RHB OSK
RHB Asset Management

FUND FACTSHEET – JULY 2014

All data expressed as at 30 June 2014 unless otherwise stated

3-year Fund Volatility 2.5 Low Lipper Analytics 15 JUNE 2014

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:

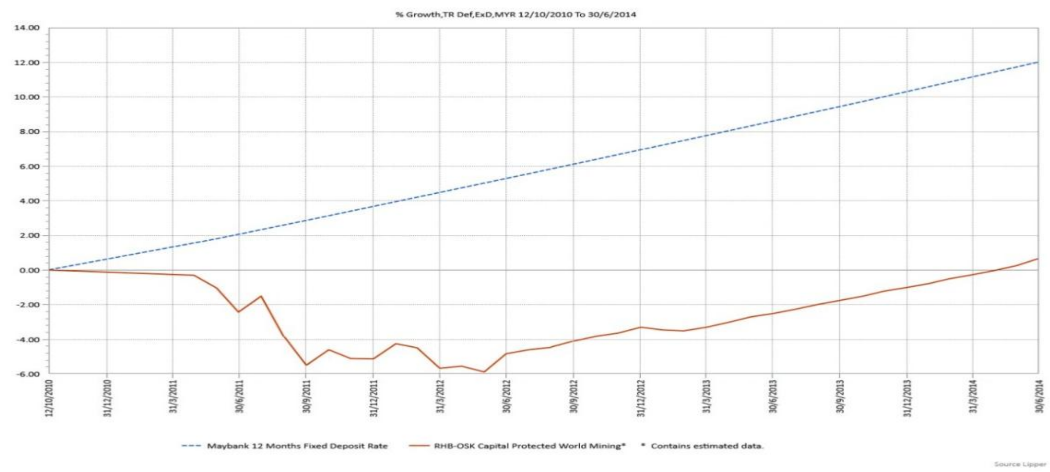
- have a low risk tolerance;
- seek capital protection;
- seek potential returns from the exposure to the hard commodities sector; and
- have a medium term horizon.

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	**0.41**	**0.94**	**1.70**	**1.70**
Benchmark	0.26	0.79	1.56	1.56

	1 Year	3 Years	Since Launch
Fund	**3.27**	**3.18**	**0.67**
Benchmark	3.15	9.75	12.02

Calendar Year Performance (%)*

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

Source: Lipper IM

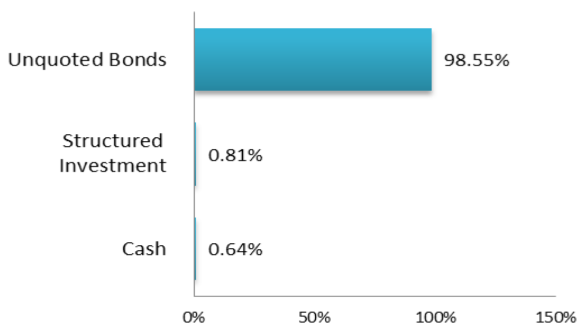
FUND DETAILS

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	RM1.0067
Fund Size (million)	RM15.66
Units In Circulation (million)	15.56
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	≤ 1 year 1.00% ≥ 1 year < 2 0.75% ≥ 2 years < 3 years 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 (%)*

AMBANK (M) BHD ZNID-CP WORLD MINING	20.21
OCBC BANK(M)BHD ZNID-CPWORLD MINING	20.21
HLEONG BANK BHD ZNID-CPWORLD MINING	19.58
UOB (M) BHD ZNID-CP WORLD MINING	19.27
CIMB BANK BHD ZNID-CP WORLD MINING	19.27

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0067	1.0067	1.0067
Low	1.0026	0.9748	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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3-year Fund Volatility 2.5 LOW Lipper Analytics 15 JUNE 2014

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MANAGER'S COMMENTS

MARKET & PORTFOLIO PERFORMANCE

The BGF World Mining Fund returned +3.7% during the month, underperforming its benchmark, the Euromoney Global Mining Index, which returned +4.8%.

June was a relatively solid month for the base metals with copper, aluminium and zinc rising +2%, +3% and +8% respectively. Nickel and tin were the only laggards, seeing declines of -1% and -3% respectively. Nickel's small decline can be attributed to a pause-for-breath in investor sentiment following its +37% price increase since the beginning of the year. It's possible we will see this tentative approach continue as uncertainty builds around the outcome of the upcoming Indonesian election (July 9th), and thus, the longevity of the current export ban.

The market continued to focus on the weakening iron ore price in June, however we saw some recovery during the final days of the month as inventories held at steel mills hit 2 year lows. This was also helped somewhat by an increase in Chinese infrastructure spend, one of the government's 'mini-stimulus' initiatives. Iron ore finished the month at $94.90/t (62% Fe), representing a +3.4% rise over the month.

In other news, the mine strike in South Africa, which began on 23rd January and involved 70,000 workers, ended during the final week of the month. Joseph Mathunjwa, President of the Association of Mineworkers and Construction Union (AMCU), said that the union had accepted a three year no-strike wage agreement through to 2016. It is thought that the legacy of the strike will be felt for many months and the industry will be watching to see if there are any issues in the ramp up to full production. Following the announcement, both palladium and platinum prices suffered from some selling.

Much of the Fund's underperformance was driven by our underweight to a number of precious metals companies. Gold performed well during the month, supported by a number factors, including safe haven buying as a result of the unrest in Iraq and weakness in the US$, which has an inverse relationship with the gold price. It was also supported by more dovish comments from the Chair of the US Federal Reserve (Fed), Janet Yellen, on the timing and trajectory of US interest rate changes. The gold price rose +6%, finishing the month at $1,317/oz.

A second detractor from performance was the Fund's holding in Iluka Resources, a mineral sands company. Iluka made an offer to acquire Kenmare Resources, an industrial minerals company, which Kenmare subsequently rejected. Iluka's share price suffered as a result. The Fund's underweight to BHP Billiton was the greatest contributor to performance during the month as investors rotated away from this more defensive company as the market rallied.

TRANSACTIONS & PORTFOLIO ACTIVITY

In June we rotated some of the Fund's iron ore exposure, adding to our position in Fortescue, while reducing holdings in both Rio Tinto and Vale. We also continued to reduce the Fund's exposure to some of the smaller cap miners.

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 1Q.

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.

FIXED INCOME REVIEW & OUTLOOK

US Treasuries ("UST") bearish flattened in June, as consumer price inflation was warmer than expected in May. However, geopolitical tension in the Middle East kept the 10-year UST firmly at 2.53%, as investors sought for safe heaven protection. At close, the 2-, 5-, 10- and 30-year UST were traded at 0.46% (May: 0.38%), 1.63% (1.54%), 2.53% (2.48%) and 3.36% (3.33%) respectively.

The local bond market bullish flattened in June with strengthening Ringgit and low market volatility prompted for yield pick-up trades. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.51% (May: 3.48%), 3.72% (3.72%), 3.91% (3.94%), 4.03% (4.03%), 4.33% (4.36%), 4.40% (4.59%) and 4.74% (4.89%) respectively. Similar to the strong performance of MGS, Government Investment Issues ("GII") also bullish flattened with 3-, 5-, 7-, 10-, 15-year and 20-year benchmark yields transacted at 3.65% (May: 3.67%), 3.88% (3.85%), 4.10% (4.12%), 4.24% (4.21%), 4.53% (4.50%) and 4.70% (4.85%) respectively.

Despite the sharp downward revision of 1Q2014 GDP to -2.9% YoY in June (from -1.0% YoY last month), most of the economic data released in June was pointing to a modest recovery. Both ISM Manufacturing Index as well as Industrial Production ("IP") came in stronger than expected in May, with the former reporting at 55.4 (Apr: 54.9, consensus: 55.5) and the latter at 0.6% MoM (Apr: -0.3% MoM, consensus: 0.5% MoM). The manufacturing sector appears to be making a comeback. Employment situation was largely unchanged with unemployment rate held steady at 6.3%.

On the domestic economic front, April trade surplus narrowed only slightly as exports outpaced imports. April exports surged 18.9% YoY (Mar: 8.3% YoY) partly on base effects, above consensus of 9.7% YoY. Imports also rose 5.0% YoY (Mar: 0.5% YoY) above consensus of -0.5% YoY. With April seasonally adjusted export levels 4% above 1Q2014 levels, the continued resilience of exports is in line with improving external demand. Also, April IP up sequentially to 4.2% YoY (Mar: 4.3% YoY), in line with market consensus. Combining the positive trade surplus with strong IP reported in April, accelerating growth momentum points to a strong start to 2Q2014 GDP. May CPI inflation edged down to 3.2% YoY (April: 3.4%). Lower YoY inflation was led by F&B, Utilities and Communication. Despite the weaker CPI level, MPC's concern is still on financial imbalances, which is likely to see the Central Bank to take interest rate action in the coming meeting.