FUND FACTSHEET – AUGUST 2018

All data expressed as at 31 July 2018 unless otherwise stated

RHB ASIAN HIGH YIELD FUND – AUD

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

INVESTOR PROFILE

This Fund is suitable for Investors who:

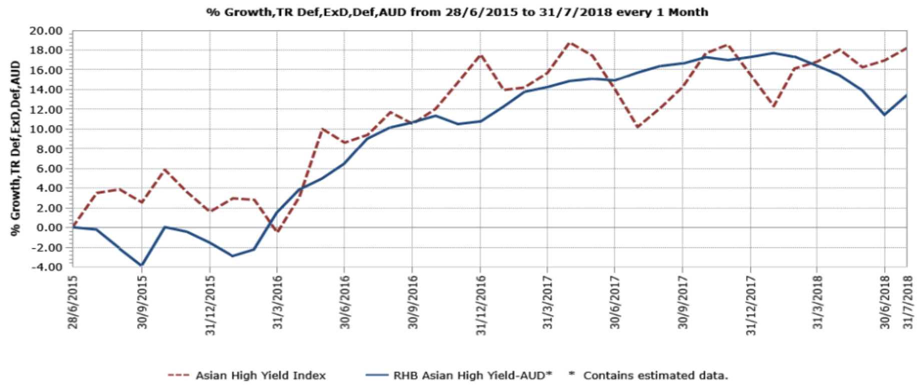
- are 'sophisticated investors' as defined in the Information Memorandum.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the AUD denominated class A (hedged) 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	**1.83**	**-1.70**	**-3.60**	**-3.27**
Benchmark	1.10	0.16	5.28	2.41

	1 Year	3 Years	Since Launch
Fund	**-1.91**	**13.77**	**13.50**
Benchmark	7.30	14.24	18.24

Calendar Year Performance (%)*

	2017	2016
Fund	**5.96**	**12.52**
Benchmark	8.88	10.74

Source: Lipper IM

FUND DETAILS

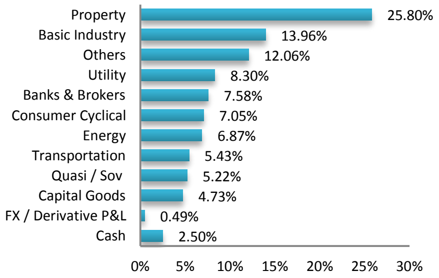
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder (Fixed Income) Fund
Fund Type	Income and Growth Fund
Launch Date	08 June 2015
Base Currency	Australian Dollars (AUD)
Unit NAV	AUD 0.9557
Fund Size (million)	AUD 6.57
Units In Circulation (million)	6.88
Financial Year End	31 May
MER (31 May 2018)	1.25%
Min. Initial Investment	AUD 20,000.00
Min. Additional Investment	AUD 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

**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*

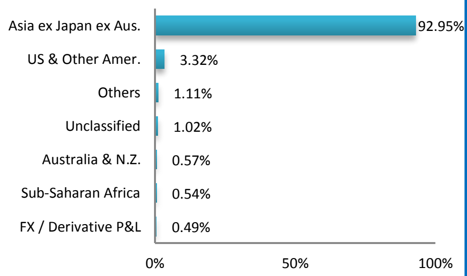
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

INDO ENERGY FINANCE II	2.57
REPUBLIC OF PHILIPPINES	2.46
ABJA INVESTMENT CO	2.34
BAOXIN AUTO FINANCE I LT	2.31
PUMA INTERNATIONAL FINAN	2.12

*As percentage of NAV

**Source: Fidelity, 31 July 2018. Exposure in Fidelity Asian High Yield Fund A - HMDIST(G)-AUD - 95.14%*

FUND STATISTICS

Historical NAV (AUD)

	1 Month	12 Months	Since Launch
High	0.9562	1.0606	1.0765
Low	0.9226	0.9226	0.9226

Source: Lipper IM

Historical Distributions (Quarterly) (Net)

	Distribution (sen)	Yield (%)
24 May 2018	2.0000	2.00
21 Feb 2018	2.5000	2.42
21 Nov 2017	2.2000	2.09
22 Aug 2017	1.8000	1.70

Source: RHB Asset Management Sdn. Bhd.

RHB ASIAN HIGH YIELD FUND – AUD

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 positive returns in July, primarily due to tightening credit spreads. Asian credit spreads widened at the start of the month, as concerns around tighter liquidity in the onshore Chinese financial system raised fears around the possibility of increased defaults owing to heavy refinancing needs. Sentiment was further impacted by the unexpected weakness of the renminbi. In addition, expectations that the US Federal Reserve (Fed) would retain its monetary policy normalisation kept investors jittery. However, towards the second half of July, Asian markets witnessed a sharp and rapid turnaround and credit spreads tightened due to several new considerations. Most importantly, investors responded favourably to various monetary policy measures taken by Chinese authorities to ease financial conditions. Technical factors, such as low new supply during the last weeks of July, also supported the market. On the macroeconomic front, China's second quarter GDP growth slowed compared to the previous quarter, due to the impact of a crackdown on debt risks and a sharp fall in factory output growth in June. Exports, retail sales and new bank lending surpassed expectations, while imports and total social financing fell below estimates in June. In India, the central bank raised interest rates for the second time in two months in August to control inflation. Meanwhile, Indonesia's trade balance returned to a higher-than-anticipated surplus in June after a two-month deficit, due to slower growth in imports.

TARGET FUND POSITIONING

Looking at the second half of 2018, the Target Fund Manager remains cautiously positive on the Asian high yield market. Sentiment has improved since mid-July amid the policy response by Chinese authorities, which aims to strike a finer balance between deleveraging and maintaining growth. Over the year to date period, there were indications of higher US inflation and interest rates, which led to outflows in Asian US dollar denominated bonds. However, given the endogenous nature of global markets, with Asia accounting for 60% of the world's GDP growth, the US Fed is unlikely to ignore its policy impact on the region. Hence, the current unfavourable fund flows could moderate or even reverse. Fundamentally, there has been a strong improvement in Asian issuers, especially in the more cyclical sectors, as most results in the past two quarters were solid. 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. Supply from China should be more contained given the recent foreign exchange volatility and current funding cost differential (onshore cheaper than offshore). The year-to-date default rate has been within the Target Fund Manager's estimates and the Target Fund Manager expects it to remain low, at 2–3%, given improving earnings and stronger balance sheets. 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.