

RHB-OSK CAPITAL PROTECTED ESSENTIALS FUND (formerly known as OSK-UOB CAPITAL PROTECTED ESSENTIALS FUND)

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

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

- have a low risk tolerance;
- seek capital protection;
- seek potential returns from commodities essential to our daily lives;
- have a medium term horizon; and
- seek income.

INVESTMENT STRATEGY

- 89% - 92% of NAV (depending on prevailing interest rates): Investments in 4-year ZNIDs issued at a discount on the Commencement Date.
- Up to 10% of NAV: Investment in the Memory option.
- Up to 1% of NAV: Investments in liquid assets.

FUND PERFORMANCE ANALYSIS

There is no performance record as the Fund launched less than 1 year.

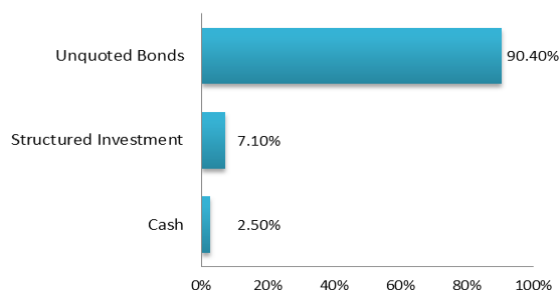
FUND DETAILS

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 (Closed Ended)								
Fund Type	Capital Protected Fund								
Launch Date	12 June 2013								
Maturity Date	04 August 2017								
Unit NAV	RM0.9897								
Fund Size (million)	RM1.98								
Units In Circulation (million)	2.00								
Financial Year End	31 August								
MER	Not applicable								
Min. Initial Investment	RM1,000.00								
Min. Additional Investment	RM1,000.00								
Benchmark	4-Years FD rate by Malayan Banking Bhd								
Sales Charge	Up to 3.00% of investment amount								
Redemption Charge	<table border="0"> <tr> <td>< 1 year</td> <td>1.00%</td> </tr> <tr> <td>≥ 1 year < 2 years</td> <td>0.75%</td> </tr> <tr> <td>≥ 2 years < 3 years</td> <td>0.50%</td> </tr> <tr> <td>≥ 3 years till Maturity</td> <td>Nil</td> </tr> </table>	< 1 year	1.00%	≥ 1 year < 2 years	0.75%	≥ 2 years < 3 years	0.50%	≥ 3 years till Maturity	Nil
< 1 year	1.00%								
≥ 1 year < 2 years	0.75%								
≥ 2 years < 3 years	0.50%								
≥ 3 years till Maturity	Nil								
Annual Management Fee	Up to 0.125% p.a.*								
Annual Trustee Fee	Nil								
Switching Fee	Not available								
Distribution Policy	Annually, if any								

*Based on the remaining liquid assets available after deducting the purchase of investments of the Fund.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

AMBANK (M) BHD ZNID-CP ESSENTIALS	16.11
HONG LEONG BANK ZNID-CP ESSENTIALS	16.05
CIMB BANK BHD ZNID-CP ESSENTIALS	15.99
RHB BANK BERHAD-CP ESSENTIALS	15.96
UOB (M) BHD ZNID-CP ESSENTIALS	15.57

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)	Historical NAV (RM)		
	1 Month	12 Months	Since Launch
High	1.0047	N/A	1.0047
Low	0.9897	N/A	0.9777

Source: Lipper IM

RHB-OSK CAPITAL PROTECTED ESSENTIALS FUND (formerly known as OSK-UOB CAPITAL PROTECTED ESSENTIALS FUND)

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

MANAGER'S COMMENTS

Brent prices remained range bound around \$108/bbl in early May before rising by about 2% during the second week due to the lack of a resolution or clear path toward a resolution in Ukraine. Despite a relatively constructive set of DOE stats, Brent price rally seemed to stall amid rising inventories. GS Commodities Research's fundamental supply and demand outlook continues to suggest a modest weakening of the global oil balance and as a result a modest decline in prices.

Corn prices have declined in May due to pressure after reports of optimal planting conditions (warm temperatures and wet weather) and reports by the U.S. Department of Agriculture indicating that planting progress was on track. Reports confirmed that U.S. farmers had had planted 88% of the corn crop as of May 25th up from 73% the previous week to match the five year average. Combined with the USDA's significantly higher Chinese 2013/14 ending stocks and larger 2013/14 Brazil production forecast, GS Commodities Research expects bearish new-crop corn prices under average weather conditions this summer.

Despite sufficient supply, sugar prices experienced a rally in mid-May due to strong demand and an expected tightness in August supply. Given favorable weather conditions in Brazil and benign weather conditions in other major producing regions, GS Commodities Research forecast high inventories and lackluster import demand, pointing to lower prices. However, with rising expectations for an El Niño weather pattern developing, the risks to medium-term forecasts are skewed to the upside.

Cotton prices declined in May on the larger cotton production outlook in U.S., the world's biggest cotton exporter. According to USDA, cotton output in U.S. may rise 12% this year as farmers boost planting. Decline in prices were boosted by the slowdown in cotton demand from China, the top consumer and importer. The possibility of an El Niño weather pattern developing this summer possibly leading to higher US yields puts further downward pressure on cotton prices.

The hawkish tone from Bank Negara's Monetary Policy Committee ("MPC") meeting, as well as strong 1Q2014 GDP growth has caused the Malaysia Government Securities ("MGS") yield curve to underperform on the short end. The curve inched up by 10bps on the short end while tightened by 1 – 6bps on the long end, exhibiting a bearish flattening trend in May. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.48% (April: 3.38%), 3.72% (3.62%), 3.94% (3.94%), 4.03% (4.08%), 4.36% (4.42%), 4.59% (4.60%) and 4.89% (4.89%) respectively. Similar to the underperformance of MGS, Government Investment Issues ("GII") also bearish flatten with 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.67% (April: 3.42%), 3.85% (3.81%), 4.12% (4.08%), 4.21% (4.23%), 4.50% (4.54%) and 4.85% (4.85%) respectively.

The 3 auctions in May – reopening of 20-year MGS (MGS 04/33, RM2.0bil, average yield 4.639%), new issuance of 3-year GII (GII 11/17, RM4.0bil, 3.678%) and reopening of 10-year MGS (MGS 07/24, RM3bil, 4.021%) received moderate bid-to-cover ratio of 2.88x, 2.47x and 2.36x respectively.

On the domestic economic front, March trade surplus narrowed slightly as both exports and imports declined sequentially. Export growth slowed to 8.4% YoY (February: 12.3% YoY, consensus: 9.2% YoY) and imports slowed sharply to 0.5% YoY (February: 9.5% YoY, consensus: 5.7% YoY). The trade surplus thus narrowed slightly to RM9.6bil (February: RM10.4bil). BNM kept Overnight Policy Rate on hold at 3%, as widely expected. However, the Central Bank's assessment of the global economy appears to have turned optimistic, with no reference to the recovery being "uneven". Private consumption is now expected to be "underpinned by stable income growth and favorable labor market condition" which suggests that private consumption growth may well exceed the 6.60% threshold. With the MPC thus concluding that "the degree of monetary accommodation may need to be adjusted", market has brought forward the interest rate hike scenario to the next MPC meeting in July. This is further supported by a strong GDP growth of 6.2% YoY in 1Q2014 (4Q2013: 5.1% YoY, consensus: 5.7% YoY), which leaves little room to delay rate hikes.

DISCLAIMER:

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus and its supplementary prospectus both dated 12 June 2013. Investors are advised to read and understand the contents of the Prospectus and its supplementary prospectus both dated 12 June 2013 (collectively, the "Prospectus") 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. 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. The capital of the Fund is not guaranteed and is exposed to the credit/default risk of the issuer of the ZNIDs. The investment returns of the Fund are not guaranteed and are still subject to investment risks and are exposed to the credit/default risk of the issuer of the option. The capital protection* only applies to investors who hold their investments until the Fund's Maturity Date. Any redemption from the Commencement Date 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, in which case the capital 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 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. For more details, please call 1-800-88-3175 for a copy of the Prospectus or collect one from any of our branches or authorised distributors.

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

**Investors are advised that the Fund is not a guaranteed fund. This capital protected fund is provided through investments in ZNIDs and not by a guarantee. Consequently, the return of capital is SUBJECT TO the credit/default risk of the issuers of the ZNIDs and may result in losses.*