FUND FACTSHEET – DECEMBER 2019

All data expressed as at 30 November 2019
unless otherwise stated

RHB ASIA HIGH INCOME BOND FUND - GBP HEDGED CLASS

The Fund aims to provide capital appreciation over the medium to long-term^ by investing in one (1) target fund.

Note: ^"medium to long-term" in this context refers to a period of between 3 – 7 years.

INVESTMENT STRATEGY

- At least 95% of NAV: Investments in the USD denominated class AM2 units of the Target Fund;
- The balance of the NAV: Investments in liquid assets including money market instruments, deposits that are not embedded with or linked to financial derivative instruments (Deposits) and collective investment schemes investing in money market instruments and Deposits.

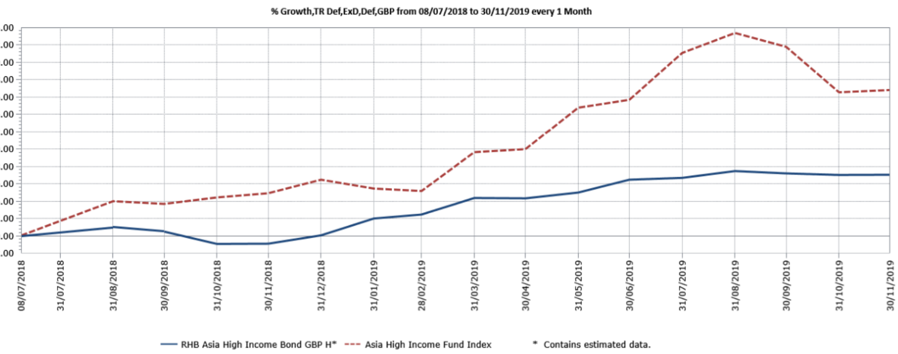
INVESTOR PROFILE

This Fund is suitable for:

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

FUND PERFORMANCE ANALYSIS

Performance Chart Since Launch*



Cumulative Performance (%)*

	1 Month	3 Months	6 Months	YTD
Fund	**0.02**	**-0.40**	**1.95**	**6.97**
Benchmark	0.22	-5.32	1.78	9.74

	1 Year	Since Launch
Fund	**8.00**	**7.04**
Benchmark	11.37	16.79

Source: Lipper IM

FUND DETAILS

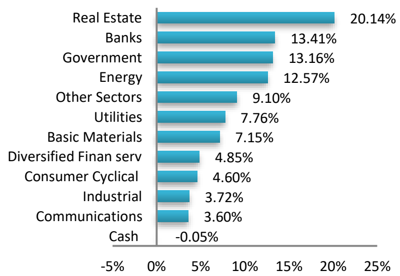
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (M) Trustee Berhad
Fund Category	Feeder Fund
Fund Type	Growth Fund
Launch Date	18 June 2018
Base Currency	USD
Unit NAV	GBP 1.0544
Fund Size (million)	GBP 8.41
Units In Circulation (million)	7.98
Financial Year End	30 April
MER (as at 30 April 2019)	0.16%
Min. Initial Investment	GBP 1,000.00
Min. Additional Investment	GBP 500.00
Benchmark	65% J.P. Morgan Asia Credit Diversified Investment Grade Index + 35% J.P. Morgan Asia Credit Diversified Non-Investment Grade Index
Sales Charge	Up to 3.00% of investment amount*
Redemption Charge	None
Annual Management Fee	Up to 1.20% p.a. of NAV*
Annual Trustee Fee	0.06% p.a. of NAV*
Switching Fee	GBP10.00 per switch*
Distribution Policy	Incidental, 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.*

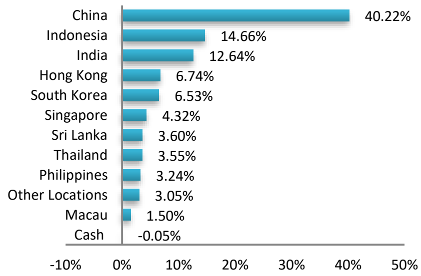
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Characteristics	Fund
Number of Holdings ex Cash	309
Yield to Worst (Gross)	4.39
Yield to Maturity (Gross)	4.54
Rating Average	BBB-/BB+

**As percentage of NAV*

**Source: HSBC Global Asset Management, 30 November 2019. Exposure in HSBC Collective Investment Trust - HSBC Asia High Income Bond Fund - 96.27%*

FUND STATISTICS

Historical NAV (RM)

	1 Month	12 Months	Since Launch
High	1.0555	1.0775	1.0775
Low	1.0501	0.9911	0.9879

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
29 Oct 2019	1.6000	1.50

Source: RHB Asset Management Sdn. Bhd.

RHB ASIA HIGH INCOME BOND FUND - GBP HEDGED CLASS

The Fund aims to provide capital appreciation over the medium to long-term^ by investing in one (1) target fund.

Note: ^"medium to long-term" in this context refers to a period of between 3 – 7 years.

MANAGER'S COMMENTS

MARKET REVIEW

Asian credit market completed November with a positive return, driven mainly by tighter credit spreads. US treasury curve grinded higher over the month, with the belly rising by a larger extent than the rest of the curve. Driven largely by US-China trade talks, yield trajectories were overall tepid as they rose amid higher hope for US to postpone and roll back some of the tariffs, but retraced lower later when optimism faded and the scheduled tariffs for December inched closer. Meanwhile, economic data release from the US showed broad improvement, including an upward revision to 3Q19 GDP growth, a solid servicing sector and better manufacturing data. After trimming interest rates by three times this year, the Fed continued to signal for pause while assessing the impact of recent monetary easing, and the futures market does not see scope for easing for the rest of 2019.Over the month, investment grade bonds marginally underperformed high yield bonds. In the investment grade space, bonds from trade-oriented countries, such as Korea, Singapore and Taiwan, fared well as US-China trade negotiations raise hope for improved exports in these markets. In Korea, sovereign bonds did well amid downward revisions in growth and inflation forecast, indicating potential for further policy easing in the near term. Elsewhere, India TMT sector also saw good spread compression following the decision from major players to raise mobile tariffs and the announcement from the government to defer some dues on spectrum. Conversely, Philippine bonds underperformed, led mainly by interest rate sensitive quasi-sovereign and sovereign names. In the high yield space, Indonesia saw broad-based spread tightening in different sectors, as Bank Indonesia lowered statutory reserve ratio and confirmed room for further easing. Moreover, small high beta markets including Pakistan and Mongolia also shined. Elsewhere, China real estate sector attracted strong buying on the back of new monetary easing measures from the PBoC loosen liquidity. However, select debt-heavy Chinese state-owned enterprises saw sharp decline in prices due to missed payment. Refinancing pressures w also seen from China and Hong Kong transportation sectors, which were affected by funding stress from the backing entity. Lastly, Sri Lankan bonds soared after the presidential election only to plummet later when the government rolled out fiscal stimulus that could hinder prospect for further funding from IMF.

PORTFOLIO STRATEGY

The Target Fund registered returns in positive territories for November. On a relative basis, the Target Fund benefitted from its credit exposure. Of note, the Target Fund's credit selection proved rewarding, particularly in the China industrials and Indonesia utilities sectors. An underweight in Sri Lanka sovereign bonds also added value as they tumbled amid the political uncertainties in the country. Furthermore, the Target Fund's RMB bond holdings lifted relative performance as RMB bond yields moved lower. Conversely, the Target Fund's underweight in Pakistan and Indonesia sovereign bonds detracted as these bonds continued to see demand from yield-seeking investors. The Target Fund's underweight in the Indian financial sector also detracted.In terms of overall portfolio allocation, the Target Fund Manager continues to overweight the Chinese property sector, although more on an individual bond selection basis. The Target Fund Manager expects to see greater divergence in credit quality within the sector against the backdrop of weaker economic growth and slower property sales growth in the country. The Target Fund Manager is also overweight the China financial sector, favouring mostly investment grade asset management companies. At the same time, the Target Fund Manager has also retained their overweight in the Indonesia corporate sector. Within this market, the Target Fund Manager continues to favour selected names in the utilities and property sectors as their yields are attractive and fundamentals remain sound. On the other hand, the Target Fund Manager remains underweight markets, such as Philippines, Hong Kong and Korea, where the Target Fund Manager finds valuations unattractive. The Target Fund Manager is also underweight sovereign and quasi sovereign bonds. At the same time, the Target Fund Manager maintains their strategic neutral duration stance while tactically managing the portfolio duration.

MARKET OUTLOOK

Moderated growth and lack of inflationary pressure globally have created a favourable macro environment for risk assets this year. Asian credit is one of the asset classes that benefitted from this market backdrop.If the Target Fund Manager break down the return for Asian credit this year, the bulk of it has come from movements in the US treasury yields, while spreads have not tightened by much. With the lagging effect from the policy support around the globe, the Target Fund Manager may begin to see some growth improvement in 2020, allowing more room for spreads to tighten further. Meanwhile, market demand / supply dynamic is also likely to provide some tailwind to the market. In the environment where growth is expected to stay benign and inflation pressure remains low, monetary policy is likely to stay accommodative for longer. This should mean rates will stay at low levels and continue to provide support for credit. At the same time, supply of Asian credit is likely to moderate given a large amount of bond maturing in 2020 and the fact that most issuers have already prefunded their refinancing needs. Tightened rules from Chinese regulators on offshore issuance should also see lower Chinese issuance in 2020 compared to 2019. From a fundamental perspective, most Asian corporates have already turned more cautious in the past few years against an uncertain macro backdrop and have started deleveraging. Average financial ratios of these companies have improved and have seen their net debt ratios improved on average. Together with the supportive measures from Asian policy makers, the Target Fund Manager expects overall default rates in Asian will remain in check in 2020. Last but not least, Asian credit remains very attractively valued relative to other major credit markets, particularly for high yield bonds. In the current market environment where outlook remains clouded with uncertainties from the Sino-US trade dispute, the Target Fund Manager believes Asian credit should be an attractive investment option for investors given the region's solid macro and corporate fundamentals as well as continuous demand from global investors searching for yield.