RHB Asset Management

FUND FACTSHEET – APRIL 2020

All data expressed as at 31 March 2020 unless otherwise stated

3-year Fund Volatility 4.3 Low Lipper Analytics 10 MAR 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:

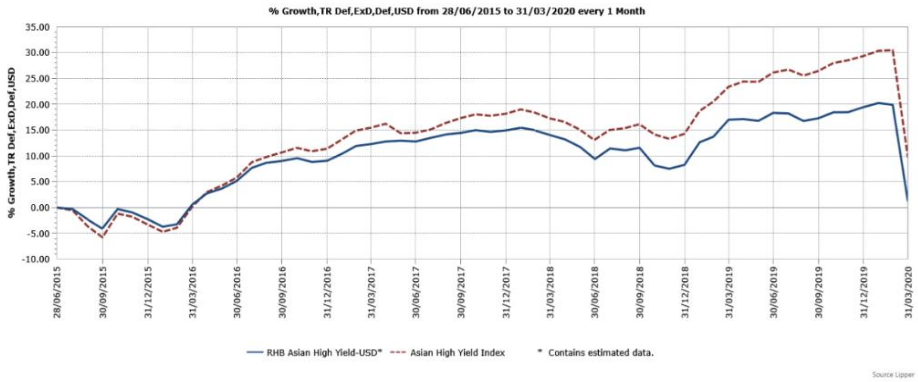
- 'Sophisticated Investor(s)' as defined in the Information Memorandum.

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	**-15.56**	**-15.24**	**-13.70**	**-15.24**
Benchmark	-15.91	-15.18	-13.24	-15.18

	1 Year	3 Years	Since Launch
Fund	**-13.50**	**-9.81**	**1.23**
Benchmark	-11.08	-4.99	9.70

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

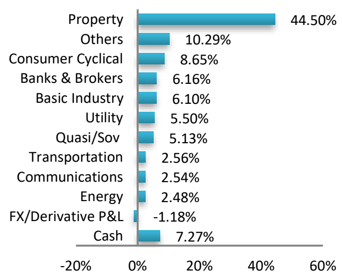
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder (Fixed Income) Fund
Fund Type	Income and Growth Fund
Launch Date	08 June 2015
Base Currency	United States Dollars (USD)
Unit NAV	USD 0.8359
Fund Size (million)	USD 5.70
Units In Circulation (million)	6.82
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.*

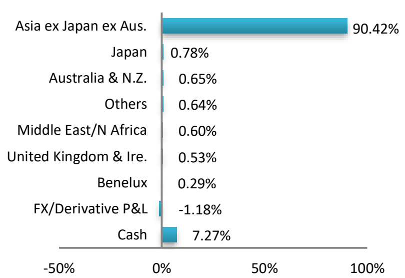
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

CHINA EVERGRANDE GROUP	4.60
KAISA GROUP HOLDINGS LTD	4.37
YUZHOU PROPERTIES CO LTD	4.17
GREENKO SOLAR MAURITIUS	2.89
YANGO JUSTICE INTL	2.80

*As percentage of NAV

**Source: Fidelity, 31 March 2020. Exposure in Fidelity Asian High Yield A - MDIST-USD - 96.95%*

FUND STATISTICS

Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	0.9931	1.0156	1.0796
Low	0.7886	0.7886	0.7886

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

US dollar denominated Asian high yield market posted negative returns during the quarter. Credit spreads widened the most since 2011, weighing heavily on performance. Following the spread of the COVID-19 pandemic, markets went through multiple sell-offs during the second half of the quarter, as investors shunned risky assets amid increasing concerns over economic growth and liquidity. A steep plunge in oil prices followed by deleveraging also exacerbated the sell-off. On the economic front, combined data for January and February showed that exports, industrial production, retail sales and fixed asset investment all weakened far more than expected. Responding to the sagging economic activity, China demonstrated its willingness and ability to provide targeted stimulus measures. The People's Bank of China lowered its reserve requirement ratio, one- and five-year loan prime rate and seven-day reverse repo rate during the period. Additionally, local supply side easing policies of administrative nature were introduced to support liquidity position of property developers. Encouragingly, later in the quarter, several property developers in China have been able to resume sales and construction activities in March. In sync with China, the progressive step up of developed market policy responses pointed towards serious coordinated action to tackle the global slowdown. The US Federal Reserve (Fed) slashed the federal funds rate to near zero percent. Besides, the Fed also announced the restart of quantitative easing. On the fiscal side, the $2 trillion stimulus bill was passed by the Senate. In the far east, Japan passed two separate packages of small business loans. Elsewhere, Reserve Bank of India slashed repo rate by 75 bps while Indonesian government announced US$742 million stimulus package to mitigate COVID-19 impact. On the technical front, supply remained adequate in Asia during January-February, however, primary market activity witnessed a halt in March given the increased volatility in secondary market.

TARGET FUND POSITIONING

Looking ahead, the Target Fund Manager remains cautiously constructive 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. However, the impact of current epidemic is likely to remain transitory on fundamentals and market taking cue from past epidemic episodes like SARS.

Downside to risk assets is contained since China has the willingness and ability to ramp up stimuli in monetary and fiscal terms. On the trade front, with more sensitive topics still pending to be discussed in phase two negotiations – scope of headline driven volatility still exists. 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, the Target Fund Manager expects defaults to remain within 2-3% range in 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

Given the current market conditions the Target Fund has been prioritizing on liquidity management until market stabilizes. 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 has 15-20% market weight in short dated (<1year)/near-term callable bonds and cash to ensure a robust liquidity profile and maintain high natural income.

In terms of duration, the Target Fund is now overweight.