

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

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

INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

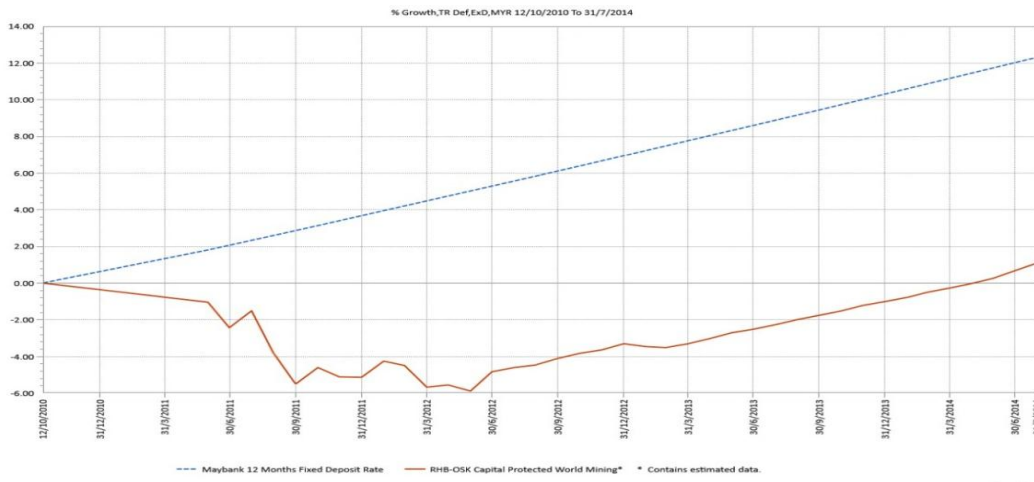
- have a low risk tolerance;
- seek capital protection;
- seek potential returns from the exposure to the hard commodities sector; and
- have a medium term horizon.

INVESTMENT STRATEGY

- 85% - 89% 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 an option.
- Up to 5% of NAV: Investments in liquid assets.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.42	1.12	1.88	2.12
Benchmark	0.27	0.79	1.56	1.83

	1 Year	3 Years	Since Launch
Fund	3.44	2.64	1.09
Benchmark	3.15	9.75	12.31

Calendar Year Performance (%)*

	2013	2012	2011
Fund	2.38	1.91	-5.47
Benchmark	3.15	3.15	3.05

*Source: Lipper IM

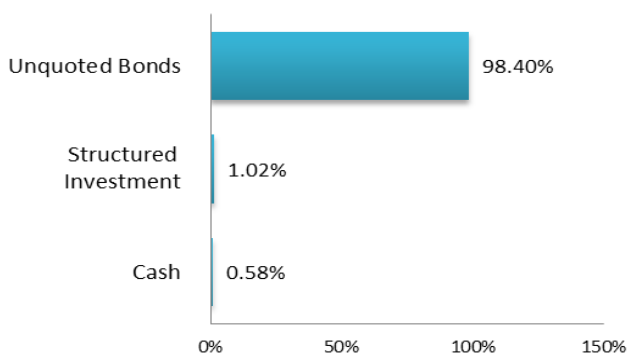
FUND DETAILS

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 (Closed Ended)								
Fund Type	Capital Protected Fund								
Launch Date	17 August 2010								
Maturity Date	10 October 2014								
Unit NAV	RM1.0109								
Fund Size (million)	RM15.02								
Units In Circulation (million)	14.86								
Financial Year End	31 October								
MER (as at 31 Oct 2013)	0.63%								
Min. Initial Investment	RM1,000.00								
Min. Additional Investment	RM1,000.00								
Benchmark	12-month FD rate by Malayan Banking Bhd								
Sales Charge	Up to 2.50% of investment amount								
Redemption Charge	<table border="0"> <tr> <td>≤ 1 year</td> <td>1.00%</td> </tr> <tr> <td>≥ 1 year < 2</td> <td>0.75%</td> </tr> <tr> <td>≥ 2 years < 3</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	0.75%	≥ 2 years < 3	0.50%	≥ 3 years till Maturity	Nil
≤ 1 year	1.00%								
≥ 1 year < 2	0.75%								
≥ 2 years < 3	0.50%								
≥ 3 years till Maturity	Nil								
Annual Management Fee	Up to 0.625% p.a.*								
Annual Trustee Fee	Nil								
Switching Fee	Not available								
Distribution Policy	None								

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

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

OCBC BANK(M)BHD ZNID-CPWORLD MINING	20.14
AMBANK (M) BHD ZNID-CP WORLD MINING	20.14
HLEONG BANK BHD ZNID-CPWORLD MINING	19.81
CIMB BANK BHD ZNID-CP WORLD MINING	19.16
UOB (M) BHD ZNID-CP WORLD MINING	19.16

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)	1 Month	12 Months	Since Launch
High	1.0109	1.0109	1.0109
Low	1.0067	0.9773	0.9397

Source: Lipper IM

Historical Distributions (Last 3 Years) (Net)

	Distribution (sen)	Yield (%)
31 Aug 2013	-	-
31 Aug 2012	-	-
31 Aug 2011	-	-

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

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MANAGER'S COMMENTS**MARKET & PORTFOLIO PERFORMANCE**

The BGF World Mining Fund returned +5.9% during July, outperforming its benchmark, the Euromoney Global Mining Index, which returned +4.7%.

Base metals were buoyant during the month, whilst precious metals lagged. Chinese government stimulus and Chinese Manufacturing PMI strengthening to an 18-month high (as measured by the HSBC China Manufacturing PMI) helped drive performance of the base metals. The star performers were zinc and aluminium, which rose +7.4% and +6.6% respectively. Both metals continued to see meaningful inventory erosion, with aluminium experiencing the largest inventory declines since mid-1995. The outlook for zinc prices looks positive as future supply appears set to be challenged by a number of mine closures over the coming years. Additionally, the International Lead and Zinc Study Group have reported that the zinc market was in a 200kt deficit over the opening five months of the year.

Performance of the precious metals was weaker with gold, silver and platinum prices declining -2.3%, -0.9% and -0.5% respectively. Gold experienced some moderate 'safe haven' interest, on the back of increasing geo-political tension in the Israel-Gaza Strip conflict and the civilian plane tragedy in Ukraine. However, this was outweighed by robust US economic data, strong US dollar performance and the peak of the 'summer lull' for gold trading. The Fund's underweight to Barrick buoyed relative performance as the company's share price retreated on the back of the gold price weakness.

The iron ore price, which waned over the first half of the year owing to a surge in supply, recovered slightly in July, rising +1.9%, helped by early signs of a restocking cycle by steel mills. Our off-benchmark position in Fortescue was the top contributor to relative returns. The stock performed well over the month, supported by the stability in the iron ore price and the company's announcement of strong second quarter production results. The company reported that successful ramp-up of its Kings Valley project delivered the targeted 155mt annualised run rate in the second quarter and a record 160mt annualised shipping rate in June.

Not holding diversified miner Anglo American weighed on relative performance however. The company's announced strong diamond sales and updated investors on the company's plans to divest a number of its assets, including the Rustenburg and Union platinum mines, which was well received by the market.

Lastly, our overweight position in Hudbay Minerals was among the top contributors to relative returns. During the month, the company announced a positive update on its 100%-owned Constancia copper project in Peru. The company guided investors towards first production commencing at the project in late 2014 and commercial production starting in the second quarter of 2015.

TRANSACTIONS & PORTFOLIO ACTIVITY

We added to our base metals exposure during July. We also rotated our diamond exposure, selling out of a UK-based diamond miner and participating in a capital raising for Petra Diamonds.

MARKET OUTLOOK

The mining sector has significantly lagged the general equity market in recent years. However, a number of the downside risks for this sector have reduced (albeit not disappeared). The industry has made good progress in refocusing its strategy: operating costs have been aggressively targeted and investment in projects reassessed. Many commodities are trading close to or below their marginal cost of production, implying that price downside should be limited, in the absence of a collapse in demand. We see 2014 as a year of transition, some of which has begun to materialise with the large cap diversified miners exceeding analyst earnings expectations in the first half of the year.

The market has been focussed on liquidity concerns and increasing volatility in China, however, it is important to highlight the supportive backdrop of synchronous global growth, which in the past has bolstered commodity prices. Mining companies are trading on an undemanding valuation and an attractive dividend yield. With capital expenditure rolling off, management are guiding investors towards rising free cash flows.

MALAYSIA BOND OUTLOOK

The rebound in 2Q2014 US GDP supports our view that the 1Q2014 weakness was temporary. We expect the economy to grow at an above trend through 2015. Economic fundamentals have improved, fiscal drag is fading, and financial conditions are providing a significant tailwind to growth. Inflation is likely to remain quiet, despite some higher readings earlier this year. The Fed is in the process of revising its exit principles, but we do not expect the Fed to hike rates until 2H2015.

On the European front, we are not making any changes to outlook for ECB monetary policy and continue to expect that the persistence of low and below target inflation, with a fragile recovery, will lead the ECB to launch a large-scale asset purchase programme by end of this year. Meanwhile, in Japan, there appears to be more to sluggishness in consumer spending than just payback to frontloaded demand ahead of the consumption tax hike in April. Also, Prime Minister Abe is expected to make a final decision in early December 2014 on whether to implement another consumption tax hike in October 2015, although there seems to be no consensus on this issue now. For now, we continue to expect the BoJ to ease monetary policy further in late October 2014.

Back home in Malaysia, inflation and Ringgit volatility will continue to shape market direction. The recent strengthening of Ringgit could see more foreign buying into the MGS market as rates move higher. However, we expect Ringgit volatility to be more pronounced given growth and financial market uncertainties globally. Also, prospect of inflation depending on further subsidy rationalization plan, could add pressure to the front end of the curve.

All in all, we still see BNM to keep rates steady at 3.25% throughout the year barring any negative surprise in financial imbalances. On this note, we expect the govvy yield curve to remain flat.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 July 2014, the Volatility Factor (VF) for this fund is 2.3 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.1 but not more than 7.9 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2014 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2014.

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 17 August 2010.

Investors are advised to read and understand the contents of the Prospectus dated 17 August 2010, 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, currency 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.