

### 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:

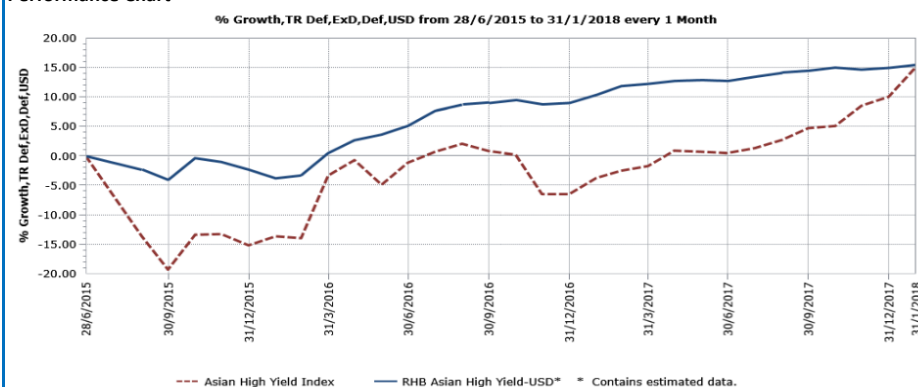
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

#### 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	0.44	0.40	1.72	0.44
Benchmark	4.57	9.49	13.55	4.57

	1 Year	Since Launch
Fund	4.54	15.39
Benchmark	19.48	15.02

##### Calendar Year Performance (%)\*

	2017	2016
Fund	5.40	11.58
Benchmark	17.61	10.21

Source: Lipper IM

#### FUND DETAILS

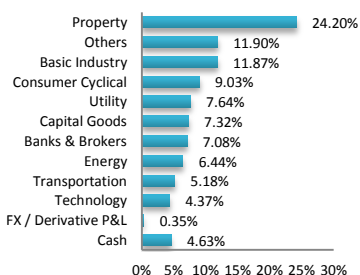
<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Feeder (Fixed Income) Fund
<b>Fund Type</b>	Income and Growth Fund
<b>Launch Date</b>	08 June 2015
<b>Base Currency</b>	United States Dollars (USD)
<b>Unit NAV</b>	USD 1.0680
<b>Fund Size (million)</b>	USD 4.21
<b>Units In Circulation (million)</b>	3.94
<b>Financial Year End</b>	31 May
<b>MER (31 May 2017)</b>	1.27%
<b>Min. Initial Investment</b>	USD 20,000.00
<b>Min. Additional Investment</b>	USD 10,000.00
<b>Benchmark</b>	BofA/Merrill Lynch Blended Index: ACCY, 20% Level 4 Cap 3% Constrained
<b>Sales Charge</b>	Up to 5.50% of investment amount*
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	1.50% p.a. of NAV*
<b>Annual Trustee Fee</b>	0.06% p.a. of NAV*
<b>Switching Fee</b>	Not applicable
<b>Redemption Period</b>	Within 10 days after receipt the request to repurchase
<b>Distribution Policy</b>	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.

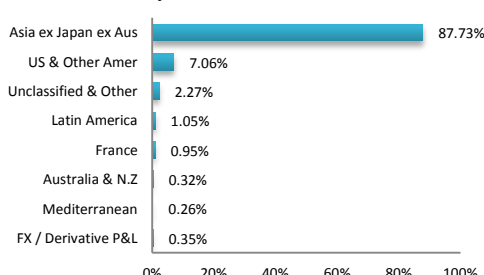
\*For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

SHIMAO PROPERTY HLDGS	2.47
FORTUNE STAR BVI LTD	2.23
INDO ENERGY FINANCE II	2.23
ABJA INVEST 5.45% 01/24/28 RGS	2.18
REPUBLIC OF PHILIPPINES	2.02

\*As percentage of NAV

\*Source: Fidelity, 31 January 2018. Exposure in Fidelity Asian High Yield A - MDIST-USD - 92.74%

#### FUND STATISTICS

##### Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	1.0701	1.0796	1.0796
Low	1.0633	1.0603	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 positive returns during the month due to tight credit spreads and coupon income. The US Federal Reserve's (Fed) signal of an interest rate hike in March, balance sheet normalisation plans and reports of reduced demand for bonds from China led to a rise in US Treasury yields. However, this was largely offset by tightening of spreads, owing to strong risk sentiment among investors. The region witnessed heavy new issues, but they were well absorbed by the market. At a country level, China announced that it is likely to ease restrictions for foreign companies in its financial, manufacturing and services sectors in 2018, while stepping up efforts to protect intellectual property and expand imports. In economic news, fourth quarter GDP rose at a better-than-expected pace, driven by a recovery in exports. This marked China's first annual acceleration in growth in seven years. In India, the government unveiled public sector bank recapitalisation norms, whereby it will inject the first tranche of recapitalisation funds in this fiscal year. In addition, the annual economic survey predicted that economic growth in India is likely to strengthen in the next fiscal year. In Indonesia, foreign reserves rose to a record high of \$130 billion, boosted by sovereign bond issuance and increasing revenue from taxes and exports.

**TARGET FUND POSITIONING**

The Target Manager remains positive on the macroeconomic environment in Asia. The Fed has started to normalise its balance sheet, and the market has priced in the probability of an interest rate hike in March. The Target Manager is not as convinced as consensus on an accelerated US rate hike cycle for the rest of 2018, but it should not impact Asian high yield bonds meaningfully as they have a shorter duration.

At a country level, in China, the regulatory scrutiny on certain issuers that have excessively participated in offshore mergers and acquisitions and invited state-owned enterprise debt to equity swaps can be viewed as an effort to selectively deleverage the market. Ongoing developments, such as the Hong Kong-China Bond Connect and MSCI A-shares inclusion to open up Chinese capital markets, and remove counter cyclical factors from currency should have positive long-term implications for China and its capital market. In India, the economy is expected to be supported by further fiscal stimulus in the form of infrastructure spending and bank recapitalisations until the 2019 elections. In Indonesia, consumption is expected to further improve due to higher wages and government subsidies directed towards lower income households.

Regarding potential headwinds, geopolitical uncertainty such as tension in North Korea or surprise moves by central banks could induce some market volatility. Another development that the Target Manager is closely monitoring is the supply of new issuance. Onshore maturities in 2018 and tighter restriction on onshore issuance may further support offshore high yield supply and weigh on the strong technicals that the Target Fund has enjoyed.

**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 is 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.

RHB Asset Management Sdn Bhd (174588-x)

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

General Line: 603-9205 8000

[www.rhbgroup.com](http://www.rhbgroup.com)

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