

## Fullerton Lux Funds - Asia Growth & Income Equities - Class A (USD)

### Investment Objective

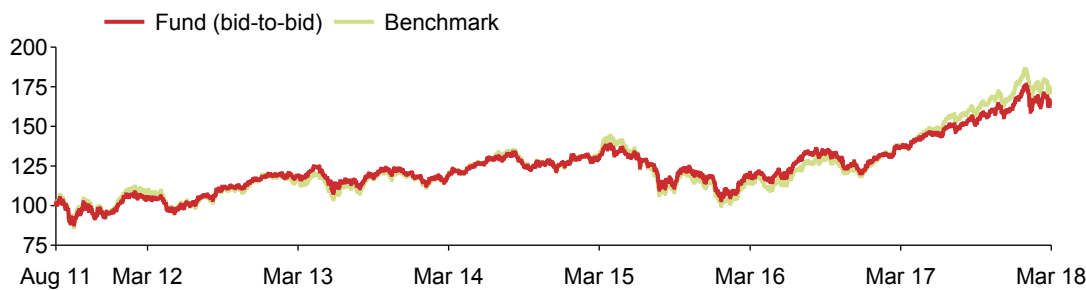
The investment objective of the Fund is to achieve competitive risk adjusted returns on a relative basis.

### Investment Focus and Approach

The Fund seeks to achieve its objective by investing primarily in equities of companies in Asia ex-Japan with high dividend yields. The countries include, but are not limited to China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand. The Fund is managed based on a bottom-up research process that focuses on fundamental analysis and stock selection to construct a diversified portfolio of companies in Asia. Stocks are selected based on their price versus intrinsic value, dividend yield, dividend growth and change catalyst. Top-down country/asset allocation is monitored with a view to manage potential risks from single country exposure.

Please refer to the prospectus for full details.

### Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
<b>Fund (bid-to-bid)</b>	-1.75	-0.15	7.61	19.60	7.93	6.53	7.71	14.20
<b>Fund (offer-to-bid)</b>	-6.43	-4.91	2.48	13.90	6.20	5.50	6.92	NA
<b>Benchmark</b>	-1.51	0.67	8.95	25.82	9.21	8.19	8.58	16.11

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in USD with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 5% which may or may not be charged to investors. Benchmark: MSCI AC Asia ex Japan Net Index.

Source: Fullerton Fund Management Company Ltd, MSCI Inc. and Bloomberg.

### Market Review

Asian markets were choppy throughout the month and ended mixed across the region. Geopolitical concerns over trade protectionism resulted in some degree of market reversal during the month, while tech stocks weighed on the region's financial markets thereafter, mimicking a selloff in the sector on Wall Street. Although the Federal Reserve raised interest rates in March as expected, it stopped short of signalling a faster pace of increases for this year. Nonetheless, investors assessed the implications of higher borrowing costs alongside global trade tensions.

Central bank decisions were mixed in March. Bank Negara Malaysia left its overnight policy rate unchanged at 3.25% and omitted any mention of the policy stance being "accommodative", which suggested limited room for more rate hikes. The Bank of Thailand held its policy rate steady as expected, although there was a surprise dissent vote from one member (out of six). Meanwhile, Bank Indonesia also kept rates unchanged and remained positive on the country's economic growth outlook, largely due to rising domestic demand. Elsewhere, the Bangko Sentral ng Pilipinas (BSP) snubbed market expectations and held its policy rate steady at 3%. The BSP's guidance was tilted hawkish as it flagged upside risks to inflation and held the view that economic growth remained solid enough to absorb some policy tightening. Up North, Taiwan's Central Bank of China (CBC) held its policy rate constant as expected at what was new CBC governor Yang Chin-long's first policy meeting. The CBC gave a strong assessment of the domestic economy in 2018 with 2.6% GDP growth expectations for the year and inflation trending at about 1.3%.

Against the above, the People's Bank of China (PBOC) raised the interest rate on the 7-day reverse-repo by 5bps, as it aimed to keep up the pressure on deleveraging and prevent too much divergence from US policy. Separately, the National People's Congress approved the appointment of Yi Gang as the PBOC's new governor – his appointment reflects the importance of policy continuity, with top priority still placed on deleveraging and financial risk containment.

### Inception date

22 Aug 2011

### Fund size

USD 193.96 million

### Base Currency

USD

### Pricing Date

31 Mar 2018

### NAV\*

USD 16.34

### Management fee

Up to 1.5% p.a.

### Preliminary Charge

Up to 5% of the subscription amount (equivalent to a maximum of 5.26315% of the Net Asset Value per Share)

### Dealing day

Daily

### Deadline

1pm (CET); 5pm (Singapore time) on each Business Day

### Bloomberg Code

FHIASAU LX

### ISIN Code

LU0577902611

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UEN: 200312672W

\* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

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## Investment Strategy

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Fundamentally, we maintain our view that earnings upgrades remain intact, albeit recognising that more companies are finding it difficult to beat elevated expectations. Nonetheless, the return of market volatility, after having reached cycle-lows in 2017, is a timely reminder that investor sentiment can shift quickly even as earnings remain well supported. Moreover, adverse geopolitical developments, including any further negative turns in current US-China trade discussions, are still macro risks which cannot be ignored. All things considered, we find it sensible adhering to our focus on growth fundamentals in our bottom-up approach to stock selection. We believe this remains the key to generating alpha in this current environment.

### Country Breakdown

China	31.4%
Hong Kong	14.8%
India	10.4%
Indonesia	2.7%
Korea	13.1%
Malaysia	1.9%
Philippines	2.2%
Singapore	3.3%
Taiwan	11.8%
Thailand	5.6%
US	1.0%
Cash	1.9%

### Sector Breakdown

Consumer Discretionary	9.9%
Consumer Staples	1.5%
Energy	5.1%
Financials	34.5%
Health Care	1.3%
Industrial	6.4%
Information Technology	30.8%
Materials	3.3%
Real Estate	1.4%
Telecommunication Services	3.9%
Cash	1.9%

### Top 5 Holdings

Tencent Holdings Ltd	7.5%
Samsung Electronics – Pref.	6.1%
Taiwan Semiconductor Manufacturing	6.1%
AIA Group Ltd	4.5%
Industrial & Commercial Bank of China	4.0%

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**Disclaimer:** This publication is for information only and your specific investment objectives, financial situation and needs are not considered here. The value of units in the Fund and any accruing income from the units may fall or rise. Any past performance, prediction or forecast is not indicative of future or likely performance. Any past payout yields and payments are not indicative of future payout yields and payments. Where distributions (if any) are declared in accordance with the prospectus, this may result in an immediate reduction of the net asset value per unit in the Fund. Applications must be made on the application form accompanying the prospectus, which can be obtained from Fullerton Fund Management Company Ltd (UEN: 200312672W) or its approved distributors. You should read the prospectus and seek advice from a financial adviser before investing. If you choose not to seek advice, you should consider whether the Fund is suitable for you.