FUND FACTSHEET – MARCH 2018

All data expressed as at 28 February 2018
unless otherwise stated

RHB ASIAN HIGH YIELD FUND – RM

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

INVESTOR PROFILE

This Fund is suitable for:

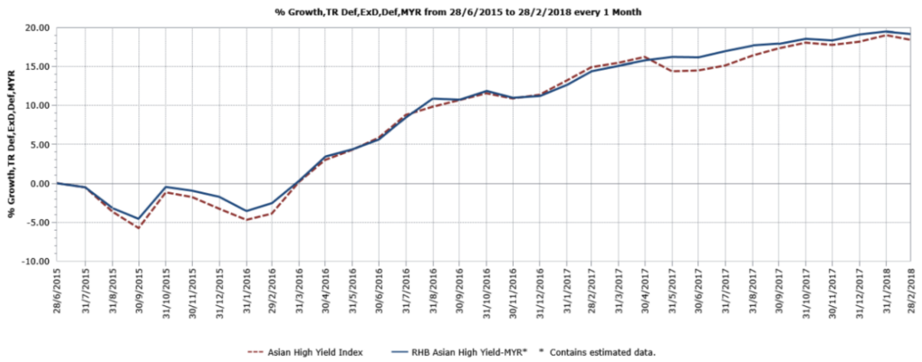
- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

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	**-0.25**	**0.72**	**1.30**	**0.09**
Benchmark	-0.51	0.54	1.73	0.20

	1 Year	Since Launch
Fund	**4.16**	**19.18**
Benchmark	3.05	18.39

Calendar Year Performance (%)*

	2017	2016
Fund	**7.04**	**13.22**
Benchmark	6.10	15.15

Source: Lipper IM

FUND DETAILS

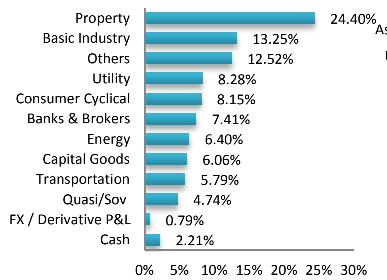
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder (Fixed Income) Fund
Fund Type	Income and Growth Fund
Launch Date	08 June 2015
Base Currency	Malaysian Ringgit (RM)
Unit NAV	RM1.0544
Fund Size (million)	RM68.17
Units In Circulation (million)	64.66
Financial Year End	31 May
MER (31 May 2017)	1.20%
Min. Initial Investment	RM20,000.00
Min. Additional Investment	RM10,000.00
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	RM25.00 per switch*
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.*

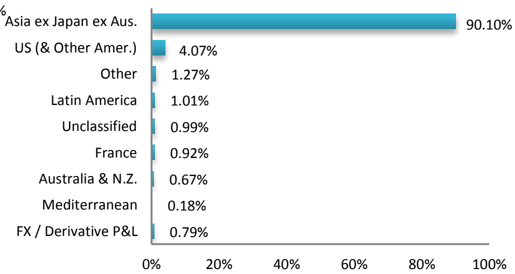
**For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.*

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

INDO ENERGY FINANCE II	2.52
REPUBLIC OF PHILIPPINES	2.41
FORTUNE STAR BVI LTD	2.23
SHIMAO PROPERTY HLDGS	2.16
ABJA INVESTMENT CO	2.15

*As percentage of NAV

**Source: Fidelity, 28 February 2018. Exposure in Fidelity Asian High Yield A - MDIST-USD - 90.07%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0791	1.1129	1.1129
Low	1.0503	1.0503	0.9519

Source: Lipper IM

Historical Distributions (Quarterly) (Net)

	Distribution (sen)	Yield (%)
21 Feb 2018	2.2000	2.05
21 Nov 2017	3.0000	2.74
22 Aug 2017	2.3500	2.17
25 Nov 2016	0.5000	0.47

Source: RHB Asset Management Sdn. Bhd.

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RHB ASIAN HIGH YIELD FUND – RM

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MANAGER'S COMMENTS

MARKET ENVIRONMENT

US dollar denominated Asian high yield bonds posted negative returns during the month as credit spreads widened and the US Treasury yields rose. US Treasury yields were led by better-than-expected US payroll numbers and wage inflation. The credit spreads widened owing to volatility across markets due to expectations of faster than expected rate hikes by the US Federal Reserve (Fed). However, risk sentiment eventually stabilised with Treasury yields falling in the latter half of the month on the back of Trump's talk on imposing tariff on steel and aluminium. At a country level, China's ruling Communist Party set the stage for President Xi Jinping to stay in office indefinitely, with a proposal to remove a constitutional clause limiting presidential service to just two terms in office. On the macro front, a weaker-than-expected official manufacturing data raised concern about China's economic health. Meanwhile, in India, there was uncertainty over the operation of state-run banks. Following a $2 billion fraud at Punjab National Bank, the regulator set a 15-day deadline for banks to improve oversight of their operational and technological risks. On a positive note, India's GDP for the October–December quarter surpassed estimates, due to strength in the services sector and a rebound in agriculture and manufacturing. Indonesia's trade deficit widened unexpectedly and was the highest in almost four years in January. Its fourth quarter GDP rose at a higher-than-anticipated pace, due to a pickup in exports. On the monetary policy front, Asian central banks kept interest rate unchanged, while inflation data remained subdued.

TARGET FUND POSITIONING

The Target Fund Manager remains cautiously positive on the Asian high yield market. Central banks in Asia should have room to remain neutral-to-accommodative with their monetary policies in order to balance domestic inflation, capital flows and growth rates. Recent US rate movements were reaction to stronger than expected wage growth, which suggests that we are marching further into expansionary phase of the market cycle. Evidently, the impact of rising rates on Asian high yield bonds is limited given their short duration (less sensitive to interest rate moves) as demonstrated by its resilience amid Treasury yield volatility in early February. 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. Regarding potential headwinds, the Target Fund Manager is closely monitoring supply of new issuance; onshore China maturities in 2018. A tighter restriction on onshore issuance may further support offshore high yield supply and weigh on the strong technical. But so far during the year, supply and demand have been largely balanced. In the US, faster than expected monetary tightening could hurt risk sentiment and lead to some volatility in spreads globally. Like in previous years, China's constant juggle between growth, reforms and leverage will be on their radar. Default rate was exceptionally low last year and may slightly pick up going forward. But their base case remains that it should remain at 2-3% given the improving earnings and stronger balance sheets the Target Fund Manager has witnessed in the past two years.