

**RHB-OSK CAPITAL PROTECTED ESSENTIALS FUND**

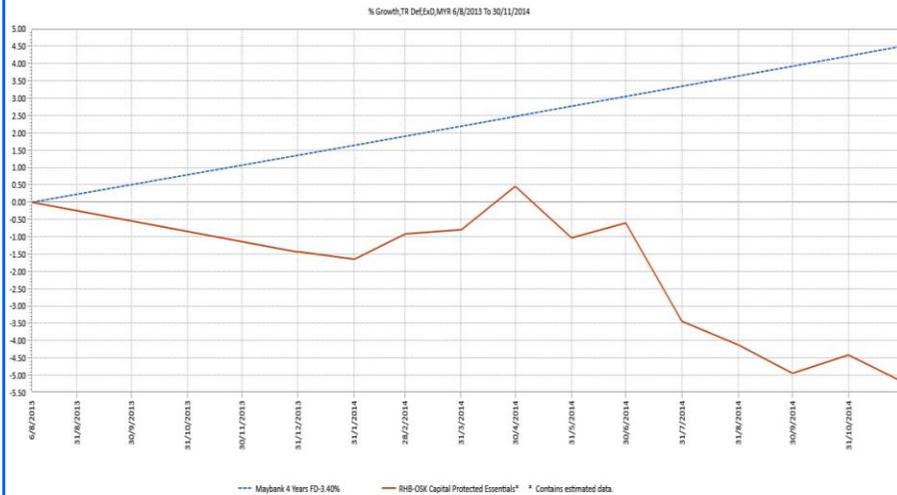
This Fund aims to provide income over the medium term whilst protecting investors' capital on its Maturity Date.

**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	-0.82	-1.12	-4.20	-3.80
Benchmark	0.28	0.84	1.69	3.11

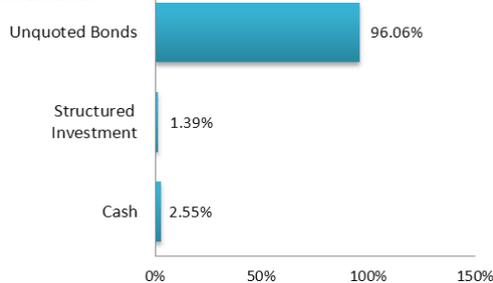
	1 Year	Since Launch
Fund	-4.08	-5.19
Benchmark	3.40	4.50

\*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	RM0.9481
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	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	17.10
RHB BANK BERHAD-CP ESSENTIALS	17.00
CIMB BANK BHD ZNID-CP ESSENTIALS	16.99
AMBANK (M) BHD ZNID-CP ESSENTIALS	16.98
UOB (M) BHD ZNID-CP ESSENTIALS	16.57

\*As percentage of NAV

**FUND STATISTICS**

Historical NAV (RM)	1 Month	12 Months	Since Launch
	High	0.9613	1.0047
Low	0.9481	0.9481	0.9481

Source: Lipper IM

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**MANAGER'S COMMENTS****REVIEW**

Brent was one of the worst performing commodities in November, down 18.3%. Driving this move was sluggish demand, increased US shale production and the markets anticipation of a lack of action from OPEC to curb their production. The OPEC meeting on Nov 27th triggered further downside due to the announcement that the cartel would not cut production and instead stick to the current quota of 30mbpd. The market was expecting a modest cut in production, and as a result crude sold off after the announcement, with Jan15 Brent down 6.65% on the announcement day.

Corn ended the month in the negative territory (Dec14 Corn -0.27%) as record crops will likely keep the market well supplied going into the new year. Corn prices were relatively more supported than beans due to demand for Corn as an ethanol source in the US.

Sugar prices continued to fall in November (Mar15 Sugar -2.81%) amid weaker BRL and concerns that with lower oil prices Brazil would reduce ethanol output from cane in favour of increased Sugar production.

Cotton prices remained weak in November, following through the weakness since summer. This is against a backdrop of ample global supplies with the lack of demand from China, the world's largest cotton consumer. China's move on ending official reserve accumulation continues to weigh on the market. On the supply side, upward revision to Indian production and global inventories put further downward pressure on prices.

**MALAYSIA BOND OUTLOOK**

OPEC's unexpected move in keeping production target unchanged in the face of falling oil price shows that there is still room for commodity prices to fall further. This will exert a downward pressure on inflation globally, in addition to the weak global growth trajectory forecasted by IMF and World Bank. However, lower global inflation should strengthen the existing policy easing bias of most central banks around the world. We also viewed positively People's Bank of China ("PBoC") swift move to cut 1-year lending rate by 0.40% and 1 year deposit rate by 0.25% in respond to worsening economic situation and rising financial risks. We expect more policy easing actions to be carried out throughout 2015. This outlook, if carry out as expected in 2015, will provide some breathing space for Emerging Market export oriented countries especially the voice of reverse fund flows is expected to get louder in the face of US eventual tightening.

Back home in Malaysia, the pause in OPR hike came in no surprise as the Governor of BNM has largely guided the market in her speech during the IMF conference last month. No doubt Malaysia's fiscal space might be strained by the continuous slump in oil prices but the introduction of GST next April and the complete removal of fuel subsidy on 1 Dec 2014 which is welcomed by rating agencies, should mitigate this. This is likely to support Malaysia's sovereign rating, which is one of the key aspects in maintaining foreign fund flows.

Notwithstanding this, with Ringgit fallen by 2.5% MoM over USD, we believe it will trigger some small scale capital outflow especially with our high foreign holdings of MGS. The next milestone to look forward is the 2015 auction calendar which will determine the overall duration appetite. The calendar is expected to be issued in December. At this juncture, we remain our tactical overweight duration strategy alongside with no hike in OPR lookout for 2015. With the primary corporate bonds issuances still fresh, we continue to overweight corporate bonds over govies and participate in primary market for better yield pick-up

**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.*