FUND FACTSHEET – NOVEMBER 2014

RHB Asset Management

All data expressed as at 31 October 2014 unless otherwise stated

3-year Fund Volatility 12.6 very high Lipper Analytics 15 OCTOBER 2014

RHB-OSK ENERGY FUND

The Fund aims to achieve long term capital appreciation through an investment that is linked to the global energy sector.

INVESTMENT STRATEGY

- 90% to 100% of NAV: Investments in Malaysian bonds, money market instruments, cash and deposits with financial institutions.
- Up to 10% of NAV: As capital payment for exposure to a derivative instrument in the form of a swap agreement that will provide the Fund with exposure to the global energy sector. With this capital payment, the Fund can have a notional amount of up to 100% of its NAV exposed to the Underlying which are linked to the global energy sector.

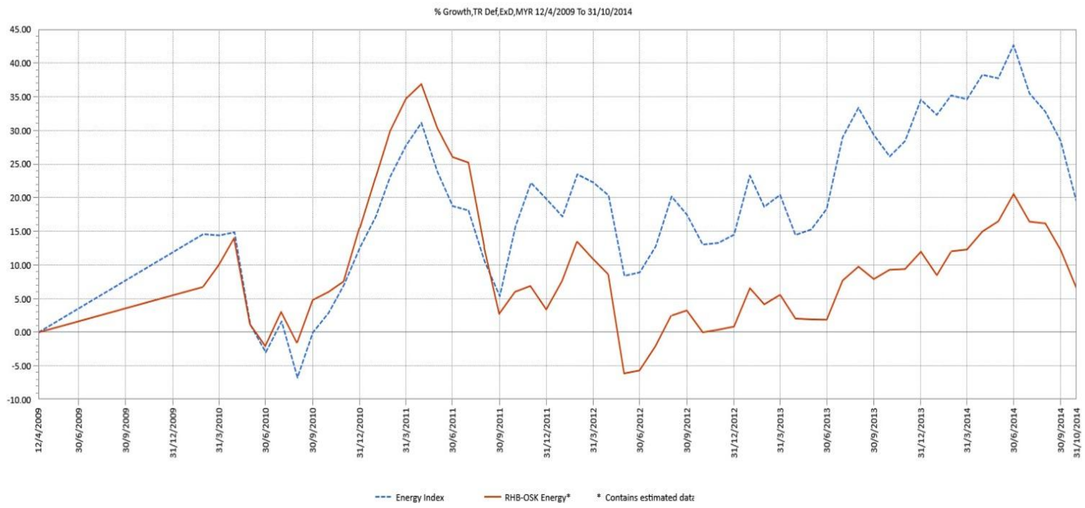
INVESTOR PROFILE

This Fund Is Suitable For Investors Who:

- seek investment opportunities in the global energy sector;
- seek capital growth;
- have a long term investment horizon; and
- have an appetite for risk to gain higher returns.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**-5.08**	**-8.54**	**-7.37**	**-4.90**
Benchmark	-7.07	-11.92	-13.69	-11.30

	1 Year	3 Years	5 Years	Since Launch
Fund	**-2.58**	**0.50**	**-3.63**	**6.49**
Benchmark	-5.37	3.04	1.51	19.35

Calendar Year Performance (%)*

	2013	2012	2011	2010
Fund	**11.02**	**-2.40**	**-10.52**	**1.56**
Benchmark	17.49	-4.35	6.75	-6.82

**Source: Lipper IM*

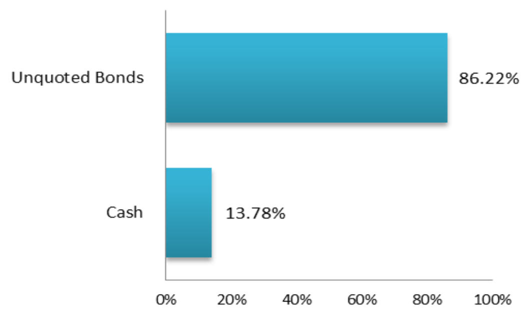
FUND DETAILS

Investment Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Fixed Income Fund
Fund Type	Growth Fund
Launch Date	23 March 2009
Unit NAV	RM0.4425
Fund Size (million)	RM44.23
Units In Circulation (million)	99.95
Financial Year End	31 March
MER (as at 31 Mar 2014)	1.58%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM100.00
Benchmark	60% S&P GSCI Energy Official Close Excess Return Index (RM) + 40% MSCI World Energy Index (RM)
Sales Charge	Up to 5.00% of investment amount
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.08% p.a. of NAV
Switching Fee	RM25.00 per switch
Redemption Period	Within 10 days after receipt the request to repurchase
Cooling-Off Period	Within 6 business days from the date of receipt of application
Distribution Policy	Incidental

**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Top Holdings (%)*

EXPORT-IMPORT BK KOREA-4.5%(1/7/15)	15.90
UOB (M) BHD-4.88% (27/3/2020)	15.89
SABAH DEVELOPMENT BK-4.45%(10/2/16)	11.31
HONG LEONG BANK BHD-4.85% (10/8/20)	7.96
TRANS THAI-MALAYSIA-4%(13/11/15)	6.81

**As percentage of NAV*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.4662	0.5054	0.6014
Low	0.4422	0.4422	0.3726

Source: Lipper IM

Historical Distributions (Last 5 Years) (Net)

	Distribution (sen)	Yield (%)
31 Mar 2014	-	-
31 Mar 2013	-	-
31 Mar 2012	-	-
31 Mar 2011	4.7357	9.43
31 Mar 2010	-	-

Source: RHB Asset Management Sdn. Bhd.

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RHB OSK
RHB Asset Management

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MANAGER'S COMMENTS

MARKET REVIEW

Brent crude oil prices started the month at $94.67/bbl and ended lower at 85.86$/bbl. Moreover, WTI started the month at $91.16/bbl before ending lower at 80.54$/bbl. Oil prices volatility remained high as they remain negatively impacted by USD strength and lower demand from EM in general and from China in particular combined with ample supply from OPEC. Therefore, WTI spread to Brent widened from 3.51USD the previous month to 5.32USD.

Brent oil prices have come off sharply in recent weeks and are now at 2010 levels. The main driver for the drop, in our view, has come from the supply side. As Libya started to ramp up oil output, Saudi Arabia failed to react. While oil prices also fell steeply in 2012 on the back of the European sovereign debt crisis, the recent drop has come as a surprise to many because there is no apparent economic crisis to link it to. True, the steep appreciation in the trade-weighted dollar has been an important factor connected to the drop in prices, but causality is harder to establish. After all, the correlation between oil and the dollar has been on a steady decline for some time now. And surely, demand has been soft on muted global economic activity, but this has been the case for some time.

The real issue, in our view, has come from the supply side. As Libyan oil output attempted to make a return starting in June, Saudi Arabia did not react. This development is unusual in the sense that Saudi ramped up production when Libya first went offline in 2011, then dialed it down to accommodate Libya's return in 2012, and then increased it again in late 2013 when the second wave of violence hit the North African country. As we mentioned in previous comments, the geopolitics of oil have changed profoundly in the last four months since the Islamic State took over Mosul and threatened to enter Baghdad. While the oil market is imbalanced and inventories are building, it is not substantially oversupplied as in recessionary periods like 2008. Crude stocks in the OECD have risen rapidly since the start of the year, from close to seasonal lows to seasonal highs, mostly because Saudi Arabia has failed to accommodate the return of Libyan oil. Total petroleum stocks (crude + products + feedstock) have also been rising strongly, albeit they are still at seasonal lows. That leaves plenty of conventional spare storage capacity in tanks around the World for inventories to continue to build over the coming months should there be a need. In fact, given our expectations of strong production growth from non-OPEC nations next year and only moderate demand growth, we see stocks rising further in the next few quarters. But we also expect some kind of Saudi supply response as prices drop below their government budget break-even level. Most crucially, even if Brent front-to-third month contract time spreads have weakened together with spot crude oil prices initially, they have recently turned and now remain well above the levels required to make storing oil on ships economical. In other words, the extent of the oversupply is moderate and does not incentivize material amounts of floating storage. It is true that getting to a balanced global oil market is not going to be an easy task given that most of the supply is coming from Non-OPEC countries, we expect Saudi Arabia to play its role of "World Central Bank of Oil" and reduce output around its budget breakeven level of USD85. Therefore, we continue to believe OPEC will react to price signals, but we see no evidence of larger cuts as of now. OPEC remains complacent in public comments, and OPEC sailings remain elevated. Saudi Arabia should curtail production seasonally, but lower prices (sub-$85/bbl on a sustained basis) may be required to spur faster action. Even then, any recovery should be muted given the inventory overhang and spare capacity.

While non-OPEC production continues to grow structurally, the role of OPEC on the oil market is rising. In fact, without OPEC, oil would perform just like any other commodity, in other words, prices would be more cyclical and need to fall to cash cost (<$50.0/bbl) to shut in production. As long as OPEC is effective, there should be sustainable floor for oil prices. However, the new range for oil prices is likely to be marginally lower than it has been the past few years, with OPEC setting the floor and capping any rally. The key challenge will be OPEC's timing. If the cartel is too reactive, as has historically been the case, extended periods of weakness could erupt before OPEC responds.

In conclusion, we think that Brent is likely to stabilize around current level (USD85/bl Brent Crude) in heading into Q4 2014 on supply cut and seasonal higher crude demand. While we can't rule out that Brent prices will revisit the $80 per barrel level by the end of 2014, we think that that at current prices risks are more on the upside than on the downside. In the US, the WTI could face additional downward pressures from potential transportation, storage, and refining bottlenecks. With US domestic production ramps up seasonally in the second half of the year and some refiners in the GOM shut down for maintenance in Q3, WTI could move back into contango, pushing prices downward. Therefore, we still see a risk of $75/bbl or lower for the Oklahoma grade at some point over the next 12-24 months on the back of potential midstream and downstream bottlenecks.