

### 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:

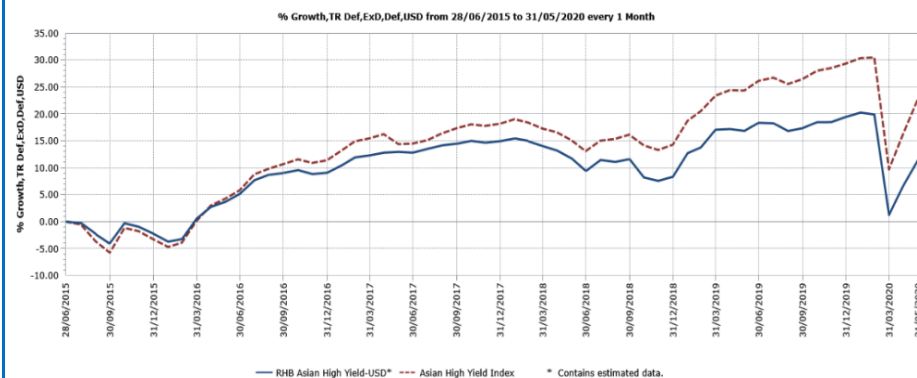
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

#### 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	4.45	-7.10	-5.99	-6.75
Benchmark	5.55	-5.91	-4.48	-5.09

	1 Year	3 Years	Since Launch
Fund	-4.66	-1.34	11.36
Benchmark	-1.28	7.32	22.75

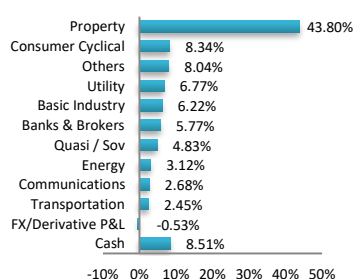
##### Calendar Year Performance (%)\*

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

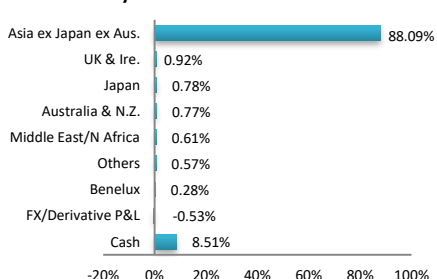
Source: Lipper IM

#### FUND PORTFOLIO ANALYSIS

##### Sector Allocation\*



##### Country Allocation\*



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

CHINA EVERGRANDE GROUP	4.72
KAISA GROUP HOLDINGS LTD	4.37
YUZHOU PROPERTIES CO LTD	3.81
YANGO JUSTICE INTL	2.93
GREENKO SOLAR MAURITIUS	2.92

\*As percentage of NAV

\*Source: Fidelity, 31 May 2020. Exposure in Fidelity Asian High Yield A - MDIST-USD - 97.22%

#### 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 0.9066
<b>Fund Size (million)</b>	USD 5.92
<b>Units In Circulation (million)</b>	6.53
<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 STATISTICS

##### Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	0.9218	1.0156	1.0796
Low	0.8781	0.7886	0.7886

Source: Lipper IM

##### Historical Distributions (Net)

	Distribution (sen)	Yield (%)
28 May 2020	1.3000	1.46
25 Feb 2020	1.2000	1.20
27 Nov 2019	1.0000	0.97
27 Aug 2019	0.6200	0.62

Source: RHB Asset Management Sdn. Bhd.

## RHB ASIAN HIGH YIELD FUND – USD

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### MANAGER'S COMMENTS

#### MARKET ENVIRONMENT

Asian high yield market posted positive returns in May. Tightening of credit spreads and high coupon income contributed positively to performance. The reference index for the target fund retraced around 45% from record March widening. Despite renewed signs of the US-China tensions, market rallied as stimulus measures announced by regional economies supported investor sentiment. A standoff between the US and China over a new national-security law that China imposed on Hong Kong fuelled tensions during the month. Furthermore, the US government imposed new restrictions on Chinese technology giant Huawei and uncertainty remained around a US bill that could delist Chinese companies on its exchange. Nonetheless, policy support measures by regional governments and central banks supported investor sentiment. China National People's Congress (NPC) signalled towards a step-up in stimulus responses albeit in a restrained manner with emphasis on fiscal measures. The NPC declared a fiscal deficit budget of over 3.6% of GDP, which will focus on financial relief for small businesses and households, as well as infrastructure investment. It also decided to drop China's traditional annual economic growth target given the significant challenges facing the economy following the COVID-19 outbreak. Meanwhile, the People's Bank of China pledged to pursue a more flexible monetary policy and provide sufficient liquidity. Elsewhere, Indian government announced INR 20 trillion stimulus package amounting to around 10% of the country's GDP to restart the economy.

#### TARGET FUND POSITIONING

Going forward, the Target Fund Manager hold a cautiously constructive view on the Asian High Yield market. Post COVID-19 outbreak, China is expected to recover relatively faster than the rest of world. That said, given the damage caused by the pandemic to the global supply chain and economic activity - a V-shaped recovery is unlikely. Meanwhile, risk from a second wave of virus outbreak cannot be ruled out. Acknowledging the potential headwinds, downside to risk assets is likely to remain contained since China has the willingness and ability to ramp up stimuli in monetary and fiscal terms. Trade tensions de-escalated between the US and China with the formal signing of phase one of the trade deal earlier this year. However, with the US going through a COVID-19 hit business and election cycle and 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. The Target Fund manager expects defaults to remain around 3-5% for 2020 - higher as compared to 1-2% of 2019. Acknowledging potential risks, the fund is overweight credit beta - with a strong focus on income, whilst offering attractive capital gains prospect over next 12-15 months. The Target Fund Manager will continue to selectively and passively add risk while managing overall liquidity. The 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 overweight.

#### DISCLAIMER:

Based on the fund's portfolio returns as at 10 May 2020, the Volatility Factor (VF) for this fund is 10.5 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 8.9 but not more than 12.2 (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. This update does not amount to indicate that the SC has recommended or endorsed the Fund. 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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