

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:

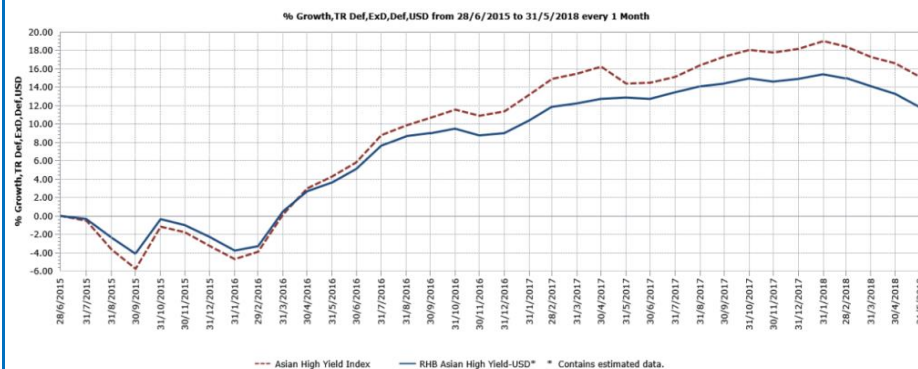
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

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	-1.30	-2.78	-2.48	-2.73
Benchmark	-1.28	-2.79	-2.26	-2.59

	1 Year	Since Launch
Fund	-1.00	11.75
Benchmark	0.63	15.09

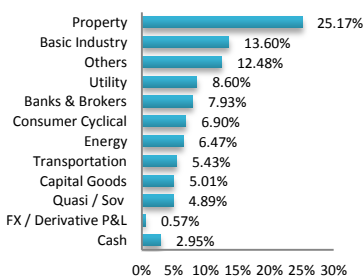
Calendar Year Performance (%)*

	2017	2016
Fund	5.40	11.58
Benchmark	17.61	10.21

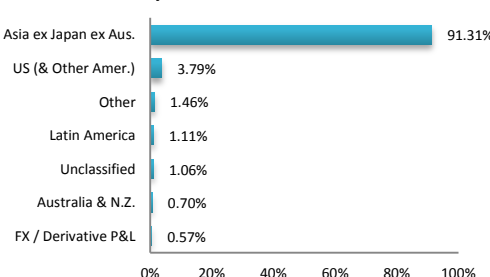
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

INDIKA ENERGY CAP II PTE	2.51
REPUBLIC OF PHILIPPINES	2.41
BAOXIN AUTO FINANCE I LT	2.39
FORTUNE STAR BVI LTD	2.21
ABJA INVESTMENT CO	2.14

*As percentage of NAV

*Source: Fidelity, 31 May 2018. Exposure in Fidelity Asian High Yield A - MDIST-USD - 97.06%

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 0.9930
Fund Size (million)	USD 3.69
Units In Circulation (million)	3.72
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	1.0262	1.0750	1.0796
Low	0.9930	0.9930	0.9512

Source: Lipper IM

Historical Distributions (Quarterly) (Net)

	Distribution (sen)	Yield (%)
24 May 2018	2.0000	1.94
21 Feb 2018	2.2000	2.07
21 Nov 2017	1.0000	0.93
22 Aug 2017	0.8000	0.75

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 due to widened credit spreads. Risk sentiment turned weaker in the later part of the month, mainly due to continued trade frictions between the US and China. A rise in the debt default rate intensified market concerns, especially in the real estate sector. At a country level, China reported broadly healthy economic data. While retail sales and fixed asset investment fell below estimates, bank lending, exports and imports surpassed expectations in April. Manufacturing activity exceeded estimates in May. The Chinese regulator announced that it requires small banks with assets of less than 200 billion renminbi (US\$ 31 billion) to meet additional liquidity requirements. This move should help to reduce risk and leverage. In India, GDP in the January–March quarter surpassed expectations due to robust construction activity, strong consumer spending and corporate investment. Elsewhere, Bank of Indonesia raised its key interest rates twice in May and signalled further monetary tightening to support the weak rupiah amid the recent sell-off in the currency. In Malaysia, the election victory of Mahathir Mohamad created uncertainties over potential policy changes, but spreads subsequently recovered.

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 to 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 results in the past two quarters 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, although the process may take longer than expected. Political uncertainties in Italy could negatively impact global sentiment, but should have minimal direct impact on Asia's macro and credit fundamentals. With onshore funding cost now at lower levels, and relatively strong US data, the Target Fund Manager believes the remaining year will have a more balanced technical dynamic. The Target Fund is slightly overweight in terms of its 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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