RHB OSK
RHB Asset Management

# FUND FACTSHEET – DECEMBER 2014

All data expressed as at 30 November 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:**

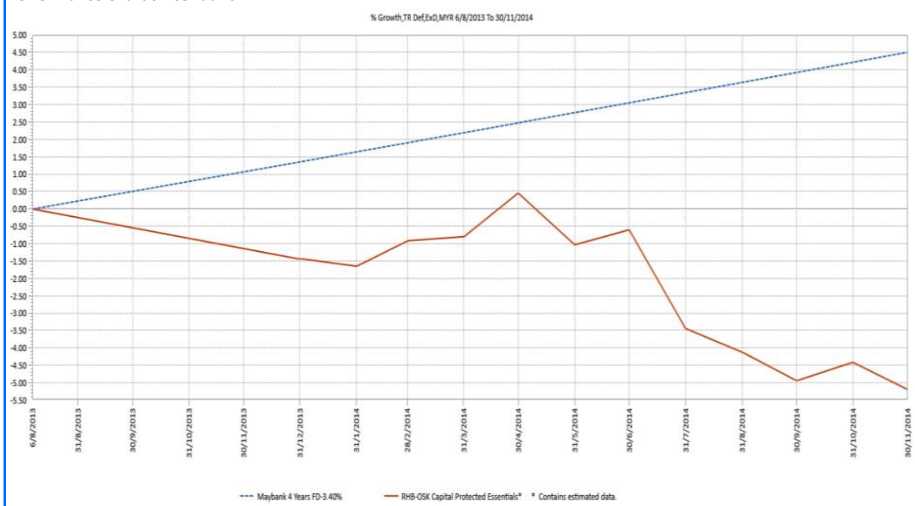
- have a low risk tolerance;
- seek capital protection;
- seek potential returns from commodities essential to our daily lives;
- have a medium term horizon; and
- seek income.

### 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** | **-0.82** | **-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*

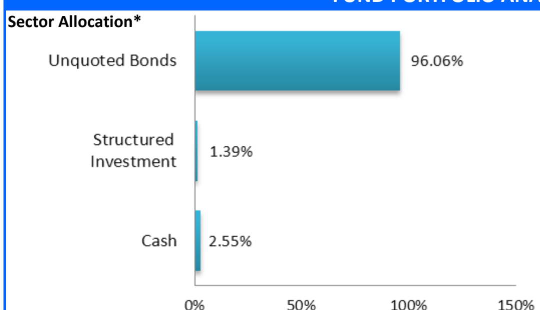
### FUND DETAILS

| | |
|---|---|
| **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** | 4-Years FD rate by Malayan Banking Bhd |
| **Sales Charge** | Up to 3.00% of investment amount |
| **Redemption Charge** | < 1 year 1.00%<br>≥ 1 year < 2 years 0.75%<br>≥ 2 years < 3 years 0.50%<br>≥ 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 | 1.0047 |
| Low | 0.9481 | 0.9481 | 0.9481 |

*Source: Lipper IM*

RHB OSK
RHB Asset Management

# FUND FACTSHEET – DECEMBER 2014

All data expressed as at 30 November 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.

## 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 govvies and participate in primary market for better yield pick-up