

### 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:

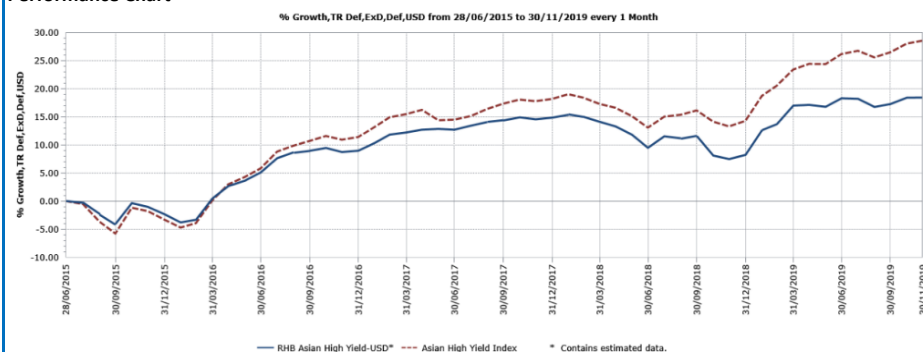
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

#### 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	0.02	1.43	1.41	9.40
Benchmark	0.41	2.37	3.35	12.46

	1 Year	3 Years	Since Launch
Fund	10.16	8.91	18.45
Benchmark	13.44	15.89	28.50

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

	2018	2017	2016
Fund	-5.75	5.40	11.58
Benchmark	-3.29	17.61	10.21

Source: Lipper IM

#### FUND DETAILS

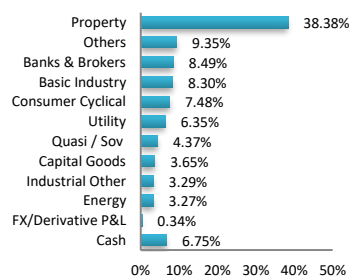
<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Feeder (Fixed Income) Fund
<b>Fund Type</b>	Income and Growth Fund
<b>Launch Date</b>	08 June 2015
<b>Base Currency</b>	United States Dollars (USD)
<b>Unit NAV</b>	USD 0.9899
<b>Fund Size (million)</b>	USD 7.77
<b>Units In Circulation (million)</b>	7.85
<b>Financial Year End</b>	31 May
<b>MER (31 May 2019)</b>	1.23%
<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.

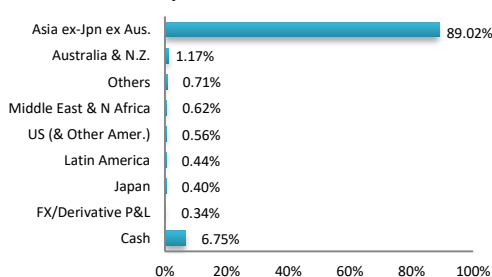
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

YUZHOU PROPERTIES CO LTD	3.16
GREENKO INVESTMENT CO	3.01
KAISA GROUP HOLDINGS LTD	2.98
FORTUNE STAR BVI LTD	2.84
VEDANTA RESOURCES PLC	2.68

\*As percentage of NAV

\*Source: Fidelity, 30 November 2019. Exposure in Fidelity Asian High Yield A - MDIST-USD - 97.03%

#### FUND STATISTICS

##### Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	0.9997	1.0106	1.0796
Low	0.9895	0.9280	0.9263

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
27 Nov 2019	1.0000	0.97
27 Aug 2019	0.6200	0.62
28 May 2019	0.8200	0.82
27 Feb 2019	0.7500	0.79

Source: RHB Asset Management Sdn. Bhd.

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**MANAGER'S COMMENTS**

**MARKET ENVIRONMENT**

Asian high yield market registered modest gain in November backed by stable coupon income. There has been positive development on trade talks while on the other hand China's economic data in October continued to disappoint. Stable demand for yield kept movement in spreads rangebound during the month despite robust issuance year to date. In key economic developments, China's retail sales and new bank lending were slower than expected in October. Fixed asset investment growth was also weaker than market estimates for the January–October 2019 period. Meanwhile, exports and imports beat expectations. China's factory gate prices carried on with the downward trajectory, falling 1.6% in October from a year earlier. Conversely, consumer price index continued to rise - registering a 3.8% year-on-year increase. On the monetary policy front, China's central bank cut the interest rate on its one-year medium-term loans and the seven-day reverse repurchase rate. China also lowered its new benchmark one-year loan prime rate for the third time since it became the official lending benchmark in August. Selective administrative policy easing in property sector was also noted. Shenzhen government announced to adjust the value-added tax policy for the city's secondary housing market providing favourable tax treatment for residential units in certain specific categories. Elsewhere, India's GDP growth fell to 4.5% in Q3 from 5.0% in Q2 - slowest in more than six years. In Indonesia, economic growth slipped to its weakest level in more than two years.

**TARGET FUND POSITIONING**

Looking ahead, the Target Fund Manager remains cautiously constructive on the Asian High Yield market. The US and China trade dispute is likely to find some form of a resolution ahead of the 2020 US Presidential election. However, the news related to trade protectionism will create pockets of volatility; this will likely present itself as potential buying opportunities subject to careful issuers and securities selection. The intensified trade tension would likely push China to look inwards, in order to maintain social and economic stability, which is likely to lead to more target easing. Target Fund managers expect a relatively stable outlook for most of their invested corporates in the region given slower but benign economic growth outlook. However, ongoing trade tension and lingering funding stress at select Chinese industrial names could lead to diverging performance. Technicals are likely to remain supportive as investors explore for yield amid easing bias of central banks. Going forward, Target Fund Managers expect defaults to remain around 2-3% range in 2019 and 2020. However, they remain cognizant of increased appetite on the part of government to allow restructuring/defaults, in order to establish debt discipline precedence. Acknowledging potential volatility and risks, the Target Fund is overweight credit beta given current valuations offer attractive potential total return driven by income over a 12 to 15-month horizon. Target Fund Managers will continue to selectively and passively add risk while managing overall liquidity. In addition to its cash, 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 is now overweight.

**DISCLAIMER:**

Based on the fund's portfolio returns as at 10 November 2019, the Volatility Factor (VF) for this fund is 4.4 and is classified as "Low". (source: Lipper) "Low" includes funds with VF that are above 1.9 but not more than 6.5 (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 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 2019.

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 5 April 2019 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 for the Fund are management risk, country risk and pricing and valuation risk and and the specific risks of the target fund are bonds, debt instruments & fixed income (including high yielding securities), lower rated/ unrated securities, qualified foreign institutional investors ("QFII") risks, emerging and frontier markets risk, currency risk, distribution out of capital risk, securitised or structured debt instruments, derivatives related risks, risks in relation to specific derivative instruments, . 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.

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