

### 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:

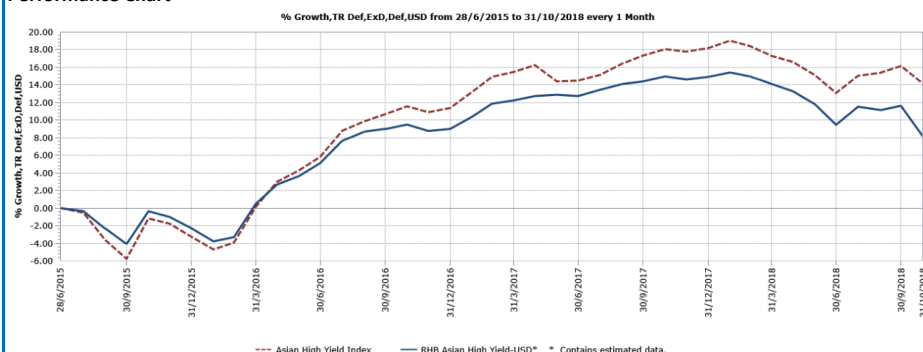
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

#### 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	-3.11	-2.98	-4.48	-5.86
Benchmark	-1.72	-0.77	-2.11	-3.41

	1 Year	3 Years	Since Launch
Fund	-5.90	8.56	8.15
Benchmark	-3.31	15.51	14.13

##### Calendar Year Performance (%)\*

	2017	2016
Fund	5.40	11.58
Benchmark	17.61	10.21

Source: Lipper IM

#### FUND DETAILS

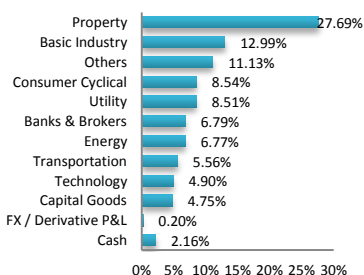
<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Feeder (Fixed Income) Fund
<b>Fund Type</b>	Income and Growth Fund
<b>Launch Date</b>	08 June 2015
<b>Base Currency</b>	United States Dollars (USD)
<b>Unit NAV</b>	USD 0.9435
<b>Fund Size (million)</b>	USD 2.55
<b>Units In Circulation (million)</b>	2.70
<b>Financial Year End</b>	31 May
<b>MER (31 May 2018)</b>	1.28%
<b>Min. Initial Investment</b>	USD 20,000.00
<b>Min. Additional Investment</b>	USD 10,000.00
<b>Benchmark</b>	BofA/Merrill Lynch Blended Index: ACCY, 20% Level 4 Cap 3% Constrained
<b>Sales Charge</b>	Up to 5.50% of investment amount*
<b>Redemption Charge</b>	None
<b>Annual Management Fee</b>	1.50% p.a. of NAV*
<b>Annual Trustee Fee</b>	0.06% p.a. of NAV*
<b>Switching Fee</b>	Not applicable
<b>Redemption Period</b>	Within 10 days after receipt the request to repurchase
<b>Distribution Policy</b>	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.

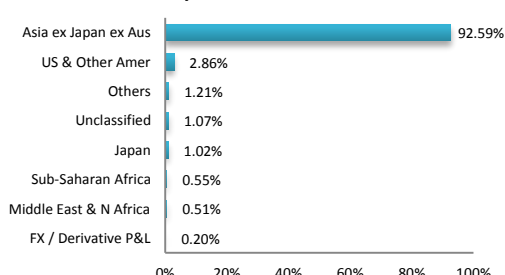
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



##### Top Holdings (%)\*

ABJA INVESTMENT CO	2.32
INDIKA ENERGY CAP II PTE	2.09
VEDANTA RESOURCES PLC	2.08
PUMA INTERNATIONAL FINAN	2.05
BAOXIN AUTO FINANCE I LT	2.02

\*As percentage of NAV

\*Source: Fidelity, 31 October 2018. Exposure in Fidelity Asian High Yield A - MDIST-USD - 95.91%

#### FUND STATISTICS

##### Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	0.9741	1.0750	1.0796
Low	0.9435	0.9435	0.9435

Source: Lipper IM

##### Historical Distributions (Quarterly) (Net)

	Distribution (sen)	Yield (%)
28 Aug 2018	1.8000	1.84
24 May 2018	2.0000	1.94
21 Feb 2018	2.2000	2.07
21 Nov 2017	1.0000	0.93

Source: RHB Asset Management Sdn. Bhd.

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**MANAGER'S COMMENTS**

**MARKET ENVIRONMENT**

US dollar denominated Asian high yield bonds recorded negative returns in October due to widening credit spreads. Risk sentiment deteriorated sharply since mid-month as trade tensions between the US and China escalated, and credit conditions in China remained tight. The sell-off in US equities, which spilled-over to Asian markets, also weighed on Asian credits. Technicals were also challenging given the heavy new issue pipeline. Investors remained concerned about an escalation of global trade war concerns, China's continued slowdown and worries over further interest rate increases in the US. The broader market was also under pressure in October and sentiment remained weak. Financial stress indicators are at year-to-date highs, while data releases came in below expectations.

Moreover, the International Monetary Fund (IMF) downgraded the global outlook for the first time since July 2016. From a regional perspective, the Bank of Japan maintained its 0% ten-year Japanese government bond target while lowering its Consumer Price Index (CPI) forecasts following the downward revision in July. The Chinese government signalled accommodative measures and announced a 1% cut to its reserve requirement ratio reserve. Indonesia remained under pressure in light of weak global conditions and widening current account deficit. The rupiah continued to depreciate to a record five-year low even though the central bank raised interest rates five times since May. Inflation in the Philippines rose at the fastest pace in almost a decade. Markets generally expect the central bank to increase rates in November.

**TARGET FUND POSITIONING**

Looking at the rest of 2018 and beyond, the Target Fund Manager remains cautiously positive on the Asian high yield market. While sentiment deteriorated in October amid fears of an escalation in trade conflicts, prospects of a resolution are likely to stabilise risk sentiment going into November. US interest rate movements reflected expectations for higher inflation and growth, while a strong US dollar pressured certain emerging markets such as Turkey and Argentina. Nevertheless, Asia is generally in a better position compared to the rest of the emerging markets given their higher foreign exchange reserves and proactive policies to counter the strong US dollar. The relative valuation of Asian high yield bonds over developed markets is also much more attractive than it was at the start of the year. Fundamentals of Asian issuers have remained stable and valuations, especially after the recent sell off, are very attractive compared to developed markets.

Looking at the major Asian economies, the Target Fund Manager remains positive on the macroeconomic environment in the region. Regarding potential headwinds, headlines around US-China trade will likely continue to be the topic that moves global sentiment. The Target Fund Manager's base case remains that the US and China will eventually resolve their differences, although it could take longer than expected. In terms of positioning, the Target Fund is still overweight credit beta, with a bias towards strong conviction, short-dated, pull-to par type instruments. The Target Fund Manager will continue to actively and passively add risk while managing overall liquidity. In addition to its cash holdings, 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, which also keeps overall volatility lower for the period ahead. In terms of duration, the Target Fund now has a neutral position compared to the reference index.

**DISCLAIMER:**

Based on the fund's portfolio returns as at 15 October 2018, the Volatility Factor (VF) for this fund is 4.5 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.9 but not more than 6.6 (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 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.