

## 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.

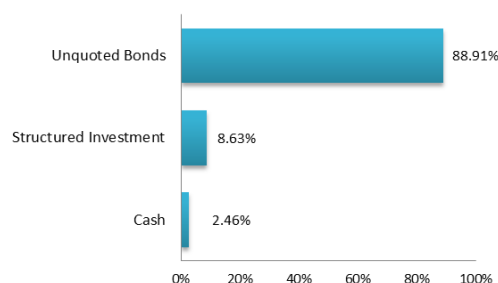
### FUND DETAILS

<b>Investment Manager</b>	RHB Asset Management Sdn. Bhd. (formerly known as RHB Investment Management Sdn. Bhd.)								
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd								
<b>Fund Category</b>	Fixed Income Fund (Closed Ended)								
<b>Fund Type</b>	Capital Protected Fund								
<b>Launch Date</b>	12 June 2013								
<b>Maturity Date</b>	04 August 2017								
<b>Unit NAV</b>	RM1.0047								
<b>Fund Size (million)</b>	RM2.01								
<b>Units In Circulation (million)</b>	2.00								
<b>Financial Year End</b>	31 August								
<b>MER</b>	Not applicable								
<b>Min. Initial Investment</b>	RM1,000.00								
<b>Min. Additional Investment</b>	RM1,000.00								
<b>Benchmark</b>	4-Years FD rate by Malayan Banking Bhd								
<b>Sales Charge</b>	Up to 3.00% of investment amount								
<b>Redemption Charge</b>	<table border="0"> <tr> <td>&lt; 1 year</td> <td>1.00%</td> </tr> <tr> <td>≥ 1 year &lt; 2 years</td> <td>0.75%</td> </tr> <tr> <td>≥ 2 years &lt; 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								
<b>Annual Management Fee</b>	Up to 0.125% p.a.*								
<b>Annual Trustee Fee</b>	Nil								
<b>Switching Fee</b>	Not available								
<b>Distribution Policy</b>	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	15.81
HONG LEONG BANK ZNID-CP ESSENTIALS	15.78
RHB BANK BERHAD-CP ESSENTIALS	15.76
CIMB BANK BHD ZNID-CP ESSENTIALS	15.73
UOB (M) BHD ZNID-CP ESSENTIALS	15.28

\*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	0.9919	N/A	0.9777

Source: Lipper IM

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

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**MANAGER'S COMMENTS**

Brent crude oil prices remained range bound around \$108/bbl over the past month. Ongoing but offsetting geopolitical risks have contributed to this tight range: (1) Libyan oil production remains very low despite headlines of potential ramp up while (2) escalating tensions in Ukraine have so far had no impact on crude flows. Fundamentals of the crude oil market remain stable but tight: OECD inventories remain at low levels with losses in Libyan output so far offset by higher Saudi production, the spring refinery maintenance period and lackluster Chinese demand.

Corn prices were range bound last month, with no sign of slowing US exports and still uncertainty on the situation in Ukraine. With growing confidence that US 2013/14 ending stocks will remain at a multi-year high despite surprisingly strong feed and export demand, focus is shifting to the 2014/15 crop. While US corn planting had been lagging its historical average, weather conditions allowed for rapid planting progress last week.

Sugar prices have remained on a gradually declining trend since early March, reflecting both the improved weather in Brazil as well as uncertainty over the impact of earlier drought conditions. Given the recently improved weather conditions in Brazil and benign weather conditions in other major producing regions GS Commodities Research continues to believe the sugar market will remain in surplus for a fourth consecutive year. As a result, high inventories and lackluster import demand point to lower prices.

Cotton prices have remained on a gradual appreciation trend since mid-March. The key driver to this rally has been continued dry US weather (leading the US to cut its 2014/15 production forecast in the May WASDE) and sustained strong US exports (which are expected to bring 2013/14 US inventories to their lowest level since 2010). The possibility of an El Niño weather pattern developing this summer could see higher US yields as weather is typically cooler and wetter than average. However, even in the absence of an El Niño GS Commodities Research continues to expect lower cotton prices in 2H2014 on the combination of larger US production (higher acreage) and a slowdown in Chinese imports (as the current reserve accumulation program ends and a program that would grant import licenses against reserve sales is introduced.)

Strong UST performance spurred buying interest on Ringgit government bonds. Malaysia Government Securities ("MGS") mostly bullish flattened in April, with the long term yields compressed more than the short term yields. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.38% (March: 3.40%), 3.62% (3.57%), 3.94% (4.02%), 4.08% (4.12%), 4.42% (4.49%), 4.60% (4.59%) and 4.89% (4.87%) respectively. Similar to the strong performance of MGS, Government Investment Issues ("GII") also bullish flatten with 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.42% (March: 3.37%), 3.81% (3.85%), 4.08% (4.13%), 4.23% (4.28%), 4.54% (4.65%) and 4.85% (4.85%) respectively.

The 3 auctions in April – new issuance of 7.5-year SPK (SPK 10/21, RM1.6bil, average yield 4.345%), reopening of 15-year GII (GII 12/28, RM1.5bil, 4.547%) and new issuance of 5.5-year MGS (MGS10/19, RM4bil, 3.654%) received strong bid-to-cover ratio of 3.40x, 2.77x and 2.72x respectively.

On the domestic economic front, February trade surplus continues to widen as imports decline more than exports. February exports growth ticked up to 12.3% YoY (Jan: 12.2% YoY), above consensus of 10.6% YoY. Imports rose to 9.5% YoY (Jan: 7.2%), below consensus of 14.2% YoY which resulted in trade surplus widening to RM10.44bil (Jan: RM6.4bil). March CPI inflation was stable at 3.5% YoY, unchanged from February's reading. In sequential terms, inflation rose by 0.1% MoM (Feb: 0.3% MoM). Lastly, February Industrial Production ("IP") rise 6.7% YoY (Jan revised: 3.5% YoY), above consensus of 6.2% YoY. The rise was mainly due to increase in Electricity and Manufacturing activities which rose 8.7% YoY and 9.8% YoY respectively. Reading January – February as a whole – to eliminate any distortion effect from Chinese New Year holiday effect, IP data hints at slight slowdown to 1Q2014 GDP (seasonally adjusted IP are 0.4% below 4Q2013 level).

**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.*