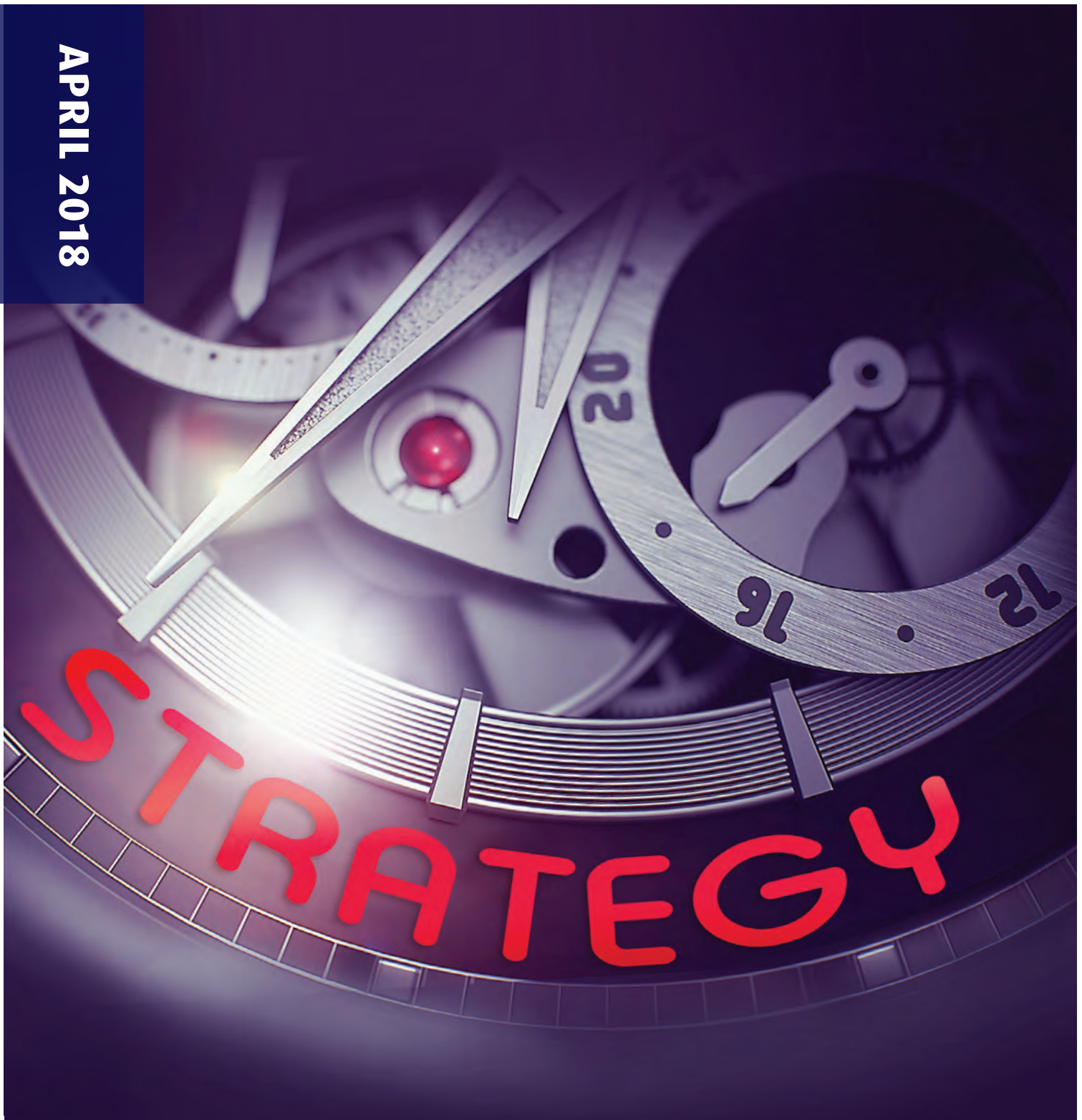


INVEST FACTS

APRIL 2018

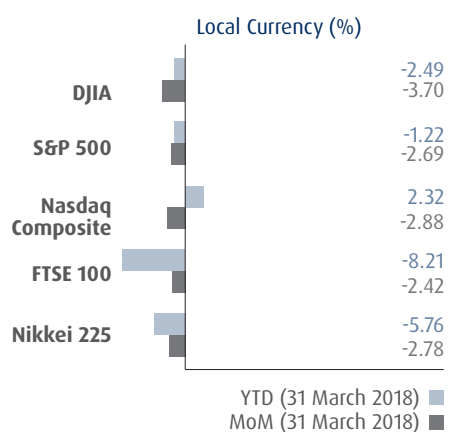


Equities

- **Global:** Global markets continued to experience selling pressure during the month as investors were spooked by the possibility that the Federal Reserve (Fed) may become more aggressive in raising rates to combat inflation. The Dow Jones Industrial Average Index declined 3.7% and the broader S&P 500 Index declined 2.7%. The Euro Stoxx Index declined 2.3% and the FTSE 100 Index declined 2.4%.
- **Asia Pacific:** Asia Pacific markets were not spared from the wave of selling hitting capital markets across the globe. Selling pressure also persisted due to trade frictions between the United States (US) and China and fears of an escalation into a trade war. In the region, Korea and Taiwan were the best performing markets while Indonesia and Philippines were the laggards.
- **Malaysia:** The local market was one of the few bright spots amidst the global market selloff. The FTSE BM KLCI rose 0.4% to close at 1,863 points. The broader market underperformed as the FTSE BM EMAS Index declined 1.3% to close at 13,046 points. Small caps underperformed as the FTSE BM Small Cap declined 11.2% to close at 14,856 points.

Global

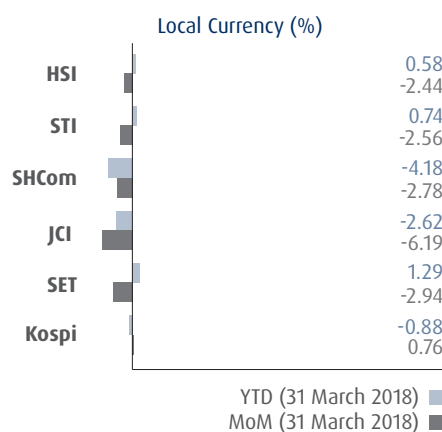
- In the US, final gross domestic product (GDP) estimates showed that US fourth-quarter GDP growth revised up to an annual rate of 2.9% from the previously reported 2.5% and beat market expectations of a 2.7% growth.
- During the monetary policy meeting in March, the European Central Bank (ECB) opted to stand pat on its monetary policy by keeping the benchmark interest rates unchanged but removed its pledge to increase size of Quantitative Easing (QE) purchases.
- Eurozone's manufacturing activity posted a slower growth in March with the Final Markit Manufacturing Purchasing Managers' Index (PMI) decelerating to 56.6 from 58.6 in February.
- In Japan, Cabinet Office data showed that fourth-quarter GDP growth revised up to an annualized rate of 1.6% from a preliminary estimate of 0.5% and beat market expectations of a 0.9% rise.



Source: Lipper For Investment Management

Asia Pacific

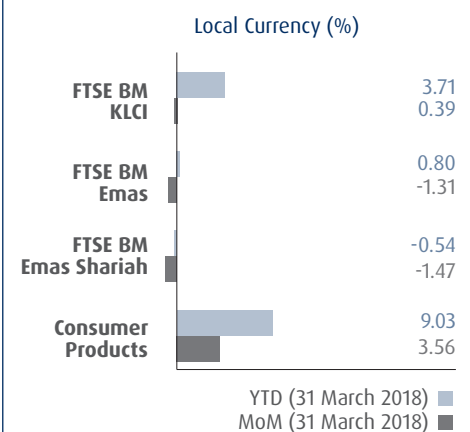
- Manufacturing activity in China accelerated in March as the Official Manufacturing PMI posted a higher reading of 51.5 compared with February's 50.3 and overshot market expectations of 50.5. In the services sector, the Official Services PMI also edged up to 54.6 in March from 54.4 in February.
- China's external sector posted a better-than-expected growth in February as export growth surged to 44.5% from a year earlier compared with January's 11.1% and exceeded the market consensus of a 13.6% rise.
- During the monetary policy meeting in March, Bank Indonesia decided to keep its benchmark interest rate at 4.25%, in line with market expectations.
- Singapore's non-oil domestic exports (NODX) growth declined to -5.9% year-on-year in February from +12.9% in January and fared much lower than market consensus.



Source: Lipper For Investment Management

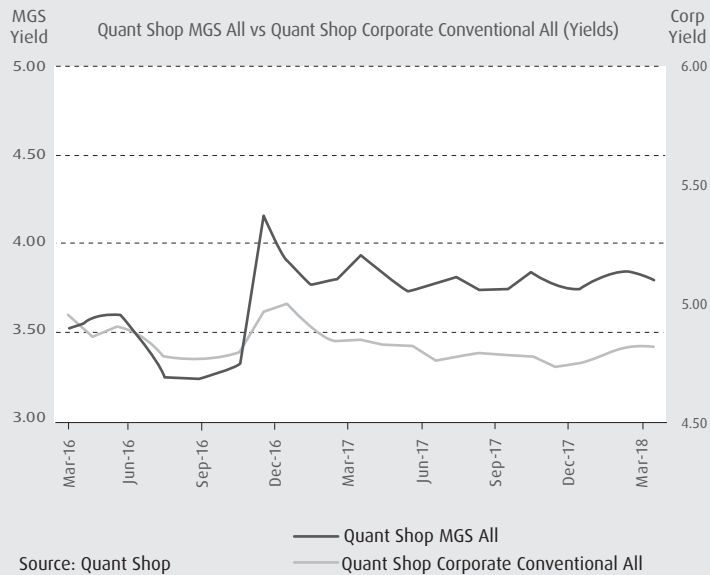
Malaysia

- Headline inflation decelerated further in February with the Consumer Price Index (CPI) posting a rise of 1.4% year-on-year compared with January's 2.7%, below market consensus of a 1.9% rise.
- After raising the Overnight Policy Rate (OPR) by 25 basis points (bps) in January, Bank Negara Malaysia (BNM) opted to keep the benchmark interest rate unchanged at 3.25% during the Monetary Policy Committee (MPC) meeting in March, in line with market expectations.
- Malaysia's exports growth posted a weaker-than-expected number in February, sliding to -2.0% year-on-year from +17.9% in January and missing market expectations of a +8.0% growth.
- The Industrial Production Index (IPI) rose at a faster pace of 3.0% year-on-year in January compared with a 2.9% rise in December but lower than consensus estimate of a 6.8% rise.



Source: Lipper For Investment Management

Fixed Income



- As widely expected, the Fed hiked rates by 25bps from 1.50% to 1.75%. The dollar index tumbled after March Federal Open Market Committee (FOMC) meeting was less hawkish than expected with the Fed maintaining only 3 more hikes for the rest of 2018.
- Locally, there were four auctions in March, the 15 and 30-year Government Investment Issues (GII) and 7 and 3-year Malaysian Government Securities (MGS) with total combined issuances of 10 billion. Tender results of the auctions remained strong driven by both the demand from foreign and local investors.
- The primary corporate bond issuances were dominated by government guaranteed issuances by Lembaga Pembiayaan Perumahan Sektor Awam and with CIMB Group Holdings Berhad issuing its maiden issuance with an issue size of RM700 million.

Market Outlook & Strategy

Equities

Global

- The global economic backdrop remains fundamentally sound even as the capital markets were constantly afflicted with waves of volatility during the month.
- Consumer confidence in the US continues to trend higher while household net worth is improving. Labor market remains solid and wages are rising steadily.
- Trade tensions between China and US have limited impact on global growth at the moment and are not expected to derail the positive economic backdrop as long as the trade frictions do not escalate into a trade war.

Asia Pacific

- Economic climate in Thailand continues to improve. Both external and domestic demands showed healthy growth while the current account was in surplus due to improving exports and tourism.
- In contrast, consumer confidence took a dip in Philippines due to anticipated increase in inflation, poor harvest and rising household debt.
- For the Funds, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

Malaysia

- We expect some volatility in the local market ahead of the impending General Election widely expected to be held in the coming weeks.
- We maintain our preference for blue-chip stocks that are trading at attractive levels, selected construction and consumer stocks that may benefit from government pump-priming.

Fixed Income

Malaysia

- CPI numbers were down to 1.4% in February as a result of decline in transport and food prices.
- We expect local bonds to remain supported by stronger Ringgit in the near term and bond yields to stay in range in view of the upcoming General Election.
- The OPR will remain stable for the remainder of the year due to contained inflation unless global conditions improve or other central banks tighten rates faster than expected.
- We look to remain defensive in the sovereign bond market but may add on any market dip. We look to add in the corporate bond space.



Double the Victory, Twice the Happiness.

Individual Awards

- ★ **Hong Leong Growth Fund:**
Equity Malaysia Diversified - Malaysia Provident, 3 Years
- ★ **Hong Leong Dividend Fund:**
Equity Malaysia Income - Malaysia Provident, 3 Years

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DISCLAIMER

Investors are advised to read and understand the contents of the Prospectuses and Information Memorandums listed in the table, before investing. The Prospectuses have been registered, Information Memorandums deposited and Product Highlights Sheets (PHS) lodged with the Securities Commission Malaysia who takes no responsibility for the contents of the Prospectuses, Information Memorandums and PHS. A copy of the Prospectuses and Information Memorandums can be obtained from any of HLAM offices, agents or our authorised distributors. The PHS for the funds are also available and investors have the right to request for the PHS. You shall consider the fees and charges involved before investing. Prices of units and distributions payable, if any, may go down or up, and past performance of the funds is not an indication of the future performance of the funds. You shall also be aware of the risks associated with each fund. You are also advised to perform the suitability assessment to evaluate your risk tolerance level before making any investment decision.

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.

Please note that the NAV per unit, sales charge and fees displayed in this document are quoted exclusive of Goods and Services Tax. All fees and expenses incurred by the funds are subject to Goods and Services Tax at the prevailing rate.

Applications must be made on the Pre-Qualification Form*, Account Opening Form and Investment Application Form referred to and accompanying the Prospectuses and Information Memorandums. The funds may not be suitable for all and if in doubt, investors shall seek independent advice.

*Please note that wholesale fund is for Sophisticated Investors only.

Prospectus/ Information Memorandum	Supplementary Prospectus/ Information Memorandum	Issue Date
Hong Leong Master Prospectus		30/04/17
	First Second	23/08/17 06/02/18
Hong Leong Income Management Fund Replacement Information Memorandum		02/11/15
	First Second	23/06/16 08/02/17
	Third	17/03/17
Hong Leong Islamic Institutional Income Management Fund II Replacement Information Memorandum		02/11/15
	First Second	01/04/16 08/02/17
	Third	17/03/17
	Fourth	23/08/17
Hong Leong Wholesale Bond Fund Second Replacement Information Memorandum		02/11/15
	First Second	23/06/16 08/02/17
Hong Leong Dana Al-Izdihar Prospectus		20/06/17
	First	06/02/18