RHB OSK
RHB Asset Management

FUND FACTSHEET – OCTOBER 2014

All data expressed as at 30 September 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:

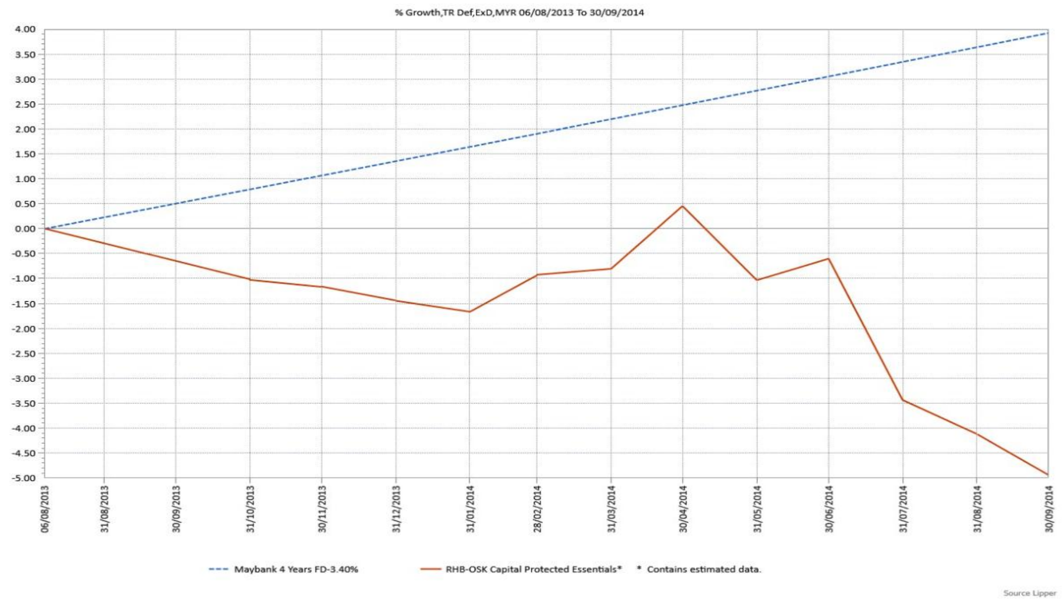
- have a low risk tolerance;
- seek capital protection;
- seek potential returns from commodities essential to our daily lives;
- have a medium term horizon; and
- seek income.

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

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-0.86**	**-4.37**	**-4.17**	**-3.55**
Benchmark	0.28	0.85	1.69	2.53

	1 Year	Since Launch
Fund	**-4.45**	**-4.94**
Benchmark	3.40	3.92

**Source: Lipper IM*

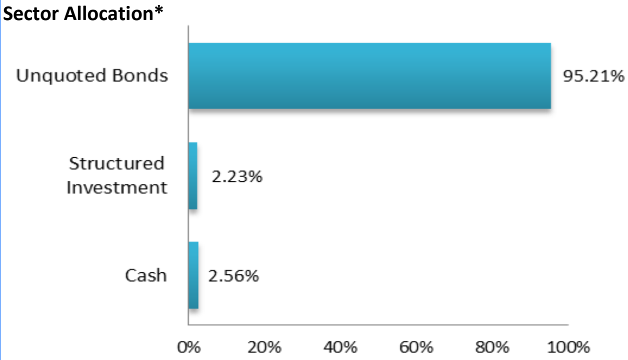
FUND DETAILS

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	12 June 2013
Maturity Date	04 August 2017
Unit NAV	RM0.9506
Fund Size (million)	RM1.90
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	16.94
AMBANK (M) BHD ZNID-CP ESSENTIALS	16.86
RHB BANK BERHAD-CP ESSENTIALS	16.84
CIMB BANK BHD ZNID-CP ESSENTIALS	16.84
UOB (M) BHD ZNID-CP ESSENTIALS	16.42

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.9588	N/A	1.0047
Low	0.9505	N/A	0.9505

Source: Lipper IM

Head Office: 19th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. **General Line: 603-2164 3036** **Fax: 603-2164 4226** **Website: www.rhbgroup.com**

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 continued to fall in September as near futures crossed the $100/bbl mark for the first time since April 2013. Nearby contract fell 8.26% to settle at $94.67/bbl. Despite unresolved geopolitical tensions in Russia, Iraq and Syria, prices have steadily declined as the combination of strong North American production growth, weak global demand growth and lower OPEC disruptions led to a build in petroleum inventories. Furthermore, Libyan production continued to increase in September, reaching 925 kbpd. GS Commodities Research continues to expect sequential stronger demand growth to stabilize inventories and maintains the $100/bbl Brent crude oil price forecast although risks to the forecast are skewed to the downside should demand growth remain lackluster.

Corn prices have continued to moderate through September, losing around 40c over the month to reach almost 320c/bu. As in previous months, the key driver behind this moderation remained as the supportive growing conditions in the US. GS Commodities Research's weather model now points to a 2014/15 US corn yield of 175 bu/ac. This leads to a higher US production forecast than the USDA's September estimate despite lower acreage expectation than the USDA. GS Commodities Research recently lowered their 3 and 6-month price forecasts to $3.00/bu and 12-month forecast to $3.75/bu.

Sugar prices continued to fall during the first half of September before quickly recovering by the month-end, ending just 0.01c/lb lower at 15.48c/lb. Price declines in early September were likely driven by the broad-based commodity complex sell-off towards the end of the quarter. The key factor behind the subsequent upward moves in prices were the rapid fall in cane crushing volumes as a combination of lower sugarcane yield (due to drought conditions in Brazil earlier this year) and better margins from ethanol production. GS Commodities Research maintains its 3, 6, and 12-month forecast of 17.5c/lb.

Cotton prices declined to below 62c/lb in late September, a level last seen in late 2009. The most recent move lower in prices came on the back of headlines that China will issue an import quota of just 0.9m tonnes, which is the minimum allowed under WTO commitments. Together with an end to official reserve accumulation plans to extend direct subsidies to farmers, the aim of this new policy direction is to incentivize use of domestic cotton my Chinese mills. On the supply side, despite the downward revision to US stocks in the September WASDE, global inventories for 14/15 were revised higher as Indian production was revised upwards. GS Commodities Research revised their forecasts to 0.55c/lb over 3 and 6-month and 60c/lb over a 12-month horizon.

The pause in Overnight Policy Rate ("OPR") spurred buying interest on the short-end of the curve. As a result, the local government bond market bullish steepened with short-end yields compressed more than long-end yields. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.47% (August: 3.50%), 3.67% (3.68%), 3.80% (3.81%), 3.89% (3.91%), 4.21% (4.21%), 4.31% (4.30%) and 4.71% (4.64%) respectively.

On the domestic economic front, July trade surplus narrowed lass than expected to RM3.64bil from RM3.97bil reported a month ago, on lower imports. Exports to U.S., Japan and China continue to slump while mild expansion was seen in Europe and Singapore. July Industrial Production ("IP") rose just 0.5% YoY (June: 7.0% YoY), significantly below consensus of 4.3%. The slowdown in IP was broad base, and is likely exaggerated by moving holiday effects as Ramadan fell almost entirely in Jul 2014. Lastly, BNM held OPR unchanged at 3.25% in the September Monetary Policy Committee ("MPC"), as the central bank's assessment of domestic growth is somewhat less upbeat versus in July. The MPC noted that the global economy "continues to expand at a moderate pace", similar to the July assessment, though "growth performance has been uneven" among advanced economies. On the domestic economy, while the MPC continues to expect the economy to remain on a "steady growth path", the omission of the word "firmly" suggests somewhat less conviction.

Head Office: 19th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur. **General Line: 603-2164 3036** **Fax: 603-2164 4226** **Website: www.rhbgroup.com**