RHB Asset Management

FUND FACTSHEET – OCTOBER 2018

All data expressed as at 30 September 2018 unless otherwise stated

3-year Fund Volatility 4.7 Low Lipper Analytics 15 SEP 2018

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.

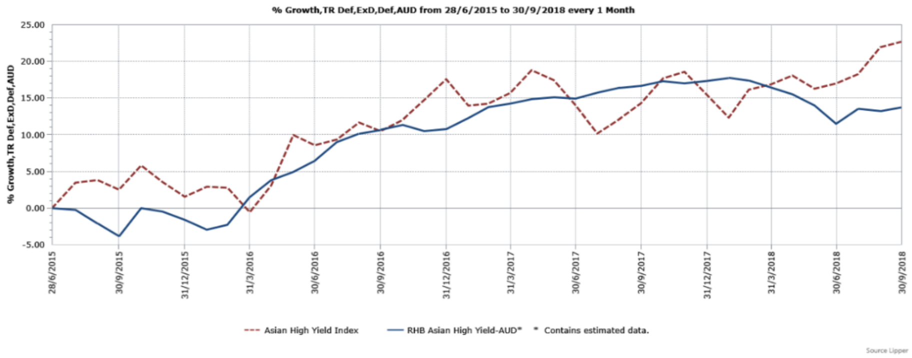
INVESTMENT STRATEGY

• 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	**0.46**	**2.02**	**-2.31**	**-3.09**
Benchmark	0.62	4.88	4.98	6.24

	1 Year	3 Years	Since Launch
Fund	**-2.53**	**18.27**	**13.71**
Benchmark	7.35	19.61	22.66

Calendar Year Performance (%)*

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

Source: Lipper IM

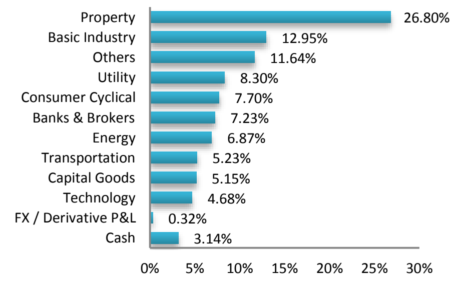
FUND DETAILS

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 0.9384
Fund Size (million)	AUD 6.70
Units In Circulation (million)	7.14
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

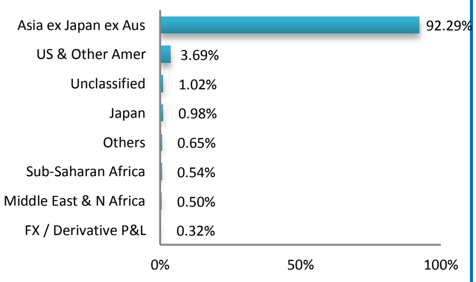
**All fees and charges payable to Manager and the Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time.*
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

BAOXIN AUTO FINANCE I LT	2.41
ABJA INVESTMENT CO	2.31
INDIKA ENERGY CAP II PTE	2.29
VEDANTA RESOURCES PLC	2.05
PUMA INTERNATIONAL FINAN	2.02

*As percentage of NAV

**Source: Fidelity, 30 September 2018. Exposure in Fidelity Asian High Yield Fund A - HMDIST(G)-AUD - 96.23%*

FUND STATISTICS

Historical NAV (AUD)

	1 Month	12 Months	Since Launch
High	0.9384	1.0564	1.0765
Low	0.9263	0.9226	0.9226

Source: Lipper IM

Historical Distributions (Quarterly) (Net)

	Distribution (sen)	Yield (%)
28 Aug 2018	1.9000	2.01
24 May 2018	2.0000	2.00
21 Feb 2018	2.5000	2.42
21 Nov 2017	2.2000	2.09

Source: RHB Asset Management Sdn. Bhd.

RHB ASIAN HIGH YIELD FUND – AUD

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MANAGER'S COMMENTS

MARKET ENVIRONMENT

US dollar denominated Asian high yield bonds posted positive returns over the quarter, driven by tighter credit spreads and higher coupon income. Asian credit spreads widened at the start of July, as concerns around tight liquidity in the onshore Chinese financial system raised fears around the possibility of increased defaults. Sentiment was further impacted by the unexpected weakness of the renminbi. 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 implemented by Chinese authorities to ease financial conditions.

Technical factors, such as low new supply during the last weeks of July, also supported the market. Returns in August was largely flat, as negative headlines in emerging markets offset looser monetary conditions in onshore China as well as solid first half results from Chinese property issuers. 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. The Indian government raised import tariffs on certain goods to support the Indian rupee, and announced measures to ease borrowing norms for the manufacturing sector. It reiterated its commitment to fiscal discipline by sticking to its fiscal deficit target of 3.3% of GDP. The Indonesian central bank raised interest rates for the fifth time since May to protect the rupiah from a sell-off in emerging markets.

TARGET FUND POSITIONING

Looking at the second half of 2018, the manager remains cautiously positive on the Asian high yield market. Sentiment has improved since mid-July, in light of 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. A strong US dollar also put pressure on certain emerging market countries such as Turkey and Argentina. However, Asia is generally in a better position compared to the rest of the emerging market, given strong foreign exchange reserves and proactive policies to counter the strong US dollar. Relative valuations on Asian high yield bonds compared to developed market bonds are also much more attractive than they were at the start of the year. Fundamentals of Asian issuers have remained stable on the back of robust first half results. Valuations, even after the rebound in July, are still attractive compared to developed markets.

Focus on high quality issuers

The manager will continue to actively and passively add risk while managing overall liquidity. In addition to its cash position, the Target Fund has 10–15% market weight in short dated (<1year)/near-term callable bonds to ensure a robust liquidity profile and high natural income, which also keeps overall volatility lower for the period ahead. In terms of duration (a measure of its sensitivity to changes in interest rates), the Target Fund now has a neutral duration position compared to the index.