FUND FACTSHEET – AUGUST 2014

All data expressed as at 31 July 2014
unless otherwise stated

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.

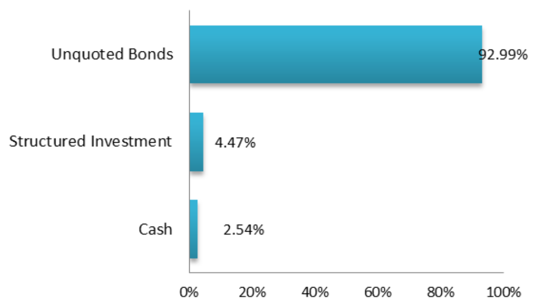
FUND DETAILS

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	RM0.9656
Fund Size (million)	RM1.93
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	< 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	16.49
CIMB BANK BHD ZNID-CP ESSENTIALS	16.48
HONG LEONG BANK ZNID-CP ESSENTIALS	16.47
RHB BANK BERHAD-CP ESSENTIALS	16.46
UOB (M) BHD ZNID-CP ESSENTIALS	16.05

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9940	N/A	1.0047
Low	0.9656	N/A	0.9656

Source: Lipper IM

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MANAGER'S COMMENTS

Brent prices fell in July as Iraqi supply disruption fears subsided and news arrived about some Libyan exports becoming available in the near term. Geopolitical risk premium from the Malaysian plane crash and attack on the Israeli army did lift prices in mid-July; however, Brent nearby future fell 3.3% during the last week of July finishing below $105 as Iraqi continued to export at what appears to be near record levels. GS Commodities Research's supply and demand outlook for 2014 continues to suggest a modest weakening of the global oil balance and as a result points to a modest decline in prices, with year-end Brent price forecast unchanged at $105/bbl.

Corn prices continued to fall in July as US Department of Agriculture delivered another blow to crop prices as the July WASDE(World Agriculture Supply and Demand Estimate) showed further increase in acreage, production and thus ending stocks. With pollination season approaching, the window for crop deterioration rapidly closed which put more downward pressure on the prices. December 2014 contract ended the month at $3.67/bu, dropping 13.7% in July. Assuming weather conditions remain positive, GS Commodities Research expects higher US and global ending stocks in the new crop year and see downside risk to their $4.00/bu price forecast.

After remaining flat but volatile around 17.5c/lb over recent months, sugar prices fell across the board in July with Oct14 contract falling by 8.6%. Main driver behind the downward movement in prices was global surplus led by boost in Brazil sugar output. While precipitation has returned recently in Brazil, the previous dry weather allowed good flow of sugarcane harvest activities without much interruption from the rain. GS Commodities Research expects the sugar market will remain in surplus for a fourth consecutive year, while the longer-term effects of the drought in Brazil remain to be seen. Furthermore, El Niño weather pattern developing later this year cannot be conclusively ruled out yet; therefore, upside price risks and volatility could remain until later in the harvest season.

Cotton prices have declined by over 20% since mid-May with nearby contract falling by more than 15.4% in July to end the month below 70c/lb, a level last seen in late 2012. This move was primarily due to improved growing conditions in West Texas (where drought conditions have eased considerably) and India (where a slow start to the monsoon season had delayed planting, but there has now been a sharp increase in the monsoon's progression). On the demand side, GS Commodities Research continue to expect a slowdown in Chinese imports in 2014/15 as the current reserve accumulation program ends and a program that would grant import licenses against reserve sales is introduced.

It was a volatile month for US Treasuries ("UST") as geopolitical events in mid-month and strong US 2Q2014 GDP numbers at month end pushed the 10-year UST to both extreme ends. 10-year UST plunged to 2.44% at the height of geopolitical tension and subsequently rebounded back to 2.56% as 2Q2014GDP surprised on the upside. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.53% (June: 0.46%), 1.75% (1.63%), 2.56% (2.53%) and 3.32% (3.36%) respectively.

Again, most of the data released in July pointing to a modest recovery in the States. Unemployment rate further declined to 6.1% in June (May: 6.3%) indicating that 2Q2014 indeed was regaining momentum in the labor market. New orders continue to flow in with June ISM Manufacturing Index reported at expansion territory of 55.3 (May 55.4) although Industrial Production ("IP") slightly weaker to 0.2% MoM gain in the same month (May 0.5% MoM). Nevertheless, for the 2Q2014 as a whole, IP rose at an annual rate of 6.7% after increasing only 1.4% in the 1Q2014, suggesting that 2Q2014 GDP is likely to rebound. Inflation indexes continue on the warm side, with Consumer Price Index ("CPI") reported 0.3% MoM gain in June (May: 0.4% MoM) and Producer Price Index – Final Demand ("PPI-FD") at 0.4% MoM (May: 0.3% MoM). On YoY comparison, both CPI and PPI-FD are pressing right at the 2% threshold with the former reported at 2.1% YoY and the latter at 1.9% YoY. On the housing sector, both Housing Starts and New Home Sales disappoint sharply in June. Housing Starts dropped 9.3% MoM (May: -7.3% MoM) while New Home Sales came in at an annual rate of 406k (May: 442k). The drop in sales is observed in all regions.

On the domestic economic front, May trade surplus narrowed again to RM5.72bil (April: RM8.89bil) as imports outpaced exports. However, exports to EU expanded by 2.7% MoM in May (April: 4.5% MoM) but exports to US (May: -0.5% MoM, April: 9.7% MoM) and China (May: -2.3% MoM, April: 10.4% MoM) fell. With April-May seasonally adjusted exports 2.3% above 1Q2014, Malaysia's 1H2014 growth has clearly benefited from better demand from developed markets. May IP rose 6.0% YoY (April: 4.9% YoY), led by manufacturing activities. Finally, BNM delivered a 25bps hike in OPR during the MPC meeting to 3.25% as expected. MPC's assessment on inflation is still "above long-run average", though demand pressure is "contained". On this note, investors are taking cue that BNM is likely to pause on rate hike for the remaining of 2014. Lastly, June inflation edged up slightly to 3.3% YoY (May: 3.2% YoY), in line with market consensus.