

### 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:

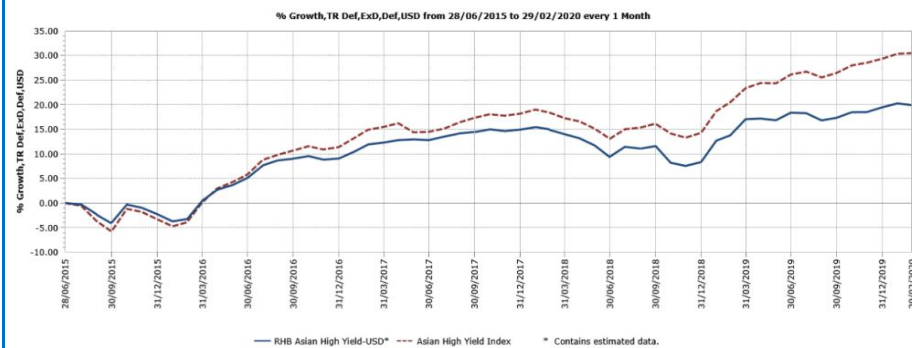
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

#### 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

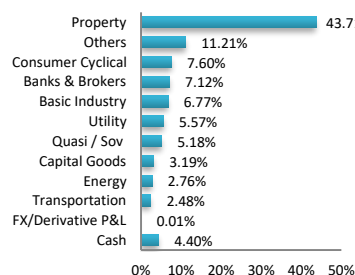
<b>Manager</b>	RHB Asset Management Sdn. Bhd.
<b>Trustee</b>	HSBC (Malaysia) Trustee Bhd
<b>Fund Category</b>	Feeder (Fixed Income) Fund
<b>Fund Type</b>	Income and Growth Fund
<b>Launch Date</b>	08 June 2015
<b>Base Currency</b>	United States Dollars (USD)
<b>Unit NAV</b>	USD 0.9899
<b>Fund Size (million)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

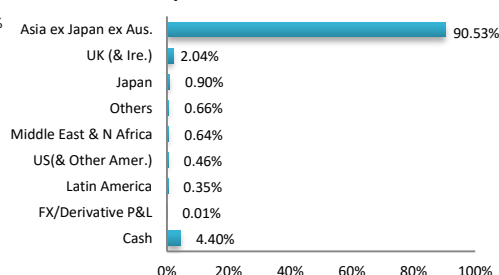
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

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.



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**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 haven 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 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.

**DISCLAIMER:**

Based on the fund's portfolio returns as at 11 February 2020, 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 1.8 but not more than 6.1 (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 31 December 2019 which is calculated once every six months and is valid until its next calculation date, i.e. 30 June 2020.

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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