

RHB EMERGING MARKETS BOND FUND

The Fund aims to provide investors with income and potential capital appreciation by investing in one target fund, i.e. the United Emerging Markets Bond Fund.

INVESTOR PROFILE

This Fund is suitable for investors who:

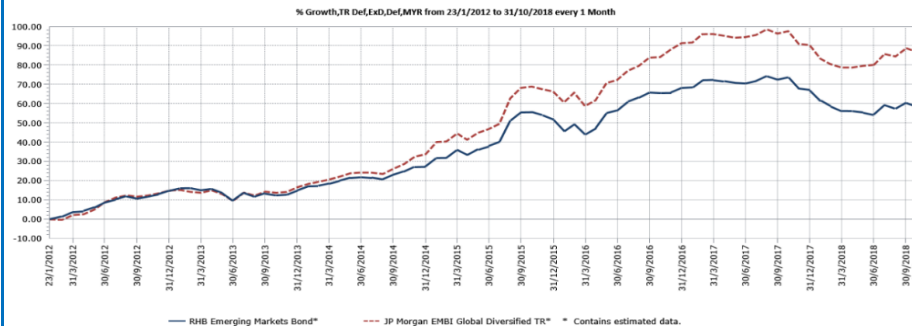
- seek income and potential capital appreciation over the longer term;
- have medium to high risk appetite; and
- seek returns in emerging markets debt investments and products.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the units of United Emerging Markets Bond Fund.
- 2% - 5% of NAV: Investments in liquid assets including money market instruments and deposits with financial institutions.

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	-1.20	-0.44	1.62	-5.06
Benchmark	-1.07	0.47	4.49	-1.91

	1 Year	3 Years	5 Years	Since Launch
Fund	-8.71	1.94	40.97	58.56
Benchmark	-5.49	10.60	64.07	86.73

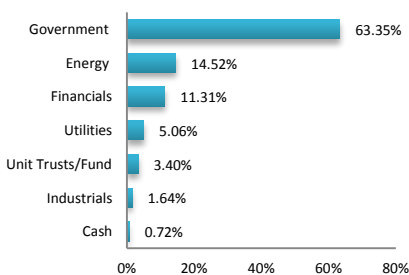
Calendar Year Performance (%)*

	2017	2016	2015	2014	2013
Fund	-0.60	10.71	19.20	10.68	0.31
Benchmark	-0.53	15.09	24.25	14.68	1.84

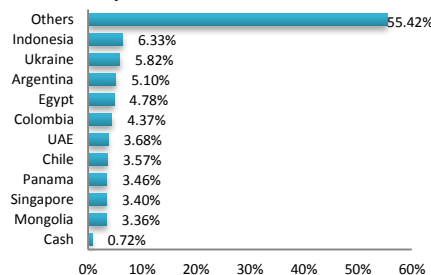
Source: Lipper IM

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

UNITED EMERGING MARKETS LOCAL CURRENCY BOND FUND - CLASS SGD ACC	3.40
ICD FUNDING LTD COMPANY GUAR REGS 05/24 4.625	3.37
UKRAINE GOVERNMENT SR UNSECURED REGS 09/20 7.75	3.02
PERTAMINA PERSERO PT SR UNSECURED REGS 05/43 5.625	2.78
OJSC RUSS AGRIC BK(RSHB) SUBORDINATED REGS 10/23 8.5	2.61

*As percentage of NAV

*Source: UOBAM, 31 October 2018. Exposure in United Emerging Markets Bond Fund - 96.18%

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	0.5510	0.6388	0.6681
Low	0.5444	0.5296	0.4959

Source: Lipper IM

Historical Distributions (Last 4 Quarters) (Net)

	Distribution (sen)	Yield (%)
28 Aug 2018	0.8500	1.56
24 May 2018	1.0000	1.80
21 Feb 2018	1.0000	1.68
21 Nov 2017	1.0000	1.61

Source: RHB Asset Management Sdn. Bhd.



RHB EMERGING MARKETS BOND FUND

The Fund aims to provide investors with income and potential capital appreciation by investing in one target fund, i.e. the United Emerging Markets Bond Fund.

MANAGER'S COMMENTS

MARKET REVIEW

Weaker emerging market (EM) sentiment was driven by concerns about the lack of progress with US-China trade negotiations. Investors now look to the G20 summit at November end to gauge progress of negotiations. The extra yield investors demand to own EM sovereign bonds over US Treasuries climbed 31 bps to 366 bps.

US Treasury yields jumped after a strong jobs report, which pointed to a robust labour market. 10-Year US Treasury yields edged 18 basis points higher, closing at 3.14%. Market jitters of the past months are a reminder that volatility is set to increase as liquidity is withdrawn. However, renewed signs of above-potential growth and low inflation in developed markets have eased concerns about the impact of rates normalization on EM. The backdrop of gradual normalisation has bought EM policymakers precious time – particularly the more vulnerable ones.

STRATEGY

Re-escalation in trade jitters of late combined with pressure points from specific countries are likely to keep risk appetite at bay despite firm underlying sovereign fundamentals. The Target Fund Manager believes strong EM fundamentals will re-assert themselves with modest spread tightening once they get confirmation of firmer data and subsided rates and FX volatility. The Target Fund Manager maintains a preference for defensive investment grade gulf cooperation council and Latin America countries with lesser political risk and selected Asian countries. In the near-term the Target Fund Manager remains respectful of technical factors that may eclipse a stable EM backdrop.

Low interest rates in developed markets – negative in the case of Europe and Japan would be expected to offer support for EM fixed income. However, markets have only recently started to price in a series of risks emanating either directly or indirectly from the US – such as protectionism, stronger dollar and potentially higher inflation.

The Target Fund Manager remains mindful of the impact a strong dollar could have on EM. The Target Fund Manager believes that once the initial adjustment to potentially higher short-term core yields and a stronger USD is complete, a more structural view on market beta will be supported by continued strong bid for EM. Overall, the Target Fund Manager continues to like EM bonds, primarily for their carry and for the asset class' favorable risk-adjusted returns over the long-term.

DISCLAIMER:

Based on the fund's portfolio returns as at 15 October 2018, the Volatility Factor (VF) for this fund is 7.0 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 6.6 but not more than 8.7 (source: Lipper). The VF means there is a possibility for the fund in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified funds. VF is subject to monthly revision and VC will be revised every six months. The fund's portfolio may have changed since this date and there is no guarantee that the fund will continue to have the same VF or VC in the future. Presently, only funds launched in the market for at least 36 months will display the VF and its VC. The VC referred to was dated 30 June 2018 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2018.

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 Master Prospectus dated 6 October 2017 and its supplementary(ies) (if any) ("the Master Prospectus") before investing. The Master Prospectus 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 Master Prospectus relates will only be made on receipt of a form of application referred to in the Master Prospectus. For more details, please call 1-800-88-3175 for a copy of the PHS and the Master Prospectus 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 and country risk and specific risks of the Target Fund are market risk, debt securities risk, emerging markets risk, political and economic risks, repatriation of capital, dividends, interest and other income risks, regulatory risk, nature of investments and market risks, lack of market economy, derivatives risk, synthetic product risk, illiquidity of investments, broker risk, settlement risk, custody risk, counterparty risk, possible business failures, accounting practice, quality of information, legal risk, taxation, foreign exchange and currency risks, banking systems, risk of mismanagement by debt issuers, actions of institutional investors, risk of use of rating agencies and other third parties, exceptional market conditions risk, exceptional market conditions risk, liquidity risk of investments, investment management risk. These risks and other general risks are elaborated in the Master Prospectus.

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)

