 10% in 2014, despite the drought earlier this year. The biggest bullish factor on the horizon for CPO price is the impending El Niño, which could restrict palm oil supply next year. However, with a lower probability of a strong El Niño materializing later this summer, there are downside risks to current CPO prices, especially as Soybean prices are likely to continue to trend downward in H2 2014, boosted by strong output from Latin America.

For the rest of 2014, we expect a challenging environment for Agricultural commodities, with Grains (Corn and Wheat) as well as Soybean likely to trend downward further 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 deteriorated and with no signs of materializing El Niño phenomenon for the time being, the risks look more biased on the downside. Therefore, we think that CPO price may reach MYR2200 in the coming month before gradually rebounding in Q4 to MYR2400. Potential upside risks exist to MYR2600-MYR2800 if weather related supply disruptions occur.