RHB OSK
RHB Asset Management

FUND FACTSHEET – SEPTEMBER 2014

All data expressed as at 31 August 2014 unless otherwise stated

3-year Fund Volatility 2.3 Low Lipper Analytics 15 AUGUST 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:

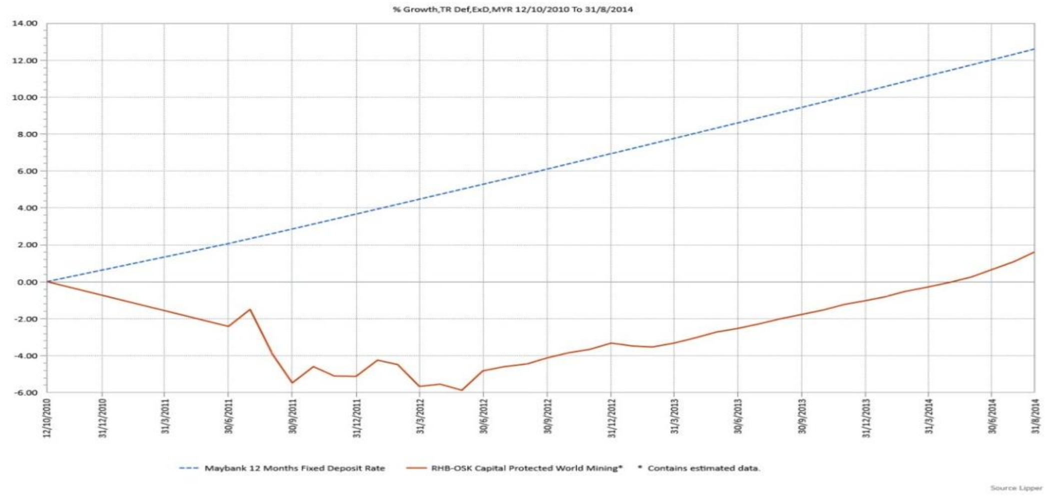
- have a low risk tolerance;
- seek capital protection;
- seek potential returns from the exposure to the hard commodities sector; and
- have a medium term horizon.

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	**0.54**	**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*

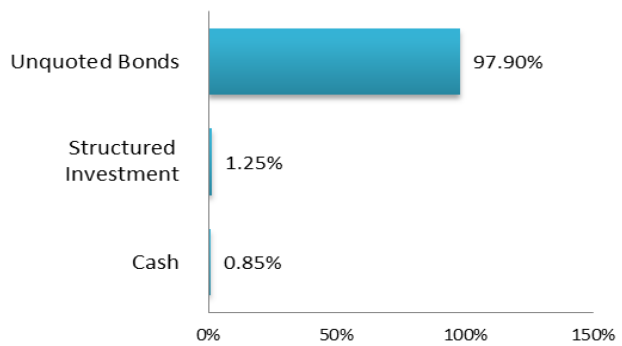
FUND DETAILS

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	≤ 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	20.24
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.)

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

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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.