

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:

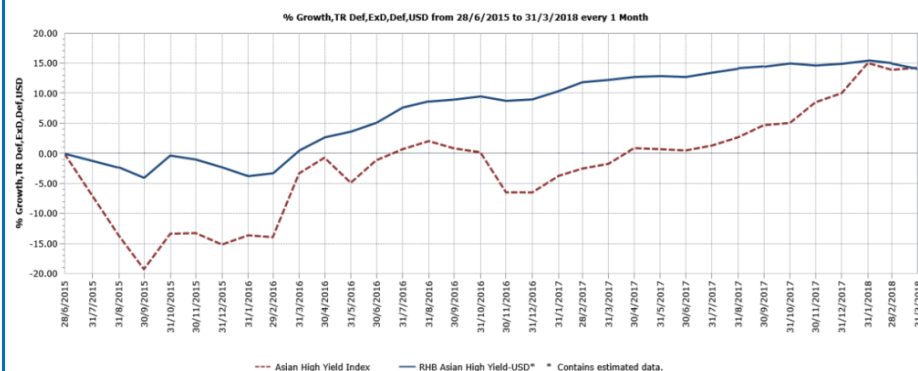
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

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 | -0.78 | -0.73 | -0.30 | -0.73 |
| Benchmark | 0.30 | 3.84 | 9.12 | 3.84 |

| | 1 Year | Since Launch |
|-----------|--------|--------------|
| Fund | 1.61 | 14.05 |
| Benchmark | 16.21 | 14.22 |

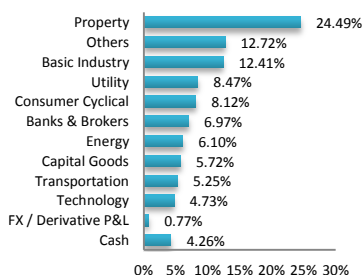
Calendar Year Performance (%)*

| | 2017 | 2016 |
|-----------|-------|-------|
| Fund | 5.40 | 11.58 |
| Benchmark | 17.61 | 10.21 |

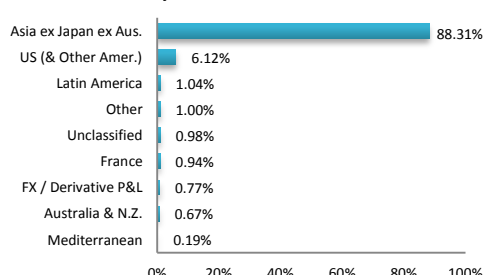
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

| | |
|-------------------------------|------|
| INDO ENERGY FINANCE II | 2.53 |
| REPUBLIC OF PHILIPPINES | 2.45 |
| BAOXIN AUTO 6.875% 4/2/19 RGS | 2.27 |
| SHIMAO PROPERTY HLDGS | 2.19 |
| FORTUNE STAR BVI LTD | 2.17 |

*As percentage of NAV

*Source: Fidelity, 31 March 2018. Exposure in Fidelity Asian High Yield A - MDIST-USD - 96.67%

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 1.0336 |
| Fund Size (million) | USD 3.84 |
| Units In Circulation (million) | 3.71 |
| 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 | 1.0418 | 1.0796 | 1.0796 |
| Low | 1.0321 | 1.0321 | 0.9512 |

Source: Lipper IM

Historical Distributions (Quarterly) (Net)

| | Distribution (sen) | Yield (%) |
|-------------|--------------------|-----------|
| 21 Feb 2018 | 2.2000 | 2.07 |
| 21 Nov 2017 | 1.0000 | 0.93 |
| 22 Aug 2017 | 0.8000 | 0.75 |
| 23 May 2017 | 1.5000 | 1.40 |

Source: RHB Asset Management Sdn. Bhd.

RHB ASIAN HIGH YIELD FUND – USD

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

MANAGER'S COMMENTS**MARKET ENVIRONMENT**

US dollar denominated Asian high yield bonds posted negative returns over the quarter. The US Treasury yield curve edged higher on the back of strong economic data releases in February and interest rate hikes by the US Federal Reserve (Fed) in March. Risk assets sold off in response, as investors worried that the Fed may tighten its monetary policy at a faster than expected rate. In the later part of the quarter, risk sentiment further weakened amid concerns over a trade war after the US announced tariffs on Chinese imports, causing index spreads to widen to more than 400 bps for the first time in six months. From a macroeconomic data perspective, the manufacturing Purchasing Managers' Index (PMI) for Asian economies pointed towards further expansion. At the country level, China's GDP growth accelerated at 6.9% in FY 2017, which was slightly above market expectations. This marked China's first annual acceleration in growth in seven years, mainly led by fixed asset investments and a recovery in exports. Further, 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. India's GDP for the fourth quarter of 2017 surpassed estimates, due to strength in the services sector and a rebound in agriculture and manufacturing. Meanwhile, following the detection of a \$2 billion fraud at Punjab National Bank, there was uncertainty over the operation of state-run banks in India. At the monetary policy level, Asian central banks kept interest rates on hold, while inflation data remained subdued.

TARGET FUND POSITIONING

Looking at the second quarter of 2018, the Target Fund Manager remains cautiously positive on the Asian high yield market. Risk sentiment has weakened compared to the start of the year, but the strong global growth backdrop remains intact. The US recently raised interest rates given stronger than expected wage growth, which suggests that the Target Fund Manager is further into an expansionary phase of the market cycle. Evidently, the impact of rising rates on Asian high yield bonds is limited given their short duration position. Regarding potential headwinds, fears of a global trade war is likely to lead to continued volatility. The Target Fund Manager's base case remains that the US and China will eventually resolve their differences. Nonetheless, the recent volatility has made valuations more attractive for investors with a medium-term horizon. Another development that the Target Fund Manager is closely monitoring is the supply of new issuance.

Focus on high quality issuers

The Target Fund is slightly overweight in terms of credit beta (a measure of the Target Fund's sensitivity to credit spreads), with a bias towards higher quality and strong conviction issuers. In addition to its cash holding, the Target Fund has 10–15% market weight in short dated (<1year)/near-term callable bonds to ensure robust liquidity profile and maintain high natural income. This also keeps overall volatility relatively low for the period ahead. The Target Fund Manager increased the duration position recently and now has a neutral position in US dollar duration, along with small tactical positions in other local rates.

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.

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

RHB Asset Management Sdn Bhd (174588-X)

