

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:

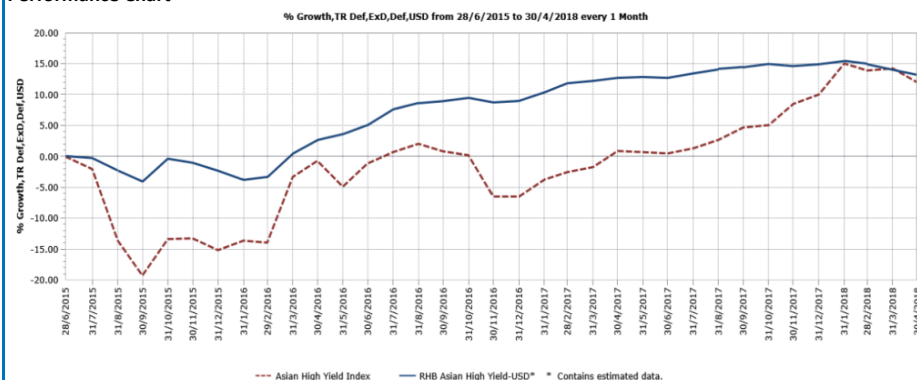
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

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 | -0.73 | -1.88 | -1.49 | -1.45 |
| Benchmark | -1.98 | -2.67 | 6.57 | 1.78 |

| | 1 Year | Since Launch |
|-----------|--------|--------------|
| Fund | 0.44 | 13.22 |
| Benchmark | 10.99 | 11.95 |

Calendar Year Performance (%)*

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

Source: Lipper IM

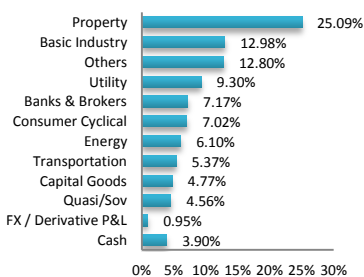
FUND DETAILS

| | |
|---------------------------------------|------------------------------------------------------------------------|
| 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 | United States Dollars (USD) |
| Unit NAV | USD 1.0262 |
| Fund Size (million) | USD 3.78 |
| Units In Circulation (million) | 3.69 |
| 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 |

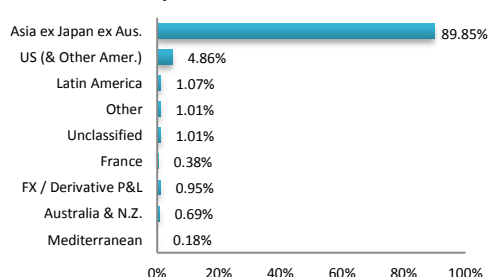
**The implementation of GST will be effective from 1 April 2015 at the rate of 6% and the fees or charges payable is exclusive of GST.
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

| | |
|--------------------------|------|
| INDO ENERGY FINANCE II | 2.56 |
| REPUBLIC OF PHILIPPINES | 2.48 |
| BAOXIN AUTO FINANCE I LT | 2.31 |
| FORTUNE STAR BVI LTD | 2.23 |
| ABJA INVESTMENT CO | 2.14 |

*As percentage of NAV

*Source: Fidelity, 30 April 2018. Exposure in Fidelity Asian High Yield A - MDIST-USD - 97.47%

FUND STATISTICS

Historical NAV (USD)

| | 1 Month | 12 Months | Since Launch |
|------|---------|-----------|--------------|
| High | 1.0389 | 1.0796 | 1.0796 |
| Low | 1.0253 | 1.0253 | 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.

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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 US Treasury yields rose. Yields rose above the 3% level during the month, before stabilising at around 2.95% on the back of solid economic data and easing concerns over a trade war with China. Risk sentiment also remained weak due to higher yields, strong supply and other technical pressures. Fundamentally, there have been signs of improvement, with the net rating change of Asian high yield issuers turning positive in the first quarter of 2018 for the first time in five years. Looking at individual countries, China's first quarter GDP rose at a faster-than-anticipated pace, due to strong consumer demand, healthy exports and robust property investment. The Peoples' Bank of China (PBoC) announced a targeted reduction in the reserve requirement ratio (RRR) by 1% in April to address onshore liquidity pressure. The move was seen as a precautionary step to address growth risks. In Korea, North Korean leader Kim Jong Un crossed the border to South Korea for the first time since the Korean war. The inter-Korea summit led to expectations of an improvement in relations between the two countries. In Indonesia, global credit rating agency Moodys' Investors Services upgraded its sovereign credit rating to Baa2, citing effective monetary and fiscal policies.

TARGET FUND POSITIONING

Looking at the second quarter of 2018, the Target Fund manager remains cautiously positive on the Asian high yield market. Although risk sentiment has weakened compared to the start of the year, the synchronised global growth backdrop remains intact. Over the year to date period, there were indications of higher US inflation and interest rates, which led to fund outflows in Asian US dollar denominated bonds. However, the latest data points shows signs of a deceleration, suggesting that the current trend of emerging market/Asian fund flows could reverse. Fundamentally, there has been a strong improvement in Asian issuers in general, especially in the more cyclical sectors, as most fourth quarter 2017 results were solid. Additionally, valuations are much more attractive compared to where they were in 2017. Regarding potential headwinds, fears over a global trade war are likely to lead to continued volatility. The Target Fund Manager's base case remains that the US and China will eventually resolve their differences. Another development that the manager is closely monitoring is the supply of new issuance. The Target Fund is slightly overweight in terms of credit beta, with a bias towards 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 a robust liquidity profile and maintain high natural income. This also helps to keep overall volatility relatively low going forward.

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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