

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:

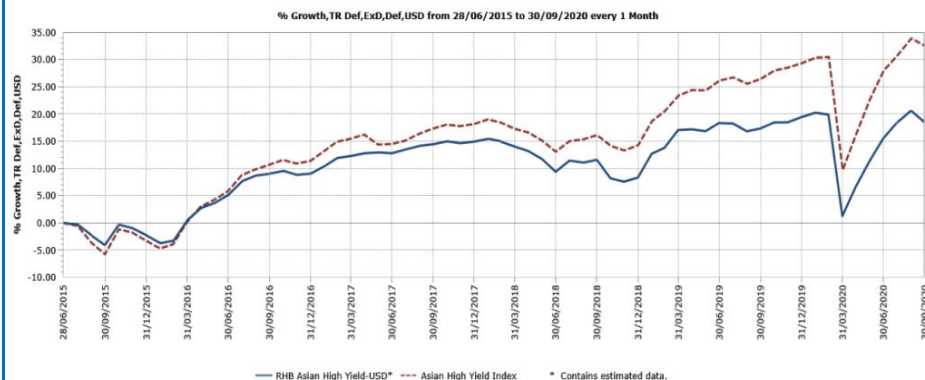
- ‘Sophisticated Investor(s)’ as defined in the Information Memorandum.

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	-1.76	2.62	17.04	-0.79
Benchmark	-1.00	3.61	20.81	2.47

	1 Year	3 Years	5 Years	Since Launch
Fund	1.01	3.57	23.54	18.48
Benchmark	4.82	12.97	40.65	32.52

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

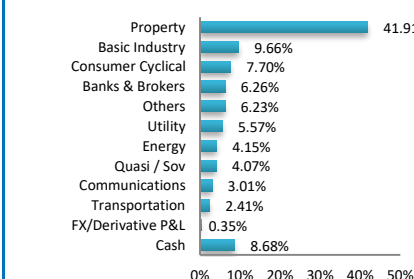
Manager	RHB Asset Management Sdn. Bhd.
Trustee	HSBC (Malaysia) Trustee Bhd
Fund Category	Feeder (Fixed Income) Fund
Fund Type	Income and Growth Fund
Launch Date	08 June 2015
Base Currency	United States Dollars (USD)
Unit NAV	USD 0.9527
Fund Size (million)	USD 6.01
Units In Circulation (million)	6.30
Financial Year End	31 May
MER (as at 31 May 2020)	1.12%
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.

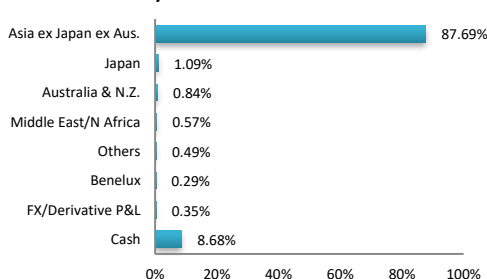
For the purpose of computing the annual management fee and annual trustee fee, the NAV of the Fund is exclusive of the management fee and trustee fee for the relevant day.

FUND PORTFOLIO ANALYSIS

Sector Allocation*



Country Allocation*



Top Holdings (%)*

KAISA GROUP HOLDINGS LTD	4.31
CHINA EVERGRANDE GROUP	4.21
YUZHOU PROPERTIES CO LTD	3.32
VEDANTA RESOURCES PLC	3.29
YANGO JUSTICE INTL	3.07

*As percentage of NAV

*Source: Fidelity, 30 September 2020. Exposure in Fidelity Funds - Asian High Yield Fund A-MDIST-USD - 95.17%

FUND STATISTICS

Historical NAV (USD)

	1 Month	12 Months	Since Launch
High	0.9768	1.0156	1.0796
Low	0.9477	0.7886	0.7886

Source: Lipper IM

Historical Distributions (Net)

	Distribution (sen)	Yield (%)
26 Aug 2020	1.2000	1.26
28 May 2020	1.3000	1.46
25 Feb 2020	1.2000	1.20
27 Nov 2019	1.0000	0.97

Source: RHB Asset Management Sdn. Bhd.

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MANAGER'S COMMENTS

MARKET ENVIRONMENT

The US dollar denominated Asian high yield market posted positive returns for the second straight quarter, following the sharp sell-off in March. Credit spreads continued to tighten for most part of the third quarter, retracing by more than 70% as of the end of September from the record March widening. Despite an escalation in US-China tensions and the reemergence of COVID-19 cases, investor sentiment remained supported on the back of better than anticipated Chinese macroeconomic data and progress in vaccine development.

Investors' search for yields amid accommodative monetary policies by global central banks also lifted the market. China's industrial profits continued to recover and economic activity indicators normalised further. Property sales in China remained resilient during the quarter. However, risk sentiment took a hit in late September as a selloff in the China Evergrande complex precipitated into overall weakness towards Chinese high yield property bonds. Investors were concerned due to reports that Chinese property developer Evergrande is seeking help from the Guangdong government to approve a restructuring plan. The company later said that it had reached a deal with investors that will eliminate a January debt repayment deadline, thereby easing some liquidity concerns. In the property sector, concerns over financial tightening rose after the Chinese government introduced a "3-4-5" rule to categorise property developers based on three leverage metrics and setting borrowing limits based on those metrics. On the monetary policy front, the People's Bank of China held its benchmark interest rates steady for a fifth consecutive month in September amid signs that the economy is recovering from the damages caused by the COVID-19 crisis. Elsewhere, the Bank of Indonesia kept its policy steady in August and September, focusing on financial stability, while India reported a 23.9% year-on-year decline in GDP during the April-June quarter.

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. However, given the damage caused by the pandemic to the global economic activity - a V-shaped recovery is unlikely. Meanwhile, risk from a second wave of virus outbreak cannot be ruled out. Other factors to watch out include the progress in vaccine development, presidential elections in the US and whether the tensions between the US and China would dial back progress on the phase one trade deal. That said, downside to risk assets is likely to remain contained since China has the room to ramp up stimuli in monetary and fiscal terms. Despite strong recovery in valuations, pockets of investment opportunities exist subject to careful credit selection. Technicals are likely to remain supportive as investors continue to explore for yield. 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 given current valuations remain attractive relative to other regions, whilst offering attractive potential total return driven by high income 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 September 2020, the Volatility Factor (VF) for this fund is 11.2 and is classified as "Moderate". (source: Lipper) "Moderate" includes funds with VF that are above 9.6 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 30 June 2020 which is calculated once every six months and is valid until its next calculation date, i.e. 31 December 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 ("SC") who takes no responsibility for its contents. The SC's approval or authorization, or the registration of the Information Memorandum 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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