HongLeong Asset Management

*Reaching out to you*

# Hong Leong Penny Stock Fund

## The Fund that seeks to give you good capital gains

The Hong Leong Penny Stock Fund ("Fund") is designed for investors who are seeking to buy stocks at deep discounts. The Fund aims to provide returns over the medium-term^ investment horizon.

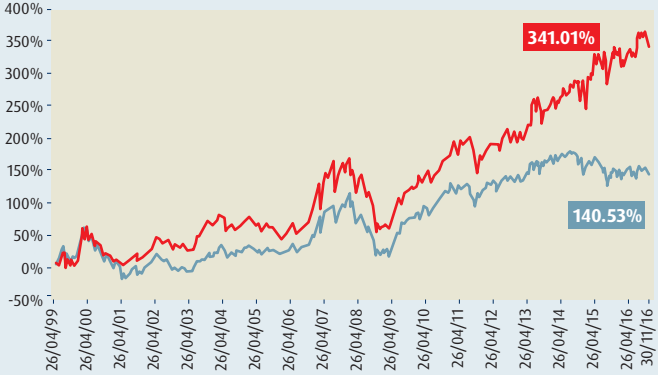
1. **Seeks capital gains**
2. **Seeks to invest in stocks which are selling at "deep discount"**
3. **Performance track record***

^ 3 to 4 years
* Please refer to item 3 on the following page.

## 1. Seeks capital gains

As illustrated, the Fund has continuously aimed to provide capital growth from quality stocks of well-managed and financially stable companies.

**Percentage Growth, MYR, Since Launch - 30/11/2016**




Hong Leong Penny Stock Fund  FTSE Bursa Malaysia EMAS

Source: Lipper, since launch on 26 April 1999 to 30 November 2016; NAV per unit-NAV per unit, income reinvested.

[1] Based on the Fund's portfolio returns as at 31 October 2016, the Volatility Factor (VF) for this Fund is 10.2 and is classified as "High" (Source: Lipper). "High" includes funds with VF that are above 8.405 but not more than 10.775. 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 VC.

## 2. Seeks to invest in stocks which are selling at "deep discount"

- Actively seeks stocks whereby prices have yet to accurately reflect the company's intrinsic value.
- Holding larger investments in a few number of stocks of selected companies with potential returns.
- Structured and focused investment process to identify businesses with potential to offer a higher value than reflected in its current market price.

**Asset Allocation:**

**Equities:**
**Minimum**
**70%**

**Fixed income securities:**
**Maximum**
**30%**

## 3. Performance track record*

The Fund consistently outperformed its benchmark despite the market's ups and downs.

| Period | Fund (%) | Benchmark# (%) | Outperformance (%) |
|---|---|---|---|
| 3 Years | 25.99 | -9.67 | 35.66 |
| 5 Years | 64.99 | 12.84 | 51.15 |
| 10 Years | 137.86 | 61.41 | 76.45 |

Source: Lipper, as at 30 November 2016; NAV per unit-NAV per unit, income reinvested.

# FTSE Bursa Malaysia Emas

| | |
|---|---|
| **Fund Category** | Equity |
| **Type of Fund** | Growth |
| **Investment Objective** | To achieve large percentage gains by investing in well-managed and financially stable companies which stocks are selling at prices close to or at deep discounts to their net tangible asset values. |
| **Asset Allocation** | Equities : Minimum 70%<br>Fixed income securities : Maximum 30% |
| **Minimum Initial Investment** | Via Manager or authorised distributors : RM 100<br>Via EPF Members Investment Scheme : RM 1,000 |
| **Minimum Subsequent Investment** | Via Manager or authorised distributors : RM 100<br>Via EPF Members Investment Scheme : RM 1,000 |
| **Sales Charge** | Via Manager or authorised distributors : Up to 6% of NAV per unit<br>Via EPF Members Investment Scheme : Up to 3% of NAV per unit |
| **Annual Management Fee** | 1.5% p.a. |
| **Annual Trustee Fee** | 0.07% p.a. |

Investors who wish to switch under the EPF-MIS are subject to EPF's terms and conditions.

**EPF Members Investment Scheme (EPF-MIS)**
Hong Leong Asset Management Bhd is one of the appointed Fund Management Institutions under the EPF-MIS. Members can invest not more than 30% of savings in excess of Basic Savings in Account 1 in products through approved Fund Management Institutions. The minimum amount of investment withdrawal is RM1,000 and investments can be made once every 3 months from the date of the last disbursement. Please refer to the latest EPF Basic Savings table for the investment eligibility.

The list of Funds under the EPF-MIS is subject to an annual evaluation that is conducted by Employees Provident Fund together with Federation of Investment Managers Malaysia based on criteria that is approved by the Ministry of Finance. Please contact our Customer Experience Department for the current list of Funds.

DISCLAIMER:

Investors are advised to read and understand the contents of the Hong Leong Master Prospectus dated 30 April 2016 and its First Supplementary dated 8 February 2017 (the "Prospectus") before investing. The Prospectus has been registered and Product Highlights Sheet lodged with the Securities Commission Malaysia who takes no responsibility for the contents of the Prospectus and Product Highlights Sheet. A copy of the Prospectus can be obtained from any of HLAM offices, agents or our authorised distributors. The Product Highlights Sheet is also available and investors have the right to request for it. The Product Highlights Sheet and any other product disclosure document should be read and understood before making any investment decision. You should also consider the fees and charges involved before investing. All fees and expenses incurred by the Fund are subject to Goods and Services Tax at the prevailing rate. Prices of units and distributions payable, if any, may go down or up, and past performance of the fund is not an indication of its future performance. Where a distribution/unit split is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from cum-distribution NAV/pre-unit split NAV to ex-distribution NAV/post-unit split NAV. Where a unit split is declared, the value of your investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. Where unit trust loan financing is available, investors are advised to read and understand the contents of the unit trust loan financing risk disclosure statement before deciding to borrow to purchase units. Investors should be aware of the specific risks for the Fund before investing: Particular security risk, credit/ default risk and interest rate risk. Applications must be made on the Account Opening Form and Investment Application Form referred to and accompanying the Prospectus. The Fund may not be suitable for all and if in doubt, investors should seek independent advice. This brochure may be written in various other languages. Should there be any discrepancies or differences in the brochures, the English version of the brochure shall prevail in all respect.

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