

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:

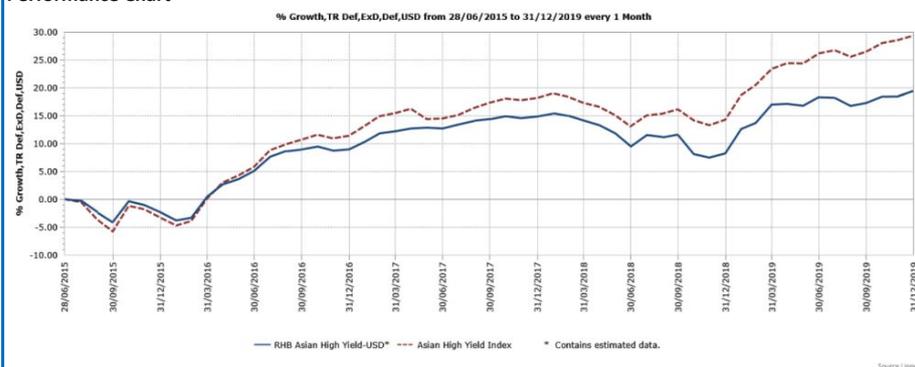
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

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	0.82	1.82	0.93	10.29
Benchmark	0.64	2.29	2.54	13.18

	1 Year	3 Years	Since Launch
Fund	10.29	9.56	19.42
Benchmark	13.18	16.14	29.33

Calendar Year Performance (%)*

	2019	2018	2017	2016
Fund	10.29	-5.75	5.40	11.58
Benchmark	13.18	-3.29	17.61	10.21

Source: Lipper IM

FUND DETAILS

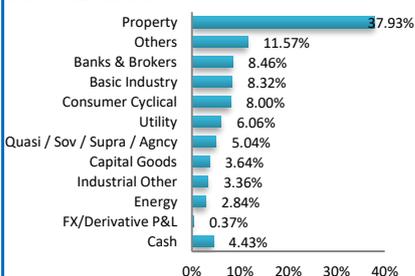
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder (Fixed Income) Fund
Fund Type	Income and Growth Fund
Launch Date	08 June 2015
Base Currency	United States Dollars (USD)
Unit NAV	USD 0.9980
Fund Size (million)	USD 7.58
Units In Circulation (million)	7.60
Financial Year End	31 May
MER (31 May 2019)	1.23%
Min. Initial Investment	USD 20,000.00
Min. Additional Investment	USD 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.

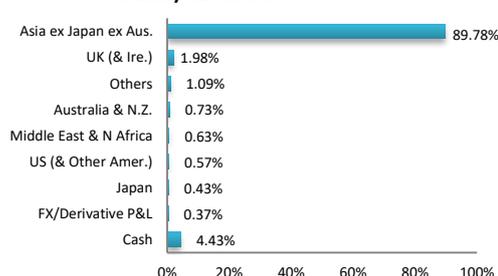
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

GREENKO SOLAR MAURITIUS	3.04
KAISA GROUP HOLDINGS LTD	3.04
YUZHOU PROPERTIES CO LTD	2.92
FORTUNE STAR BVI LTD	2.86
VEDANTA RESOURCES PLC	2.72

*As percentage of NAV

*Source: Fidelity, 31 December 2019. Exposure in Fidelity Asian High Yield A - MDIST-USD - 100.36%

FUND STATISTICS

Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	0.9980	1.0106	1.0796
Low	0.9841	0.9332	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

US dollar denominated Asian high yield market posted robust positive returns during the quarter. Stable coupon income and tightening of credit spreads contributed positively to performance. Investor confidence received a boost as the US and China approached towards signing the 'phase one' of trade deal in January 2020. Further, the US cancelled and reduced some tariffs in exchange for Chinese pledges to increase purchases of US exports and adopt trade reforms. On the economic front, China's third quarter GDP slowed down to 6% but was within the government's 6-6.5% target range. Fixed asset investment growth in manufacturing sector dropped to 2.5% in the first eleven months of the year. Inflation hit a record high in November at 4.5% driven by spike in pork prices. In key policy developments, the People's bank of China lowered its new benchmark one-year loan prime rate for the third time in November and signalled a continued easing bias. Selective administrative policy easing in China's property sector was also noted during the quarter. That said, the China's Central Economic Work Conference held in December laid emphasis on maintaining stability thereby diminishing the possibility of a massive economic stimulus going ahead.

However, it signalled for 'contingency plans' against overseas economic pressures, hinting towards selective state support. In other key development, US Federal Reserve cut rate by 25 basis points during October. Later the US central bank kept policy steady in December and signalled no change in rates during 2020 citing favourable economic outlook.

Elsewhere, the Reserve Bank of India sharply cut its GDP forecast for 2019-20 in December to 5% from the previous projection of 6.1% in October. Economic growth in Indonesia slipped to its weakest level in more than two years, dragged down by lacklustre demand amid weak investment, low government spending and a decline in private consumption. The Thai central bank left its benchmark interest rate steady at a record low in December, after lowering rates twice in 2019.

TARGET FUND POSITIONING

Looking ahead, fund managers remain cautiously constructive on the Asian High Yield market. The US and China trade dispute is likely to de-escalate further ahead of the 2020 US Presidential election. However, news related to trade protectionism will create pockets of volatility which is likely to present 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. Outside of China, there are potential rooms for rate cut in other South East Asian countries as well. Investors' search for yield is likely to continue in 2020 given the easing bias of central banks. Going forward, fund managers expect defaults to remain within 2-3% range in 2019 and 2020 while being cognizant of increased appetite on the part of government to allow restructuring/defaults in order to establish debt discipline precedence.

Focus on high quality issuers and maintaining a strong liquidity profile

Acknowledging potential risks, Target Fund is overweight credit beta given current valuations offer attractive potential total return driven by income over a 12 to 15-month horizon. Fund managers will continue to actively 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. In terms of duration, the Target Fund is now overweight.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 December 2019, the Volatility Factor (VF) for this fund is 4.3 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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