

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:

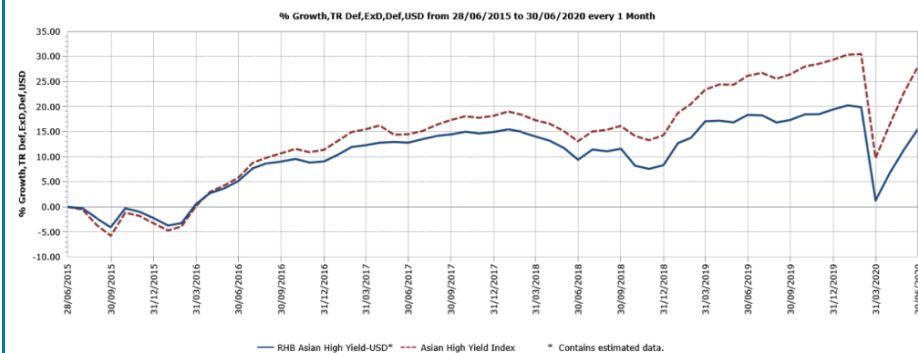
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

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	3.67	14.05	-3.33	-3.33
Benchmark	4.20	16.60	-1.10	-1.10

	1 Year	3 Years	5 Years	Since Launch
Fund	-2.43	2.42	15.45	15.45
Benchmark	1.41	11.73	28.36	27.90

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

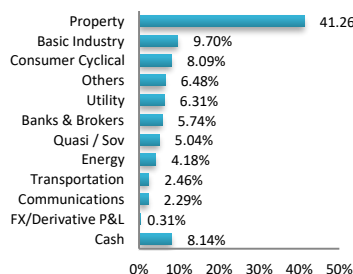
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder (Fixed Income) Fund
Fund Type	Income and Growth Fund
Launch Date	08 June 2015
Base Currency	United States Dollars (USD)
Unit NAV	USD 0.9399
Fund Size (million)	USD 6.22
Units In Circulation (million)	6.61
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.

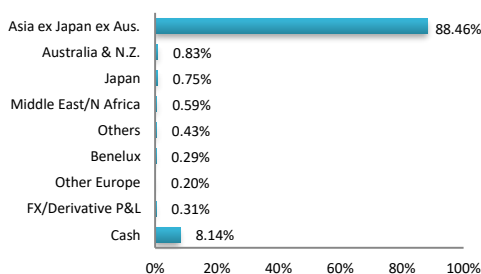
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

CHINA EVERGRANDE GROUP	4.55
KAISA GROUP HOLDINGS LTD	3.96
YUZHOU PROPERTIES CO LTD	3.87
YANGO JUSTICE INTL	2.88
GREENKO SOLAR MAURITIUS	2.88

*As percentage of NAV

*Source: Fidelity, 30 June 2020. Exposure in Fidelity Asian High Yield A - MDIST-USD - 96.17%

FUND STATISTICS

Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	0.9446	1.0156	1.0796
Low	0.9066	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.

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MANAGER'S COMMENTS

MARKET ENVIRONMENT

The US dollar denominated Asian high yield market posted strong positive returns during the quarter following a sharp sell-off in March. Credit spreads continued to tighten, retracing by around two-thirds from the record March widening. Investor sentiment remained broadly positive amid continued signs of normalisation in economic activity as more countries started to relax social distancing measures introduced after the COVID-19 outbreak. Moreover, continued monetary and fiscal stimulus supported risk sentiment. China's manufacturing Purchasing Managers' Index continued to recover, while the country's property developers reported a notable pick-up in contracted sales. The property sector is also getting support from ongoing policy fine-tuning at the local level. Meanwhile, Chinese industrial profits rebounded in May for the first time since November. In key policy developments, China's National People's Congress 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. Furthermore, the People's Bank of China pledged to pursue a more flexible monetary policy and provide sufficient liquidity. Elsewhere, the US Federal Reserve decided to keep interest rate near zero through 2022. India announced an INR 20 trillion stimulus package amounting to around 10% of the country's GDP to restart the economy. Following this, Moody's downgraded India's rating to Baa3, keeping its outlook negative. In Indonesia, the central bank cut its benchmark interest rate in June for the third time this year. Notwithstanding the above, risks emerging from a potential second wave of COVID-19 infections and increasing tensions between the US and China have been an area of concern for the market. A standoff between the US and China over a new national-security law that China imposed on Hong Kong has added to tensions. On the technical front, primary issuances have gradually been picking up following muted activity in March and April.

TARGET FUND POSITIONING

Looking ahead, the Target Fund Manager remains cautiously constructive 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. 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 trade negotiations between the US and China – scope of headline driven volatility still exists. Downside to risk assets is contained since China has the willingness and ability to ramp up stimuli in monetary and fiscal terms. Outside of China, there is scope for rate cuts and fiscal stimulus in other South East Asia countries as well. Technicals are likely to remain supportive as investors explore for yield amid easing bias of central banks. The Target Fund Manager expects defaults to be around 3-5% for 2020 - higher as compared to 1-2% of 2019.

Focus on high quality issuers and maintaining a strong liquidity profile

Acknowledging potential risks, the Target 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 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 overweight.

DISCLAIMER:

Based on the fund's portfolio returns as at 10 June 2020, the Volatility Factor (VF) for this fund is 10.9 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 9.5 but not more than 12.8 (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 contents of the PHS and Information Memorandum dated 5 April 2019 and its supplementary(ies) (if any) ("collectively known as the Information Memorandum") before investing. The Information Memorandum has been registered with the Securities Commission Malaysia who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Prospectus should not be taken to indicate that the SC has recommended 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. If in any doubt, consult your banker, lawyer, stockbroker or an independent financial adviser.

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 Fund 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.

This Fund Factsheet has not been reviewed by the SC.

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