RHB Asset Management

FUND FACTSHEET – MARCH 2020

All data expressed as at 29 February 2020 unless otherwise stated

3-year Fund Volatility 4.3 Low Lipper Analytics 11 FEB 2020

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:

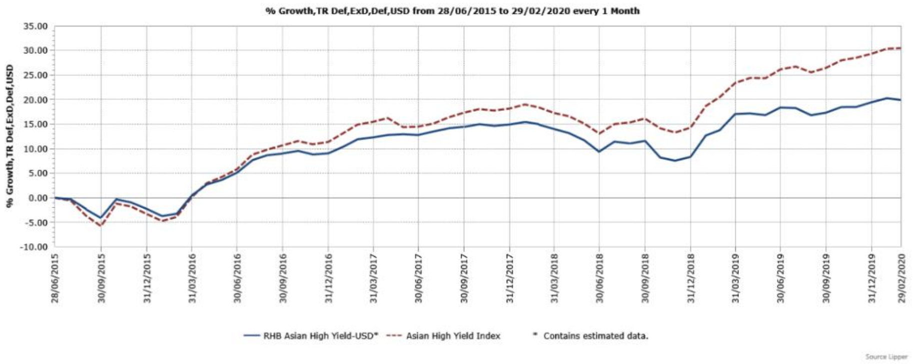
- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

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	**-0.29**	**1.20**	**2.65**	**0.38**
Benchmark	0.09	1.52	3.92	0.87

	1 Year	3 Years	Since Launch
Fund	**5.41**	**7.16**	**19.88**
Benchmark	8.26	13.55	30.46

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

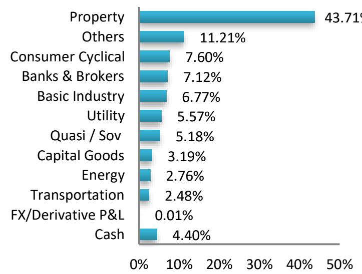
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder (Fixed Income) Fund
Fund Type	Income and Growth Fund
Launch Date	08 June 2015
Base Currency	United States Dollars (USD)
Unit NAV	USD 0.9899
Fund Size (million)	USD 7.02
Units In Circulation (million)	7.09
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.*

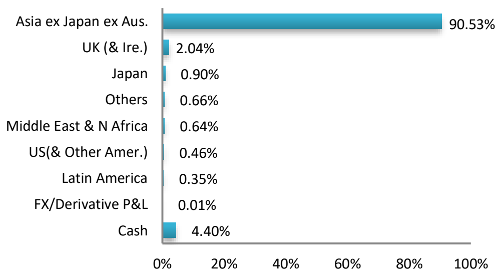
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

CHINA EVERGRANDE GROUP	4.02
KAISA GROUP HOLDINGS LTD	3.83
YUZHOU PROPERTIES CO LTD	3.83
ZHENRO PPTYS 5.6% 02/28/21 RGS	2.86
GREENKO SOLAR MAURITIUS	2.68

*As percentage of NAV

**Source: Fidelity, 29 February 2020. Exposure in Fidelity Asian High Yield A - MDIST-USD - 97.73%*

FUND STATISTICS

Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	1.0156	1.0156	1.0796
Low	0.9899	0.9740	0.9263

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
25 Feb 2020	1.2000	1.20
27 Nov 2019	1.0000	0.97
27 Aug 2019	0.6200	0.62
28 May 2019	0.8200	0.82

Source: RHB Asset Management Sdn. Bhd.

3-year Fund Volatility 4.3 LOW Lipper Analytics 11 FEB 2020

RHB ASIAN HIGH YIELD FUND – USD

The Fund aims to provide income and long-term capital growth by investing in one target fund.

MANAGER'S COMMENTS

MARKET ENVIRONMENT

Asian high yield market registered modest gain in February. High coupon income supported performance outweighing the negative impact from credit spread widening. Risk appetite was hit as China's and regional economic growth faced headwinds amid COVID-19 outbreak. During the month, US Treasuries rallied as investors rushed to safe heaven assets. On the technical front, supply remained adequate in Asia despite increased market volatility. China's manufacturing PMI fell to a record low at 35.7 in February. Meanwhile, the non-manufacturing PMI also plummeted to a historic low of 29.6. The People's Bank of China responded with a cut in one- and five-year loan prime rate (LPR) by ten and five basis points, respectively. Additionally, local supply side easing policies of administrative nature were introduced to support liquidity position of property developers. This included delaying payment for tax and land premium, lowering deposit ratio for land auctions, delaying project delivery and calling for banks' support on existing loans. Meanwhile, Politburo's latest meeting signaled an escalation in the easing bias of both monetary and fiscal policy. Elsewhere, India's GDP increased 4.7% year-on-year in the three months to December 2019 in line with consensus forecast.

TARGET FUND POSITIONING

With two-third of Q1 2020 behind us, the Target Fund Manager holds a cautiously constructive view on the Asian High Yield market. COVID-19 outbreak is going to have a short-term negative impact on China's and regional economic growth. Downside to risk assets is contained since China has the willingness and ability to ramp up stimuli in monetary and fiscal terms. That said, policy responses are likely to remain balanced with an objective to keep overall risks under control. On the trade front, tensions have de-escalated but with more sensitive topics still pending to be discussed in phase two negotiations – scope of headline driven volatility still exists.

Outside of China, the Target Fund Manager believes there are potential rooms for rate cut in other South East Asia countries as well. Potential fiscal stimulus is possible following the example of corporate tax cut in India. Technicals are likely to remain supportive as investors explore for yield amid easing bias of central banks. Going forward, the Target Fund Managers expects defaults to remain around 2-3% range in 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 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. The 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 overweight.