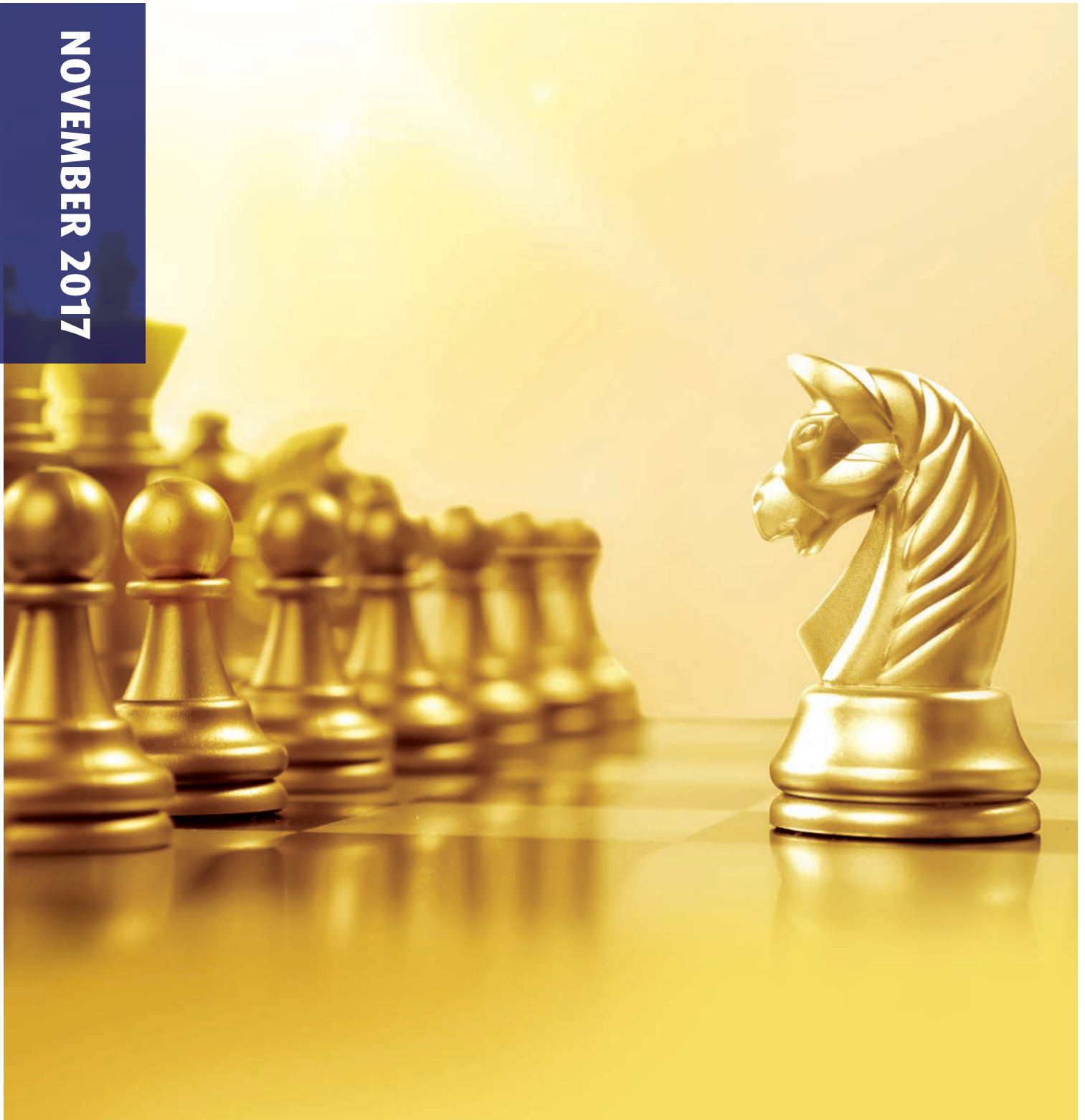


INVEST FACTS

NOVEMBER 2017

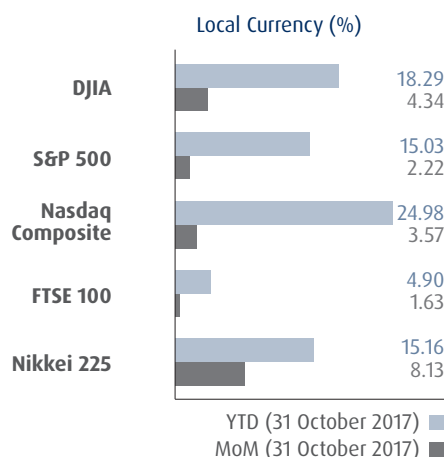


Equities

- **Global:** Strong corporate earnings continued to drive the US stock market higher each week. Corporate results were strong and have been beating expectations across the various sectors, in particular the technology sector. Positive gross domestic product (GDP) numbers and improving employment numbers in Europe also helped propel the equity market higher. The Dow Jones Industrial Average Index rose 4.3% and the broader S&P 500 Index rose 2.2%. The Euro Stoxx Index rose 2.2% and the FTSE 100 Index rose 1.6%.
- **Asia Pacific:** Regional markets resumed its upward trend after taking a short breather last month. Japan and India posted the largest gains during the month while Malaysia and China were laggards. India market rose on the back of encouraging economic data and the announcement by the government to recapitalize the state-owned banks. Korea market also performed strongly due to expectations of better relations with China and possible resolution of the Terminal High Altitude Area Defense (THAAD) related impasse.
- **Malaysia:** The local market was the worst performing market in the region despite the rise in crude oil prices and the announcement of Budget 2018. The FTSE BM KLCI declined 0.4% to close at 1,748 points. The broader market outperformed as the FTSE BM EMAS Index rose 0.5%. Small caps outperformed as the FTSE BM Small Cap Index rose 2.9% to close at 17,434 points.

Global

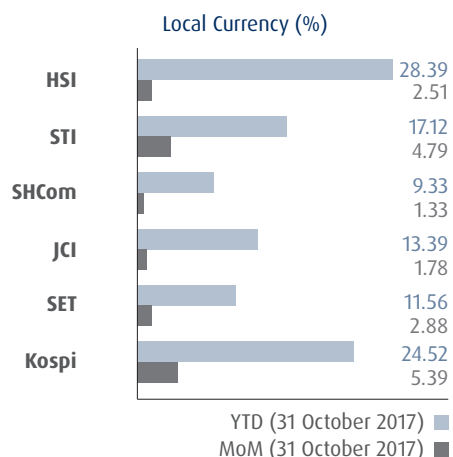
- After expanding at a 3.1% pace in the second quarter of 2017, the US economy continued to post a robust growth in the third quarter with the preliminary real GDP growing at an annual rate of 3.0% and faring better than market expectations of a 2.5% increase.
- US consumer confidence rose sharply in October with the preliminary University of Michigan Consumer Sentiment Index surging to a 13-year high of 101.1 from 95.3 in September and exceeding market forecasts.
- The Eurozone economy expanded at a solid pace of 2.5% year-on-year in the third quarter of 2017 compared with an increase of 2.3% registered in the second quarter and beat market consensus.
- During the monetary policy meeting in October, the Bank of Japan (BoJ) decided to keep its monetary policy unchanged, in line with market expectations.



Source: Lipper For Investment Management

Asia Pacific

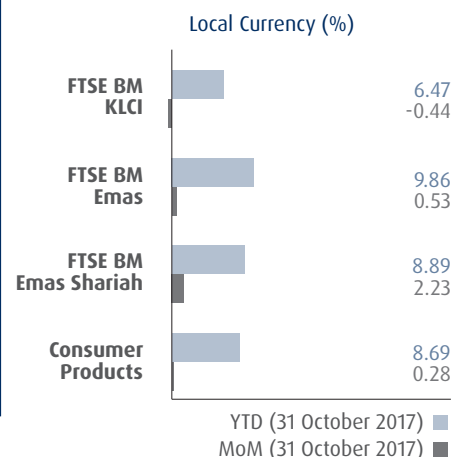
- China's economy expanded at the pace of 6.8% in the third quarter of 2017 (Q2 2017: 6.9%) and the GDP reading was largely in line with market consensus.
- China's industrial output growth accelerated to 6.6% year-on-year in September from 6.0% in August and came in higher than the expected growth of 6.2%. Meanwhile, retail sales rose at a steady pace of 10.3% in September compared with 10.1 in August and overshot market expectations.
- After two surprise interest rate cuts by Bank Indonesia in August and September, the central bank decided to keep its benchmark interest rate unchanged at 4.25% during the monetary policy meeting in October.
- Advance GDP data showed that Singapore's economic growth accelerated to 4.6% year-on-year in the third quarter of 2017 from a 2.9% growth in the second quarter and beat market expectations.



Source: Lipper For Investment Management

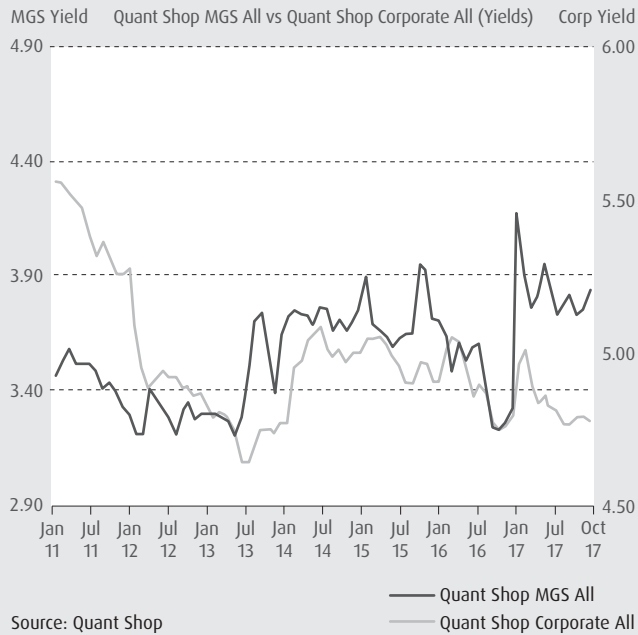
Malaysia

- In the Budget 2018, Malaysia's economy is expected to expand at a pace of 5.0-5.5% in 2018 while fiscal deficit is expected to narrow further to 2.8% of GDP in 2018 from 3.0% in 2017.
- Lifted by higher petrol prices and low base effect, headline inflation rose sharply in September with the Consumer Price Index (CPI) soaring to 4.3% year-on-year from August's 3.7%, in line with market estimates.
- Dragged by moderate growth in the mining, electricity and manufacturing sectors, the Industrial Production Index (IPI) growth eased to 4.7% year-on-year in September from 6.8% in August and missed market expectations.
- Malaysia's export growth posted a weaker-than-expected number in September, slowing to a pace of 14.8% year-on-year from 21.5% in August and lower than market forecasts.



Source: Lipper For Investment Management

Fixed Income



- The US Treasuries weakened amidst progress in Trump's tax reform agenda and the Federal Reserve's (Fed) hawkish stance ahead of the expected rate hike in December.
- Domestically, the government bond market remained bearish ahead of the Budget 2018 although some buying activities were spotted mostly along the belly of the curve. In the Budget Speech, the government maintained its fiscal consolidation path by presenting a budget which targeted to lower deficit to 2.80%, a marginal improvement from the 3.00% expected in 2017.
- During the month of October, the 7 and 30-year benchmark Malaysian Government Securities (MGS) garnered a low bid-to-cover of approximately 1.6 times whilst the 20-year benchmark Government Investment Issue (GII) was better supported with a bid-to-cover of 2.1 times. In the primary corporate bond space, Southern Power Generation Sendirian Berhad and Cagamas Berhad tapped the primary market with an issue size of RM3.6 billion and RM840 million respectively.

Market Outlook & Strategy

Equities

Global

- Economic data in the US suggest the strong economic growth is broad-based while the effects from the recent hurricane activities have been muted. The Fed is expected to raise rates again in December.
- The European Central Bank (ECB) announced an extension of the bank's quantitative easing programme for nine more months to September 2018 as inflation expectations remain muted.
- However, economic outlook remains positive as unemployment rate fell to an eight-year low of 8.9% and Manufacturing Purchasing Managers' Index (PMI) reading came in strongly.

Asia Pacific

- China held its 19th National Party Congress at which a change in focus from numerical growth targets to qualitative measures in terms of policy matters was observed.
- In Japan, incumbent Prime Minister Shinzo Abe won Japan's snap election, implying continuity for the Japanese economic and political landscape.
- For the Funds, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

Malaysia

- Malaysia market may experience some volatility as it is a major results season.
- 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

- In the near term, key events for the upcoming month include the next Fed Chair appointment and the non-farm payroll for October.
- In the Budget 2018, the government projected a stronger GDP growth of 5.0-5.5% in 2018, driven mainly by resilient domestic demand amid a favourable external sector.
- We expect Bank Negara Malaysia (BNM) to maintain its policy rate for the remainder of the year and for the US Fed to hike at the end of the year.
- We look to remain defensive in the sovereign bond market but may add on any market dip. We are constructive in the corporate bond space.



Your Trust, Our Honour

Our award recognition today would not have been possible without your support.

Group Award
Best Equity Award - Malaysia Provident
Hong Leong Asset Management Bhd

Individual Award
Best Equity Malaysia - Malaysia Provident, 3 years
Hong Leong Penny Stock Fund

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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	23/08/17
Hong Leong Income Management Fund Replacement Information Memorandum		02/11/15
	First	23/06/16
	Second Third	08/02/17 17/03/17
Hong Leong Islamic Institutional Income Management Fund II Replacement Information Memorandum		02/11/15
	First	01/04/16
	Second Third	08/02/17 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