Hong Leong Asset Management

Hong Leong Asia-Pacific Dividend Fund

FUND OBJECTIVE

- To provide investors with steady recurring income that is potentially higher than the average fixed deposits rates.
- Attempts to attain medium-to-long term capital gains from investing in high quality dividend yielding securities.

REVIEW & OUTLOOK AS AT END FEBRUARY 2011

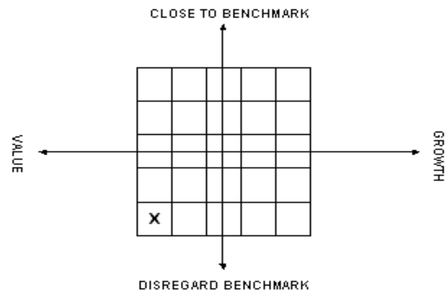
It is now well understood that rising prices for food and other commodities are playing a major role in pushing headline inflation higher in the emerging markets (EMs). While sharply higher prices of both oil and food were the main focus of attention during the inflation spike of 2008, the current inflation scare is centered mainly on food prices. The danger with the current trend of food prices is that many of the factors that drove prices higher in 2008 are in play once again, including: strong demand; low food stocks; and extreme weather (the 'La Nina' phenomenon in the Pacific Ocean and its contiguous countries). However, although energy prices have also been rising of late – which may create further pressure on food prices as they increase transportation costs and raise the demand for biofuels which in turn, increases the prices of foodstuffs such as corn and soya – the much lower oil price today than at the 2008 peak means slightly less pressure on food prices from this source than was the case two years ago. Performance wise, the Chinese (4.10%), Thai (2.47%) and Indonesian (1.79%) markets delivered the best relative returns in the Asia-Pacific region over the month. Conversely, Vietnam (-9.64%), South Korea (-6.30%) and Taiwan (-5.97%) saw the weakest relative performance in the region (in local currency terms). Overall, the MSCI AC Asia Pacific ex Japan Index fell 2.36% and underperformed the MSCI World Index (1.63%) in local currency terms.

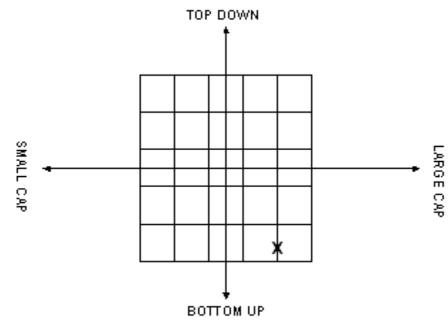
The overall threat to inflation in EMs from higher food prices is exacerbated by the much greater importance of food products in overall consumer spending compared to developed economies. This is illustrated by the much higher weights of food in consumer price index (CPI) baskets across EMs, ranging from as high as 50% in the Philippines and 34% in China to as low as 14%-15% in Korea and Brazil. Virtually all of these food weights in CPI baskets in the EMs are much higher than those in both the United States and Euro area (15%-16%). Therefore, food prices are back at their 2008 peaks and are rising sharply on a year-on-year basis. Further, rising food prices appear to have played a significant role in the popular protests in Tunisia in January 2011, which led to the ousting of the government; this was then followed by the much more important (in geopolitical terms and for the emerging market asset class) protest movement in Egypt. Combining these factors, the risk for emerging markets as a whole from the general inflation situation, and in particular, from food and energy prices, seems clear.

FUND MANAGER

Mr. Ooi Kok Leong holds a Bachelor of Science in Accounting & Finance from London School of Economics, UK and is a CFA charter holder. Prior to joining Hong Leong Asset Management Bhd, Mr. Ooi Kok Leong was a Senior Investment Manager of Credit Agricole Asset Management in Singapore from July 2007 to October 2009, managing Singapore and South East Asia portfolio. Mr. Ooi Kok Leong started his career as a Research Analyst at Thong & UOBKayHian Securities in 2000. He was with Public Mutual Bhd from 2001 to 2006 and his last position held was Investment Manager – Equity. Mr. Ooi Kok Leong obtained his fund manager's representative license from the SC in 2005.

INVESTMENT STYLE





BENCHMARK	%
MSCI AC ASIA PACIFIC EX JAPAN INDEX	100

Principal Risks of the Fund

- Market risk
- Liquidity risk
- Credit / Default risk
- Interest rate risk
- Particular security risk
- Currency risk
- Country risk
- Dividend policy risk
- Repatriation risk
- Structured products/Options risk
- Structured products/Options counterparty risk
- Structured products/Options valuation risk

Note:-(1) Based on the Fund's portfolio returns as at 31 January 2011, the Volatility Factor (VF) for this Fund is 20.8 and is classified as "Very High".(Source:Lipper). "Very High" includes funds with VF that are above 18.565 (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.

Hong Leong Asia-Pacific Dividend Fund

Date: 28/02/11

FUND INFORMATION	
Launch date	28 February 2006
Fund category (as per Lipper)	Equity Asia-Pacific ex Japan
Fund type	Growth and Income
Fund Size in RM	48.68 million
Launch price	RM0.50
Initial investment	RM1000.00
Subsequent investment	RM100.00
Sales charge	6.00%
Annual management fee	1.50% per annum
Exit fees	N/A
Annual expense ratio as at 31/10/10	1.02
EPF investment scheme	N/A

RISK AS AT END 28/02/2011	
3-YEAR Annualized Volatility	20.73
3-YEAR Annualized Sharpe Ratio	-0.15
HSBC Risk Classification	Speculative

**3-YEAR VOLATILITY AND SHARPE RATIO FIGURES ARE BASED ON NAV, ADJUSTED FOR DISTRIBUTIONS RE-INVESTED AND IN MYR.

FUNDS NAV AS AT END 28/02/2011	
52-Week High	0.4468
52-Week Low	0.3604

TRAILING RETURNS	3 MTH	6 MTH	1 YR	2 YR	3 YR	5 YR
Absolute Returns To Date (%)	-1.70	8.70	9.89	63.49	-1.34	14.89
Annualized Returns To Date (%)	-6.80	-17.40	9.89	31.75	-0.45	2.98

PERFORMANCE FIGURES ARE BASED ON NAV-TO-NAV, DISTRIBUTIONS RE-INVESTED IN MYR.

CALENDAR YEAR RETURNS	2007	2008	2009	2010
Hong Leong Asia-Pacific Dividend Fund (%)	14.83	-40.79	52.56	6.37
MSCI AC Asia Pacific ex Japan Index (%)	28.60	-49.39	71.85	6.64

PERFORMANCE FIGURES ARE BASED ON NAV-TO-NAV, DISTRIBUTIONS RE-INVESTED IN MYR.

TOP 10 HOLDINGS AS AT END 28/02/2011	% OF FUND
Australia And New Zealand Banking Group Limited - Australia	3.30%
Hong Kong Land Holdings Limited - Singapore	3.13%
QSR Brands Berhad	3.11%
Zhuzhou CSR Times Electric Company Limited - Hong Kong	2.78%
Industrial and Commercial Bank of China - Hong Kong	2.42%
Rio Tinto Limited - Australia	2.42%
Posco - ADR - South Korea	2.30%
Dialog Group Berhad	2.15%
Fubon Financial Holdings Company - Taiwan	2.13%
PT XL Axiata Tbk - Indonesia	2.10%

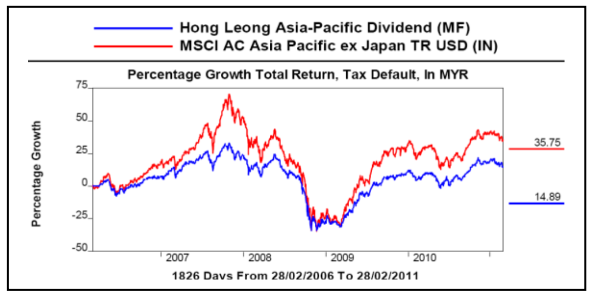
No of equity stocks Holdings 53 stocks

SOURCE: Hong Leong Asset Management Bhd
(Formerly known as HLG Unit Trust Bhd)

CHART 1: HISTORICAL PRICE FUND SINCE INCEPTION

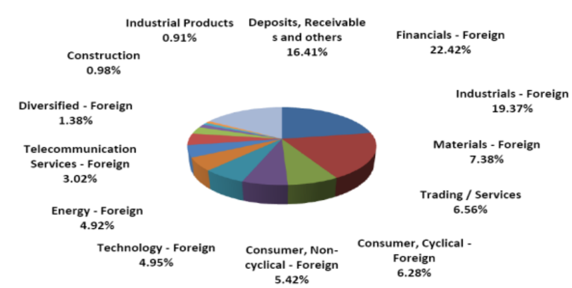
NAV line chart (based on NAV-to-NAV, Distributions re-invested)

CHART 2: PERFORMANCE OF FUND SINCE INCEPTION



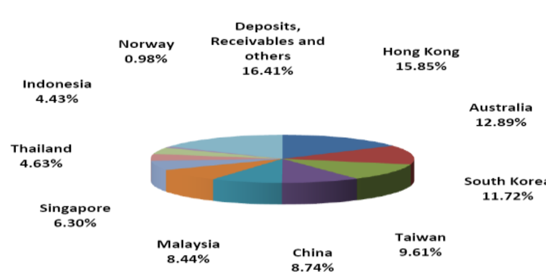
Source: Lipper
Calculatio : Nav-Nav, gross (i.e income from HLAPDF such as distributions, if any, will be reinvested), based in Ringgit Malaysia, Percentage Growth

SECTOR ALLOCATION* AS AT 28/02/11



**as a percentage of NAV. Please note that asset exposures for the funds are subject to frequent change on a daily basis.*

COUNTRY ALLOCATION* AS AT 28/02/11



**as a percentage of NAV. Please note that asset exposures for the funds are subject to frequent change on a daily basis.*