

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:

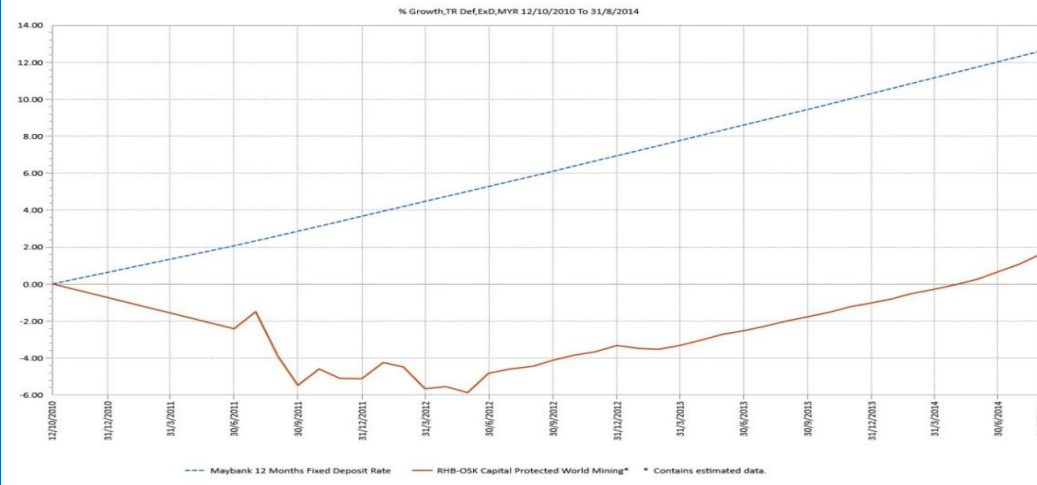
- have a low risk tolerance;
- seek capital protection;
- seek potential returns from the exposure to the hard commodities sector; and
- have a medium term horizon.

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	0.54	1.38	2.15	2.68
Benchmark	0.27	0.80	1.59	2.10

	1 Year	3 Years	Since Launch
Fund	3.70	5.71	1.64
Benchmark	3.15	9.76	12.61

Calendar Year Performance (%)*

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

*Source: Lipper IM

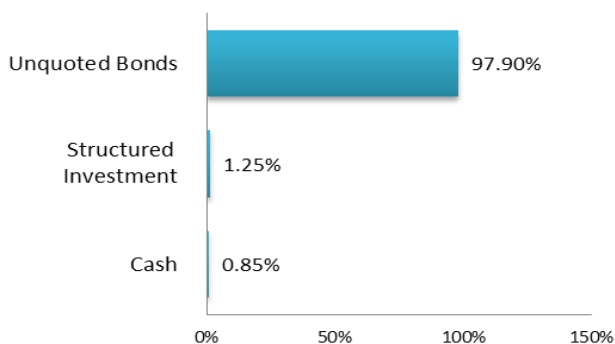
FUND DETAILS

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	RM1.0164								
Fund Size (million)	RM15.00								
Units In Circulation (million)	14.76								
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	<table border="0"> <tr> <td>≤ 1 year</td> <td>1.00%</td> </tr> <tr> <td>≥ 1 year < 2</td> <td>0.75%</td> </tr> <tr> <td>≥ 2 years < 3</td> <td>0.50%</td> </tr> <tr> <td>≥ 3 years till Maturity</td> <td>Nil</td> </tr> </table>	≤ 1 year	1.00%	≥ 1 year < 2	0.75%	≥ 2 years < 3	0.50%	≥ 3 years till Maturity	Nil
≤ 1 year	1.00%								
≥ 1 year < 2	0.75%								
≥ 2 years < 3	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	20.24
OCBC BANK(M)BHD ZNID-CPWORLD MINING	20.24
HLEONG BANK BHD ZNID-CPWORLD MINING	19.92
UOB (M) BHD ZNID-CP WORLD MINING	19.25
CIMB BANK BHD ZNID-CP WORLD MINING	18.25

*As percentage of NAV

FUND STATISTICS

Historical NAV (RM)	1 Month	12 Months	Since Launch
High	1.0164	1.0164	1.0164
Low	1.0109	0.9801	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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MANAGER'S COMMENTS**MARKET & PORTFOLIO PERFORMANCE**

The BGF World Mining Fund declined -5.1% in August, underperforming its benchmark, the Euromoney Global Mining Index, which fell -3.1%.

Following a strong July, the mining sector retreated over the month as weaker year-on-year economic data from China weighed on market sentiment. China's official purchasing managers index fell to 51.1, down from 51.7 in July. These data reports increased market speculation around the likelihood of injections of government stimulus in the near-term. Iron ore continued to see sizeable sell-offs during the month, as concerns mounted over increasing supply and weakening demand, causing its price to slide -8.1%. At current iron ore price levels, we expect to begin to see higher-cost domestic Chinese production withdraw from the market.

The Fund's iron ore exposure was a key contributor to underperformance. Off-benchmark positions in Fortescue and African Minerals and an overweight position in Kumba Iron Ore were among the largest detractors. However, this was somewhat offset by our underweight position in Vale, which was the top contributor to relative returns.

The mining sector entered its first-half reporting period during the month. Cost reductions, capital discipline and capital returns were key themes from the sector. Rio Tinto announced strong earnings results driven by record iron ore production, better-than-expected cost reductions and guided the market to lower capital expenditure in 2014. The results signalled that the company may be in a position to announce a share buyback in the next six to twelve months. Fellow diversified miner Glencore also pleased the market by delivering on its promises to focus on returning cash to shareholders, announcing a share buyback programme of approximately \$1bn.

BHP Billiton disappointed the market by not announcing the much talked about share buyback. It did announce however, that it plans to create Spinco, "an independent global metals and mining company based on a selection of its high-quality aluminium, coal, manganese, nickel and silver assets." The demerger is not expected to be completed until the first half of 2015 and is subject to final Board approval, shareholder approval and the receipt of satisfactory third party approvals. Our underweight position in BHP Billiton was among the largest contributors to relative returns over the month.

Not holding major gold producer Newmont was among the most significant detractors from relative returns. The company beat market expectations with the announcement of its H1 2014 production results, supported by strong production from the company's Australian operations. Newmont has lagged the FTSE Gold Mines Index year-to-date and we remain cautious on the stock as we believe the company may struggle in the current gold price environment.

TRANSACTIONS & PORTFOLIO ACTIVITY

We added to our copper exposure during the month and initiated a position in a South African gold producer based on its improving international assets.

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 the first half of the year.

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.

MALAYSIA BOND OUTLOOK

Investors took profit on the Malaysia bond market ahead of the next Monetary Policy Committee ("MPC") meeting on 18th September. As a result, the benchmark yields moved slightly higher compared to end-July levels. At close, the 3-, 5-, 7-, 10-, 15-, 20- and 30-year MGS were traded at 3.50% (July: 3.47%), 3.68% (3.66%), 3.81% (3.75%), 3.91% (3.89%), 4.21% (4.21%), 4.30% (4.29%) and 4.64% (4.64%) respectively.

On the domestic economic front, June trade surplus narrowed as exports slowed more than imports. The slowdown in exports was due to sequential pullback in most major markets such as US, Europe, Japan and China. Jun exports rose 7.9% YoY (May: 16.2% YoY) while imports slowed to 9.2% YoY (May: 11.8% YoY). As a result, trade surplus narrowed more sharply than expected to RM3.79bil (May: 5.65bil) and Current Account surplus narrowed to 6.1% of GDP in 2Q2014 from 7.7% in 1Q2014. The 2Q2014 GDP numbers released on 15th August saw the country's growth picked up to 6.4% YoY (1Q2014: 6.2% YoY), mainly led by widening of the net exports and pick up in private investments. CPI was contained in July as the growth was lower than expectation. CPI grew by 3.2% YoY in July (June: 3.3%), moderately lower than the Overnight Policy Rate ("OPR") that was revised to 3.25% in July. Currently, the market is split between a call to increase interest rate at 0.25% by end of this year and early-2015.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 August 2014, the Volatility Factor (VF) for this fund is 2.3 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.1 but not more than 7.9 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2014 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2014.

As this is a close-ended fund, units are no longer available for sale on the basis of the Prospectus dated 17 August 2010.

Investors are advised to read and understand the contents of the Prospectus dated 17 August 2010, 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, currency 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.