RHB OSK
RHB Asset Management

FUND FACTSHEET – NOVEMBER 2014

All data expressed as at 31 October 2014
unless otherwise stated

RHB-OSK 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

Performance Chart Since Launch*

Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**0.56**	**-1.00**	**-4.84**	**-3.01**
Benchmark	0.28	0.85	1.70	2.82

	1 Year	Since Launch
Fund	**-3.42**	**-4.41**
Benchmark	3.40	4.22

**Source: Lipper IM*

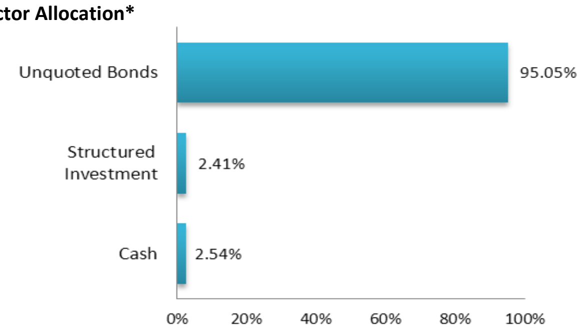
FUND DETAILS

Investment Manager	RHB Asset 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	RM0.9559
Fund Size (million)	RM1.91
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 (%)*

HONG LEONG BANK ZNID-CP ESSENTIALS	16.91
AMBANK (M) BHD ZNID-CP ESSENTIALS	16.84
CIMB BANK BHD ZNID-CP ESSENTIALS	16.81
RHB BANK BERHAD-CP ESSENTIALS	16.81
UOB (M) BHD ZNID-CP ESSENTIALS	16.39

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9568	1.0047	1.0047
Low	0.9506	0.9505	0.9505

Source: Lipper IM

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MANAGER'S COMMENTS

REVIEW

Brent prices fell substantially in October after Saudi Aramco announced that they would not be cutting production to maintain prices. Nearby future declined down to $83.78/bbl in mid-October, a level last seen in November 2010. Additional bearish news that OPEC production in September had reached the highest level (30.96 mmbpd) since November 2012 due to increasing production in Libya and an IEA report in which they lowered oil demand forecasts put further downward pressure on prices. GS Commodities Research lowered their Brent price forecast to $85/bbl for 1Q15 and 2H15, and $80/bbl for 2Q15 when the global oversupply is expected to be the largest.

Corn prices gained for the first time since April with Dec14 contract gaining 17.5% to settle at 376.75c/bu after falling for five consecutive months. Price gains were mainly driven by a combination of a later than normal harvest, a strong current demand for livestock feed, and a fairly tight grain supply projected for the end of the 2013-14 grain marketing year. Widespread rains in October slowed the harvest of a record-larger crop in many areas of the Midwest U.S., and by mid-October, USDA put the corn harvest at 24% complete, behind the five-year average of 43%. By the end of the months, prices were further supported by investor short-covering and spillover strength from soymeal futures.

Sugar prices started October off with a new front month contract(Mar15) which declined slightly by the end of the month. Weather conditions in top grower Brazil was the main driver behind sugar price movements. The key factor behind the sharp price gains in the beginning of October was concerns over the forecast for largely dry weather over the main producing regions in Brazil. However, these weather concerns were short-lived as conditions improved when rainfall in Brazil provided some relief to crops that were stressed by dry weather. The front month contract gradually lost most of gains and ended the month at 16.04c/lb.

Cotton prices rose across the board in October with the front month contract gaining over 5%. Cotton prices started October with the most-active December contract gaining over 6.7% during the first week due to concerns over low U.S. inventories despite the rest of the forward curve remaining heavily weighed by concerns over swelling global inventories. The prices came back down however, as U.S. government data showed weak cotton export as concerns grew about weakening demand from China, the world's top buyer. According to the China Cotton Association, China imported 122,900 tonnes of cotton in September (-39% YoY). Cotton prices recovered by the end of the month on the back of short-covering and support from strong grains markets to settle at 64.45c/lb.

MALAYSIA BOND OUTLOOK

Ringgit government bond continues to trend tighter as market believes Bank Negara's tightening cycle has ended. In the IMF annual meeting early October, Bank Negara's governor - Tan Sri Dato Sri Dr. Zeti - was quoted saying Malaysia still needs accommodative interest rate policy to support the country's growth. As a result, the local government bond market bullish flattened with long-end yields compressed more than short-end yields. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year Malaysia Government Securities ("MGS") were traded at 3.50% (September: 3.47%), 3.63% (3.67%), 3.77% (3.80%), 3.83% (3.89%), 4.15% (4.21%), 4.25% (4.31%) and 4.63% (4.71%) respectively.

On the domestic economic front, the Budget 2015 announced in October further emphasized on meeting fiscal deficit target in 2014 (3.50% of GDP) and 2015 (3.00% of GDP), by gradually removing fuel subsidy as well as implementation of Goods and Services Tax ("GST") in April 2015. During the IMF annual meeting in Washington, BNM Governor Dr. Zeti comments were dovish, nothing that risks to global growth have increased and domestic growth will moderate closer to 5.00% in 2015 due to some moderation in consumption. While implementation of GST will likely to increase inflation in the short term, BNM still sees long term inflation trend of 3.00% as achievable. Both her comment as well as the temporary fall in September CPI to 2.60% YoY (August: 3.30% YoY) reinforces the rate hike pause in November. The last BNM Monetary Policy Committee meeting for the year is scheduled on 6th November.