

RHB ASIAN HIGH YIELD FUND – USD

The Fund aims to provide income and long-term capital growth by investing in one target fund.

INVESTOR PROFILE

This Fund is suitable for:

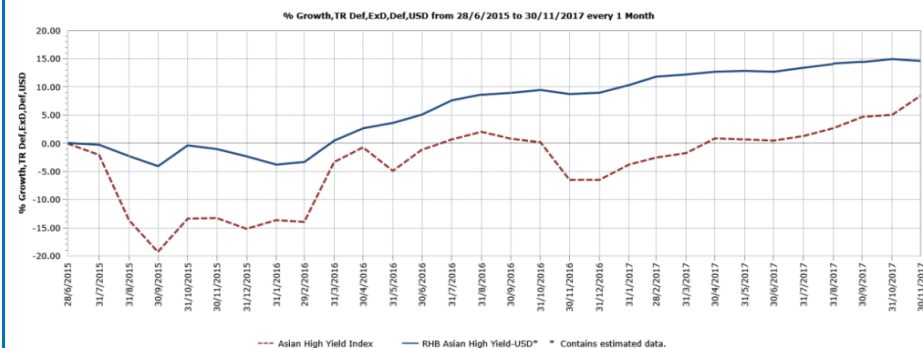
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the USD denominated class A shares of the Target Fund
- 2% to 5% of NAV: Investments in liquid assets including money market instruments and Placements of Cash.

FUND PERFORMANCE ANALYSIS

Performance Chart



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-0.30	0.44	1.52	5.13
Benchmark	3.27	5.66	7.75	15.99

	1 Year	Since Launch
Fund	5.36	14.60
Benchmark	15.97	8.48

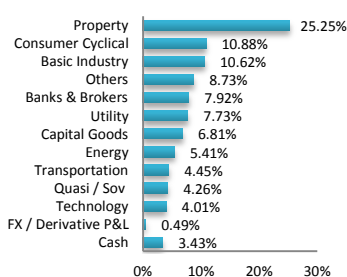
Calendar Year Performance (%)*

	2016
Fund	11.58
Benchmark	10.21

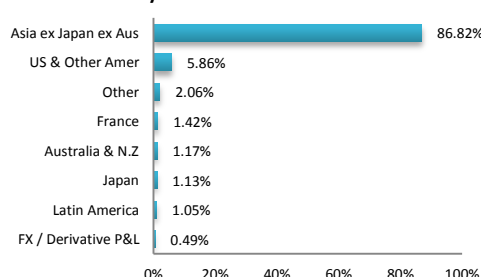
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

INDO ENERGY FINANCE II	2.71
CHINA EVERGRANDE GROUP	2.59
REPUBLIC OF THE PHILIPPINES	2.10
FORTUNE STAR BVI LTD	2.06
MOON WISE GLOBAL	1.98

*As percentage of NAV

*Source: Fidelity, 30 November 2017. Exposure in Fidelity Asian High Yield A - MDIST-USD - 96.80%

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder (Fixed Income) Fund
Fund Type	Income and Growth Fund
Launch Date	08 June 2015
Base Currency	United States Dollars (USD)
Unit NAV	USD 1.0606
Fund Size (million)	USD 4.83
Units In Circulation (million)	4.55
Financial Year End	31 May
MER (31 May 2017)	1.27%
Min. Initial Investment	USD 20,000.00
Min. Additional Investment	USD 10,000.00
Benchmark	BofA/Merrill Lynch Blended Index: ACCY, 20% Level 4 Cap 3% Constrained
Sales Charge	Up to 5.50% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	0.06% p.a. of NAV*
Switching Fee	Not applicable
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Quarterly, if any

*The implementation of GST will be effective from 1 April 2015 at the rate of 6% and the fees or charges payable is exclusive of GST.

*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 STATISTICS

Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	1.0750	1.0796	1.0796
Low	1.0606	1.0464	0.9512

Source: Lipper IM

Historical Distributions (Quarterly) (Net)

	Distribution (sen)	Yield (%)
21 Nov 2017	1.0000	0.93
22 Aug 2017	0.8000	0.75
23 May 2017	1.5000	1.40
20 Feb 2017	0.9400	0.89

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS**MARKET ENVIRONMENT**

US dollar denominated Asian high yield bonds posted negative returns during the month due to widened credit spreads and rise in the US Treasury yields. Credit spreads widened due to a strong supply of heavy new issues and weak market sentiments. However, they stabilized along with market sentiments towards the end of the month, on the back of solid economic data, to end broadly unchanged. At a country level, China announced plans to open up its financial system by removing foreign ownership limits on Chinese banks, and allowing overseas firms to take majority stakes in local securities ventures, fund managers and insurers. Authorities also stepped up the crackdown on shadow banking and other risky forms of financing to rein in financial risk. From a macro data perspective, industrial activity and housing slowed in October. This can be attributed to tightening of housing policies that started to weigh on property sales, and increased environmental and anti-pollution measures that slowed industrial production. On a positive note, China's November official Manufacturing PMI came stronger and new orders showed solid growth. Further, rating agency Moody's upgraded the India's sovereign rating to Baa2, underpinned by Moody's expectation that continued progress on economic and institutional reforms. This led to tightening of Indian credit spreads. In Indonesia, third quarter 2017 real GDP report showed a modest expansion. While the headline number was slightly below market expectations, the details suggest the growth was mainly driven by fixed investment, which is encouraging.

FUND POSITIONING

As 2017 comes to an end, the manager remains cautiously positive on the Asian high yield market. While the US Federal Reserve (Fed) has started to reduce its balance sheet and European Central Bank (ECB) has started to taper its bond purchase programme, weak inflation data suggests that interest rates are unlikely to improve anytime soon. Central banks in Asia should have room to remain neutral-to-accommodative with their monetary policies to balance domestic inflation, capital flows and growth rates. Regardless, the impact of rising rates on Asian high yield bonds is likely to be limited given their short duration (less sensitive to interest rate moves). Fundamentally, there has been strong improvement in Asian issuers, especially in more cyclical sectors. While valuations are at the tighter end, they are reflective of falling default expectations and improving credit profiles, as well as strong technical support from mostly Asia-based investors looking for yield and income opportunities. More generally, over the past few years, the Asian high yield market has continued to grow in depth and breadth, with a strong domestic investor base and growing investment opportunities. Regarding potential headwinds, geopolitical uncertainty such as tension in North Korea or surprise moves by central banks could induce some market volatility. Another development we closely monitor is supply of new issuance; onshore maturities in 2018 and tighter restriction on onshore issuance may further support offshore HY supply and weigh on the strong technical we have enjoyed. In fact, recently supply has slightly outweighed demand, allowing the fund to add at more attractive valuations. Having said that, our base case remains that supply and demand should be largely balanced in the near term.

DISCLAIMER:

A Product Highlights Sheet ("PHS") highlighting the key features and risks of the Fund is available and investors have the right to request for a PHS. Investors are advised to obtain, read and understand the PHS and the contents of the Information Memorandum dated 8 June 2015 and its supplementary(ies) (if any) ("the Information Memorandum") before investing. The Information Memorandum has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. Amongst others, investors should consider the fees and charges involved. 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. Any issue of units to which the Information Memorandum relates will only be made on receipt of a form of application referred to in the Information Memorandum. The Fund are only offered to "sophisticated investor" as defined in the Information Memorandum. For more details, please call 1-800-88-3175 for a copy of the PHS and the Information Memorandum or collect one from any of our branches or authorised distributors.

The Manager wishes to highlight the specific risks of the Fund are management risk, currency risk, country risk and pricing and valuation risk. These risks and other general risks are elaborated in the Information Memorandum.

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.

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