

RHB USD HIGH YIELD BOND FUND - RM CLASS

The Fund aims to maximise total return by investing in one target fund, i.e. the BlackRock Global Funds – US Dollar High Yield Bond Fund.

INVESTOR PROFILE

This Fund is suitable for:

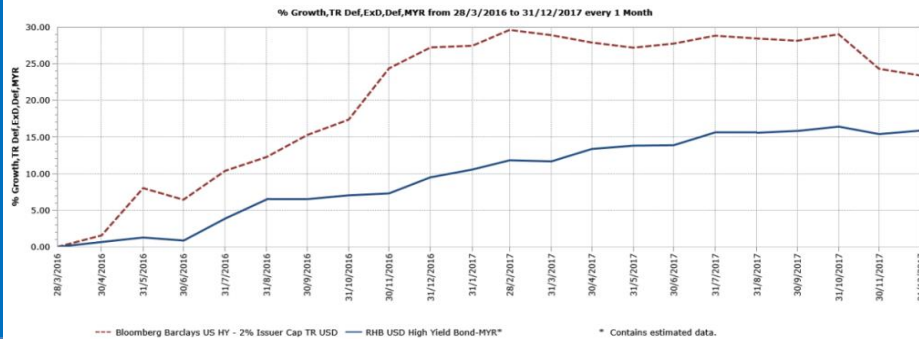
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the USD denominated class X6 shares of the Target Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and Placements of Cash.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	0.41	0.05	1.82	5.88
Benchmark	-0.74	-3.70	-3.41	-3.02

	1 Year	Since Launch
Fund	5.88	15.91
Benchmark	-3.02	23.37

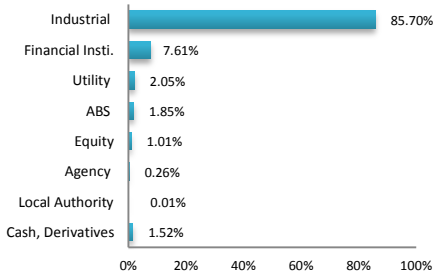
Calendar Year Performance (%)*

	2017
Fund	5.88
Benchmark	-3.02

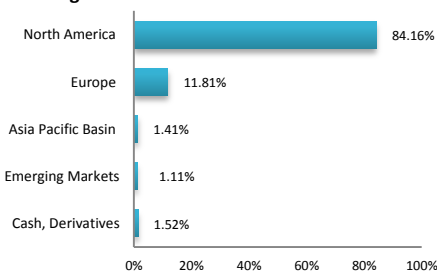
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Region Allocation*



Top Holdings (%)*

THE STARS GROUP INC 0 12/31/2049	1.40
CONSOL ENERGY INC 5.875 04/15/2022	1.14
CLEAR CHANNEL WORLDWIDE HOLDINGS I 6.5 11/15/2022	1.13
BLACKSTONE CQP HOLDCO LP 144A 6.5 03/20/2021	0.91
FIRST DATA CORPORATION 144A 5.75 01/15/2024	0.80

*As percentage of NAV

*Source: Black Rock, 31 December 2017. Exposure in BlackRock US Dollar High Yield Bond Fund - 96.93%

FUND DETAILS

Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Wholesale Feeder (Equity) Fund
Fund Type	Income and Growth Fund
Launch Date	08 March 2016
Base Currency	United States Dollars (USD)
Unit NAV	RM1.0941
Fund Size (million)	RM15.82
Units In Circulation (million)	14.46
Financial Year End	30 April
MER (as at 30 April 2017)	1.94%
Min. Initial Investment	RM1,000.00
Min. Additional Investment	RM500.00
Benchmark	Barclays US High Yield 2% Constrained Index
Sales Charge	Up to 5.50% of investment amount*
Redemption Charge	None
Annual Management Fee	1.50% p.a. of NAV*
Annual Trustee Fee	Up to 0.06% p.a. of NAV*
Switching Fee	RM 25.00 per switch*
Redemption Period	Within 10 days after receipt the request to repurchase
Distribution Policy	Annually, 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	1.1642	1.1731	1.1731
Low	1.0943	1.0943	0.9919

Source: Lipper IM

Historical Distributions (Last 4 Quarters) (Net)

	Distribution (sen)	Yield (%)
20 Dec 2017	6.5000	5.64

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MANAGER'S COMMENTS

PORTFOLIO ACTIVITY

From a risk perspective, The Target Fund was roughly in line with its benchmark at quarter-end, with a beta of ~1.0. Similarly, The Target Fund held its underweights to BB-rated credits and overweight to select CCCs, not making any major shifts over the quarter. Importantly, The Target Fund maintained underweights to the market's tails – both the higher-yielding 7% plus segment of the market that contains a larger concentration of stressed assets, as well as the lower yielding portion of the market. From a sector standpoint, The Target Fund reduced its exposure to healthcare and gaming, while increasing its chemicals positioning. In terms of energy positioning, The Target Fund prefers the independent energy sector and remains underweight to oil field services. Similarly, The Target Fund remained underweight the retailers and automotive sectors, as fundamental weaknesses associated with these issuers continue. The Target Fund maintained positions in liquid products (a combination of total return swaps and HY index CDX), broadly adding to these positions over the quarter.

The Target Fund's core issuer/credit biases remained centred on cash-flow views, determination of a specific catalyst and/or idiosyncratic characteristics. Target fund managers have generally underweighted businesses with more cyclical income profiles and/or issuers with obsolete operating models facing secular decline. From a credit standpoint, target fund managers remain underweight BB-rated credits, and overweight single-B and select CCC issuers; The Target Fund's largest overweight is in the 5–7 year portion of the credit curve. Our conviction for The Target Fund's CCC-rated credits is based on at least one of the following: a potential for near-term upgrade to single B; a near-term catalyst for price appreciation; and/or, it is short duration paper with substantial yield. In terms of commodity-related sectors (energy and metals & mining), The Target Fund's focus remains on quality. Similarly, The Target Fund is overweight technology as target fund managers see opportunities in several business with stable, recurring cash flows. As noted, retailers and automotive are underweights. Top overweight issuers include: iHeart Media (media & entertainment), Stars Group (gaming), and Altice (cable & satellite). At period-end, The Target Fund had an average credit rating of B1/B+ and a yield-to-worst of 5.4% for the high yield bonds.

MARKET OUTLOOK AND POSITIONING

The Target Fund Manager sees synchronised global growth continuing into the New Year and the FOMC continuing its path of rate hikes. These macro tailwinds suggest this prolonged credit cycle still has legs. While high yield market conditions will likely remain broadly favourable into 2018, The Target Fund Manager believes dispersion will remain high; this should present alpha opportunities for The Target Fund as strong credit selection will be important. Limited near-term maturities and healthy fundamentals should keep defaults muted into 2018. New tax legislation, while mixed for high yield issuers, should not materially increase defaults. Overall, The Target Fund Manager expects high yield to post a positive return with modest spread tightening in 2018.

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 March 2016 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, liquidity risk, country risk and currency risk (of RM class only) and the specific risks of the target fund are fixed income transferable securities, distressed securities, delayed delivery transactions, sovereign debt, bond downgrade, derivatives risk and currency 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.

RHB Asset Management Sdn Bhd (174588-x)

Head Office: Level 8, Tower 2 & 3, RHB Centre, 50400 Kuala Lumpur

General Line: 603-9205 8000

www.rhbgroup.com



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