

# Monthly Fund Fact Sheet — November 2018



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# HLA Venture Growth Fund (HLAVGF)

Nov 2018

## Fund Features

### 1. Investment Objective

The objective of the fund is to achieve higher returns than the general stock market by investing into growth stocks which potentially generate more superior returns.

### 2. Investment Strategy & Approach

This fund focuses on growth stocks listed in Bursa Malaysia and/or in any foreign stock exchanges that provide potentially higher capital gains.

### 3. Asset Allocation

The fund may invest up to 95% of its NAV in equities.

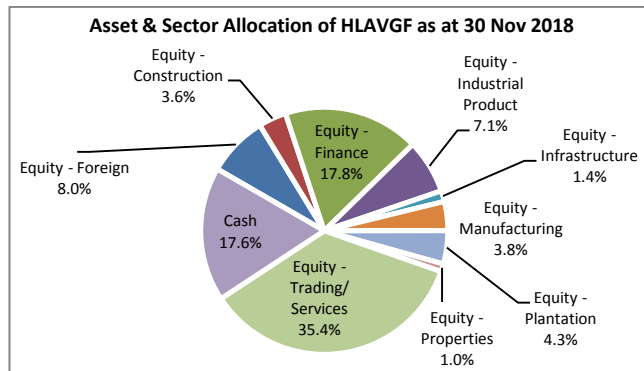
### 4. Target Market

This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

<b>Unit Price (30/11/2018)</b>	:RM2.0607
<b>Fund Size (30/11/2018)</b>	:RM364.7mil
<b>Fund Management Fee (effective as at 01/08/2018)</b>	: 1.39% p.a. (capped at 1.50%)
<b>Fund Manager</b>	:Hong Leong Assurance Berhad
<b>Fund Category</b>	:Equity
<b>Fund Inception</b>	:19 Jan 2000
<b>Benchmark</b>	:FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	:Daily

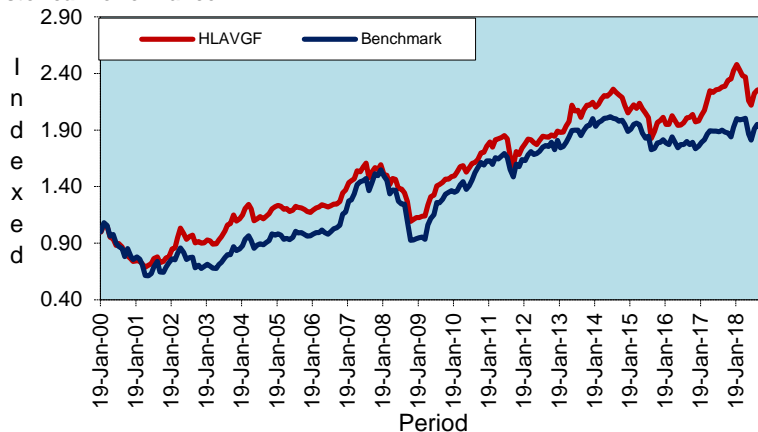
*The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%) of the initial asset allocation.*



## Top 5 Holdings for HLAVGF as at 30 Nov 2018

		%
1.	MAYBANK	8.9
2.	CIMB	8.9
3.	TENAGA	7.4
4.	DIALOG	5.4
5.	YINSON	4.4
<b>Total Top 5</b>		<b>34.9</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	-15.05%	-2.03%	-12.34%	3.92%	-2.76%	85.75%	106.07%
Benchmark*	-6.51%	-1.72%	-2.21%	0.46%	-7.33%	93.95%	79.98%
Relative	-8.54%	-0.31%	-10.13%	3.46%	4.57%	-8.20%	26.09%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets continue to be volatile with conflicting developments on the trade war front. While US President Trump was initially contemplating implementing tariffs on the remaining US\$275b of Chinese imports to the US by December; he subsequently indicated his willingness to negotiate with China on the US-China trade tariffs the following day. The US Mid-Term Elections also saw Democrats winning the majority in the House of Representatives while the Republicans expanded its majority in the Senate. This may result in fiscal decisions being more contentious going forward with a number of decisions needed to be made to avoid a partial government shutdown; to increase the debt ceiling and to lift the cap on discretionary spending up until year 2020. The recent comments in the FOMC Meeting Minutes by US Fed Chairman Jerome Powell also set a dovish tone on the economy. He earlier characterised interest rates as being "a long way from neutral" but recently tempered the tone to indicate that rates "remain below the broad range of estimates of the level that would be neutral for the economy".

As for the local market, Budget 2019 was still an expansionary one that tried to strike a balance between fiscal management and national debt rationalisation, as well as the promotion of nation building and the rakyat's wellbeing. GDP growth in 2018 and 2019 is forecasted at 4.8% and 4.9% respectively while the budget deficit will widen to 3.7% of GDP in 2018 and come off to 3.4% of GDP in 2019. Among the unexpected announcements were the introduction of additional fees for gaming licenses and higher casino duties, imposition of sugar tax, Real Property Gains Tax for properties held > 5 years, new departure levy on travellers and a more defined petrol subsidy. The 3Q18 quarter results season was also a disappointment with notable earnings downgrades across major sectors such as utilities, plantation, construction and property.

Crude oil prices took a plunge (-22% mom) to US\$50.72/barrel when the US offered waivers to eight of Iran's top importers of crude following sanctions on the Middle East nation. The Ringgit held steady against the US\$ ending the month at RM4.1842/ US\$.

For the month, FBM KLCI ended the month lower by 1.7% mom to 1,679.86 pts. It underperformed FTSE Emas Shariah which declined by 1.2% mom and FTSE Emas which was down by 1.4% mom. The FTSE Small Cap index continued to see pressure with a 4.4% mom decline in November.

Going forward, investors will be following closely the developments at the G20 meeting and also the OPEC meeting in early December. Trade tensions between the US and China has been temporarily halted for 90 days pending discussions, but the main issues may remain unresolved. The 3Q18 corporate earnings disappointment is also likely to continue into 4Q18. As such, with no strong growth catalysts for the domestic market, we expect the local bourse to take its cue from regional developments and remain volatile. We retain our defensive strategy, staying invested in high dividend yielding blue chip stocks with certainty of earnings.

# HLA Venture Growth Fund (HLAVGF)

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	10.5%	-5.7%	-3.9%	-3.0%	9.5%
HLAVGF- Gross	16.3%	-3.2%	-0.6%	-0.1%	26.0%
HLAVGF - Net	13.6%	-4.4%	-1.9%	-1.5%	22.5%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

#### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

#### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

#### 3. Credit Risk

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

#### 4. Interest Rate Risk

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

#### 5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

#### 6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

### Others

HLA Venture Growth Fund is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

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### Disclaimer:

Policy Owner must evaluate your options carefully and satisfy yourself that the investment-linked fund chosen meets your risk appetite. Past performance of the fund is not an indication of its future performance. The intention of this document is to enable Policy Owner to better understand the fund features and details in order to assist Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.



# HLA Venture Blue Chip Fund (HLAVBCF)

Nov 2018

## Fund Features

### 1. Investment Objective

The objective of the fund is to achieve returns comparable to the general stock market by taking average risks, with focus on well-capitalised and financially sound "blue chip" stocks to achieve a balance of capital gains and dividend income.

### 2. Investment Strategy & Approach

This fund provides participation in the stock market without taking excessive risk by focusing on fundamentally strong "blue chip" stocks listed in Bursa Malaysia and/or in any foreign stock exchanges. This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

### 3. Asset Allocation

The fund may invest up to 95% of its NAV in equities.

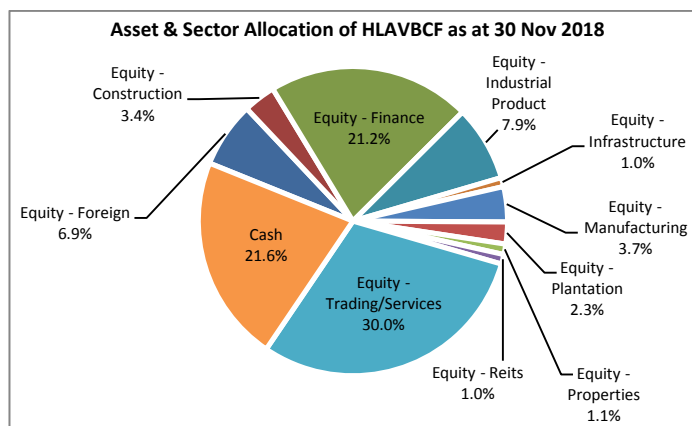
### 4. Target Market

This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

## Fund Details

Unit Price (30/11/2018)	: RM2.3364
Fund Size (30/11/2018)	: RM215.6mil
Fund Management Fee (effective as at 01/05/2018)	: 1.43% p.a. (capped at 1.50%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jan 2000
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

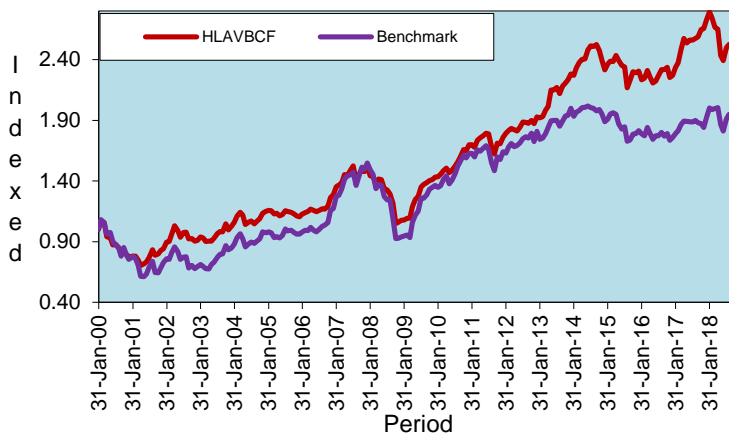
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%) of the initial asset allocation.



### Top 5 Holdings for HLAVBCF as at 30 Nov 2018

	%
1. MAYBANK	8.1
2. CIMB	8.1
3. TENAGA	6.1
4. YINSON	6.0
5. PBBANK	4.2
<b>Total Top 5</b>	<b>32.5</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVBCF	-14.42%	-1.52%	-12.01%	1.91%	4.65%	120.54%	133.64%
Benchmark*	-6.51%	-1.72%	-2.21%	0.46%	-7.33%	93.95%	79.98%
Relative	-7.91%	0.20%	-9.80%	1.45%	11.98%	26.59%	53.66%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets continue to be volatile with conflicting developments on the trade war front. While US President Trump was initially contemplating implementing tariffs on the remaining US\$275b of Chinese imports to the US by December; he subsequently indicated his willingness to negotiate with China on the US-China trade tariffs the following day. The US Mid-Term Elections also saw Democrats winning the majority in the House of Representatives while the Republicans expanded its majority in the Senate. This may result in fiscal decisions being more contentious going forward with a number of decisions needed to be made to avoid a partial government shutdown; to increase the debt ceiling and to lift the cap on discretionary spending up until year 2020. The recent comments in the FOMC Meeting Minutes by US Fed Chairman Jerome Powell also set a dovish tone on the economy. He earlier characterised interest rates as being "a long way from neutral" but recently tempered the tone to indicate that rates "remain below the broad range of estimates of the level that would be neutral for the economy".

As for the local market, Budget 2019 was still an expansionary one that tried to strike a balance between fiscal management and national debt rationalisation, as well as the promotion of nation building and the rakyat's wellbeing. GDP growth in 2018 and 2019 is forecasted at 4.8% and 4.9% respectively while the budget deficit will widen to 3.7% of GDP in 2018 and come off to 3.4% of GDP in 2019. Among the unexpected announcements were the introduction of additional fees for gaming licenses and higher casino duties, imposition of sugar tax, Real Property Gains Tax for properties held > 5 years, new departure levy on travellers and a more defined petrol subsidy. The 3Q18 quarter results season was also a disappointment with notable earnings downgrades across major sectors such as utilities, plantation, construction and property.

Crude oil prices took a plunge (-22% mom) to US\$50.72/barrel when the US offered waivers to eight of Iran's top importers of crude following sanctions on the Middle East nation. The Ringgit held steady against the US\$ ending the month at RM4.1842/ US\$.

For the month, FBM KLCI ended the month lower by 1.7% mom to 1,679.86 pts. It underperformed FTSE Emas Shariah which declined by 1.2% mom and FTSE Emas which was down by 1.4% mom. The FTSE Small Cap index continued to see pressure with a 4.4% mom decline in November.

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# HLA Venture Blue Chip Fund (HLAVBCF)

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	10.5%	-5.7%	-3.9%	-3.0%	9.5%
HLAVBF- Gross	21.4%	3.2%	1.1%	-0.1%	23.6%
HLAVBF - Net	18.3%	1.5%	-0.4%	-1.6%	20.3%

Net returns are adjusted for tax and fund management fees.

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### Investment Risks

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#### 1. Market Risk

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### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

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### Basis of Calculation of Past Performance

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$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

### Others

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# HLA Venture Dana Putra (HLAVDP)

Nov 2018

## Fund Features

### 1. Investment Objective

The objective of the fund is to achieve capital growth over the medium to long term.

### 2. Investment Strategy & Approach

This fund invests in Syariah-approved securities and money market instruments.

### 3. Asset Allocation

The fund will invest up to 90% but not less than 40% of its NAV in equities.

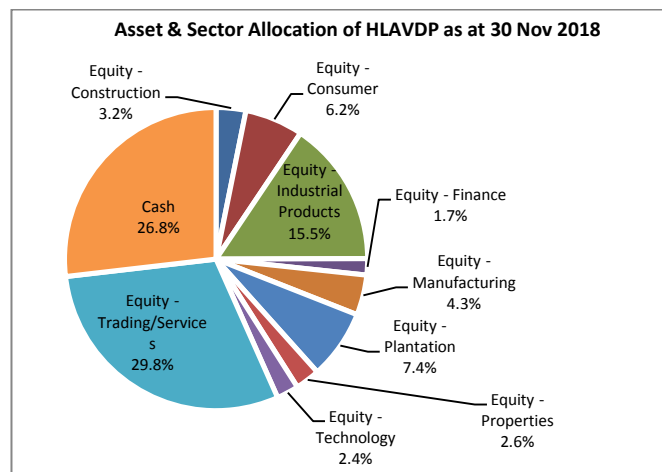
### 4. Target Market

This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

Unit Price (30/11/2018)	: RM2.3561
Fund Size (30/11/2018)	: RM67.8mil
Fund Management Fee (effective as at 01/09/2016)	: 1.40% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

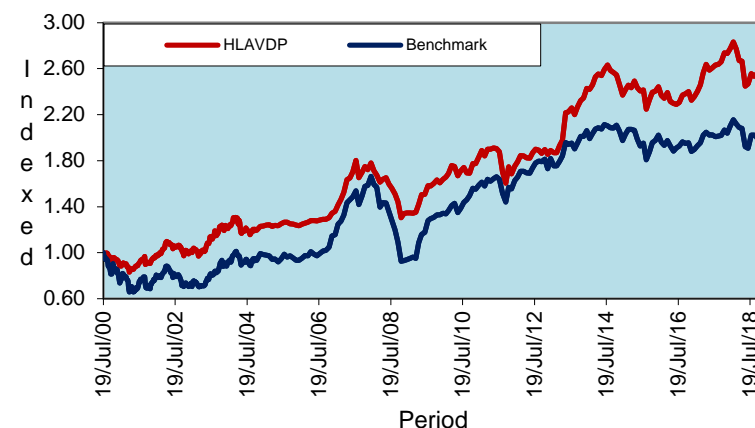
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## Top 5 Holdings for HLAVDP as at 30 Nov 2018

	%
1. TENAGA	8.5
2. QL	6.2
3. DIALOG	4.3
4. INARI	4.3
5. YINSON	4.2
<b>Total Top 5</b>	<b>27.6</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-15.05%	-1.52%	-13.80%	-1.96%	0.50%	75.78%	135.61%
Benchmark*	-12.55%	-1.18%	-9.96%	-6.98%	-8.64%	97.16%	83.71%
Relative	-2.50%	-0.35%	-3.84%	5.02%	9.15%	-21.39%	51.90%

Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets continue to be volatile with conflicting developments on the trade war front. While US President Trump was initially contemplating implementing tariffs on the remaining US\$275b of Chinese imports to the US by December; he subsequently indicated his willingness to negotiate with China on the US-China trade tariffs the following day. The US Mid-Term Elections also saw Democrats winning the majority in the House of Representatives while the Republicans expanded its majority in the Senate. This may result in fiscal decisions being more contentious going forward with a number of decisions needed to be made to avoid a partial government shutdown; to increase the debt ceiling and to lift the cap on discretionary spending up until year 2020. The recent comments in the FOMC Meeting Minutes by US Fed Chairman Jerome Powell also set a dovish tone on the economy. He earlier characterised interest rates as being "a long way from neutral" but recently tempered the tone to indicate that rates "remain below the broad range of estimates of the level that would be neutral for the economy".

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## HLA Venture Dana Putra (HLAVDP)

### Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	13.3%	-4.2%	2.4%	-6.1%	10.7%
HLAVDP- Gross	32.6%	-1.1%	4.9%	-2.4%	20.8%
HLAVDP - Net	28.6%	-2.4%	3.1%	-3.6%	17.7%

Net returns are adjusted for tax and fund management fees.

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  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
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### Exceptional Circumstances

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### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

### Others

HLA Venture Dana Putra is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

**THIS IS AN INSURANCE PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS.**

### Disclaimer:

Policy Owner must evaluate your options carefully and satisfy yourself that the investment-linked fund chosen meets your risk appetite. Past performance of the fund is not an indication of its future performance. The intention of this document is to enable Policy Owner to better understand the fund features and details in order to assist Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.



# HLA Venture Flexi Fund (HLAVFF)

Nov 2018

## Fund Features

### 1. Investment Objective

The objective of the fund is to provide investors the opportunity to enjoy medium to long-term capital appreciation from the prevailing sectorial and investment themes in Malaysian equities market.

### 2. Investment Strategy & Approach

The fund would be actively managed, rotating between sectors deemed to benefit the most at any given point in time, and would comprise several Core Sectors and Trading / Rotational Sectors which would vary depending on prevailing market conditions. The strategy will be to identify the themes in its early phase to capitalize on its growth. This fund is suitable for aggressive investors who are willing to take higher risk and wish to seek higher returns from a diversified portfolio with thematic investment opportunities.

### 3. Asset Allocation

The fund will invest a minimum of 30% and up to 95% of its NAV in equities.

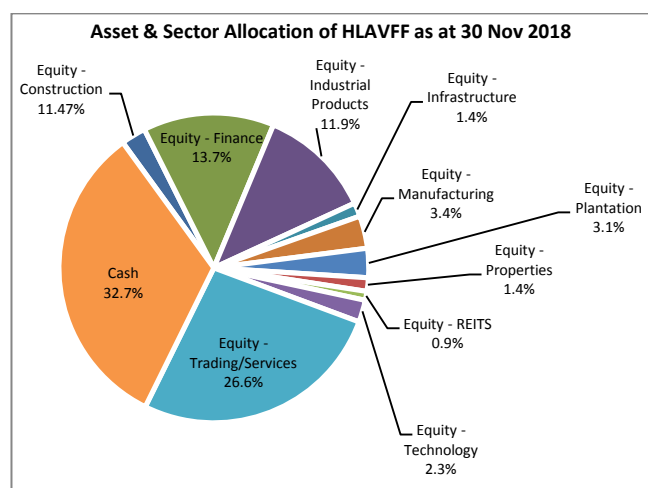
### 4. Target Market

This fund is suitable for aggressive investors who are willing to take higher risk and wish to seek higher returns from a diversified portfolio with thematic investment opportunities.

## Fund Details

<b>Unit Price (30/11/2018)</b>	: RM0.8806
<b>Fund Size (30/11/2018)</b>	: RM55.5mil
<b>Fund Management Fee (effective as at 01/09/2016)</b>	: 1.45% p.a. (capped at 1.48%)
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 06 April 2009
<b>Benchmark</b>	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	: Daily

The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%) of the initial asset allocation.



## Top 5 Holdings for HLAVFF as at 30 Nov 2018

	%
1. MAYBANK	6.8
2. CIMB	6.8
3. TENAGA	4.3
4. INARI	3.4
5. YINSON	3.1
<b>Total Top 5</b>	<b>24.5</b>

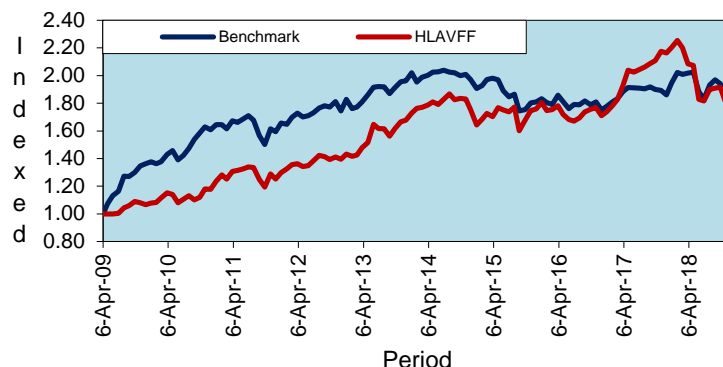
Hong Leong Assurance Berhad (94613-X)

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## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLAVFF	-20.03%	-2.07%	-18.61%	0.09%	5.02%	76.12%
Benchmark*	-6.51%	-1.72%	-2.21%	0.46%	-7.33%	81.85%
Relative	-13.52%	-0.35%	-16.39%	-0.37%	12.35%	-5.73%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets continue to be volatile with conflicting developments on the trade war front. While US President Trump was initially contemplating implementing tariffs on the remaining US\$275b of Chinese imports to the US by December; he subsequently indicated his willingness to negotiate with China on the US-China trade tariffs the following day. The US Mid-Term Elections also saw Democrats winning the majority in the House of Representatives while the Republicans expanded its majority in the Senate. This may result in fiscal decisions being more contentious going forward with a number of decisions needed to be made to avoid a partial government shutdown; to increase the debt ceiling and to lift the cap on discretionary spending up until year 2020. The recent comments in the FOMC Meeting Minutes by US Fed Chairman Jerome Powell also set a dovish tone on the economy. He earlier characterised interest rates as being "a long way from neutral" but recently tempered the tone to indicate that rates "remain below the broad range of estimates of the level that would be neutral for the economy".

As for the local market, Budget 2019 was still an expansionary one that tried to strike a balance between fiscal management and national debt rationalisation, as well as the promotion of nation building and the rakyat's wellbeing. GDP growth in 2018 and 2019 is forecasted at 4.8% and 4.9% respectively while the budget deficit will widen to 3.7% of GDP in 2018 and come off to 3.4% of GDP in 2019. Among the unexpected announcements were the introduction of additional fees for gaming licenses and higher casino duties, imposition of sugar tax, Real Property Gains Tax for properties held > 5 years, new departure levy on travellers and a more defined petrol subsidy. The 3Q18 quarter results season was also a disappointment with notable earnings downgrades across major sectors such as utilities, plantation, construction and property.

Crude oil prices took a plunge (-22% mom) to US\$50.72/barrel when the US offered waivers to eight of Iran's top importers of crude following sanctions on the Middle East nation. The Ringgit held steady against the US\$ ending the month at RM4.1842/ US\$.

For the month, FBM KLCI ended the month lower by 1.7% mom to 1,679.86 pts. It underperformed FTSE Emas Shariah which declined by 1.2% mom and FTSE Emas which was down by 1.4% mom. The FTSE Small Cap index continued to see pressure with a 4.4% mom decline in November.

Going forward, investors will be following closely the developments at the G20 meeting and also the OPEC meeting in early December. Trade tensions between the US and China has been temporarily halted for 90 days pending discussions, but the main issues may remain unresolved. The 3Q18 corporate earnings disappointment is also likely to continue into 4Q18. As such, with no strong growth catalysts for the domestic market, we expect the local bourse to take its cue from regional developments and remain volatile. We retain our defensive strategy, staying invested in high dividend yielding blue chip stocks with certainty of earnings.

# HLA Venture Flexi Fund (HLAVFF)

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	10.5%	-5.7%	-3.9%	-3.0%	9.5%
HLAVFF- Gross	24.1%	-3.9%	12.2%	-2.4%	30.6%
HLAVFF - Net	20.8%	-5.0%	9.8%	-3.7%	26.7%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

#### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

#### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

#### 3. Credit Risk

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

#### 4. Interest Rate Risk

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

#### 5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

#### 6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

### Others

HLA Venture Flexi Fund is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

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### Disclaimer:

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# HLA Value Fund (HLVF)

Nov 2018

## Fund Features

### 1. Investment Objective

The objective of the fund is to achieve large capital gains by investing in companies that are well-managed and financially stable which are undervalued or at deep discount to their net tangible asset values.

### 2. Investment Strategy & Approach

The strategy is to provide investors an access into a diversified portfolio of value stocks listed on Bursa Malaysia and/or in any foreign stock exchanges that offer potential capital appreciation. The fund may feed into collective investment schemes that meet the fund's objective. At inception, the fund will invest by feeding into Hong Leong Penny Stock Fund ('Target Fund') with the option to increase the number of funds or replace the Target Fund in future. The Target Fund will invest with a value investment strategy across equity securities of all market capitalization level of companies operating in Malaysia. Generally, companies that have valuations at a discount to the market and/or its sector peers are selected. Additionally, the Target Fund may also invest in stocks with market capitalization of up to RM1 billion that are not well covered by equity research houses and stockbrokers.

### 3. Plough Back Mechanism

In the event that the net fund performance is below 5% per annum based on the performance assessment on the last business day of September of each year, an amount equivalent to 0.5% per annum of the fund's Net Asset Value (NAV) will be ploughed back to the fund in four equal weekly payments. The first payment will be due on the first business day of October of each year.

### 4. Asset Allocation

The indicative asset allocation for Hong Leong Penny Stock Fund ('Target Fund') is to invest a minimum of 70% of its NAV in equities and maximum 30% of its NAV in fixed income securities. Generally, HLA Value Fund may invest up to 95% of its NAV in equities.

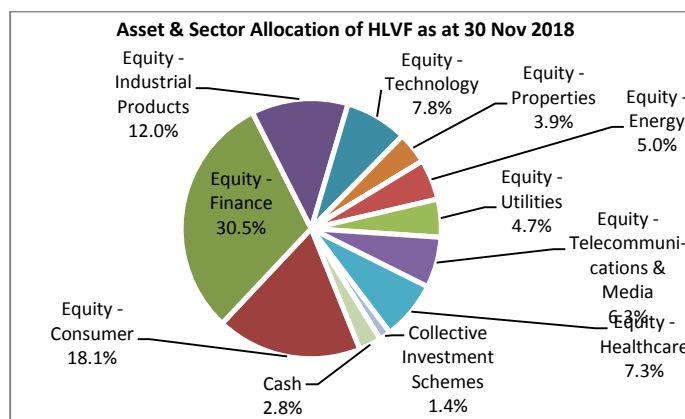
### 5. Target Market

This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

## Fund Details

Unit Price (30/11/2018)	: RM 1.1430
Fund Size (30/11/2018)	: RM 71.6mil
Fund Management Fee (effective as at 01/10/2015)	: 1.45% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 October 2015
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

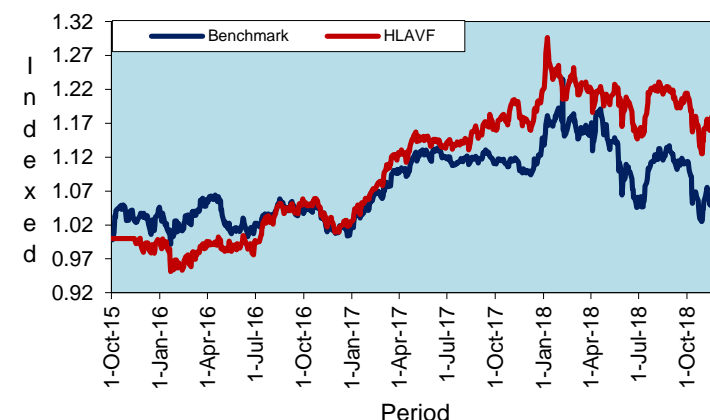
*Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*



## Top 5 Holdings for HLVF as at 30 Nov 2018

	%
1. TOP GLOVE CORPORATION BERHAD	7.3
2. MALAYAN BANKING BERHAD	6.7
3. BRITISH AMERICAN TOBACCO (MALAYSIA)	5.8
4. PUBLIC BANK BERHAD	5.6
5. RHB BANK BERHAD	5.4
<b>Total Top 5</b>	<b>30.9</b>

## Historical Performance



	YTD	1 month	6 months	1 year	2 years	3 years	Since Inception
HLVF	-6.20%	-0.19%	-2.76%	-2.62%	13.25%	16.66%	14.30%
Benchmark*	-10.11%	-1.16%	-4.09%	-6.24%	2.44%	0.06%	3.20%
Relative	3.92%	0.97%	1.33%	3.63%	10.80%	16.59%	11.10%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 1.7% to close at 1,680 points. The broader market outperformed as the FTSE BM EMAS Index declined 1.4% to close at 11,604 points. Small caps underperformed as the FTSE BM Small Cap Index declined 4.4% to close at 12,161 points.

Investor sentiment in the local market was dampened by the sell-off in the oil market.

On the corporate front, the government raised gaming tax up to 35% of gross collection. The government announce intention to create the world's first Airport Real Estate Investment Trust. The MRCB-George Kent joint venture's LRT3 contract has been reduced to about RM12 billion.

The Fund will continue to identify companies that are potential winners in growing industries helmed by capable management.

## HLA Value Fund (HLVF)

### Actual Annual Investment Returns for the Past Three (3) Calendar Years

Year	2015	2016	2017
Benchmark	4.6%	-2.8%	12.9%
HLVF - Gross	-0.1%	4.7%	22.2%
HLVF - Net	-0.4%	2.8%	19.0%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past three (3) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 1 October 2015. The actual investment returns are calculated based on unit price from 1 October 2015 to 31 December 2015.

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

#### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

#### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

#### 3. Credit Risk

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

#### 4. Interest Rate Risk

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

#### 5. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

#### 6. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

#### 7. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Target Fund Details

Hong Leong Penny Stock Fund is an Equity fund managed by Hong Leong Asset Management. The past performance of this fund is as follows:

Year	2013	2014	2015	2016	2017
Performance	19.6%	1.1%	18.8%	3.1%	21.7%

Source: Hong Leong Asset Management



## HLA Value Fund (HLVF)

### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

For the underlying Target Fund, past performance is calculated after adjusting for distribution and/or additional units, if any.

### Others

HLA Value Fund is managed by HLA. Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

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# Hong Leong SMART Invest Fund (HLSIF)

Nov 2018

## Fund Features

### 1. Investment Objective

The primary objective of the fund is to achieve large capital gains by investing in companies that are well-managed and financially stable which are undervalued or at deep discount to their net tangible asset values.

### 2. Investment Strategy & Approach

The strategy is to provide investors an access into a diversified portfolio of value stocks listed on Bursa Malaysia and/or in any foreign stock exchanges that offer potential capital appreciation. The fund will principally feed into collective investment schemes that meet the fund's objective. At inception, the fund will invest by feeding into Hong Leong Penny Stock Fund ('Target Fund') with the option to increase the number of funds or replace the Target Fund in future. The Target Fund will invest with a value investment strategy across equity securities of all market capitalization level of companies operating in Malaysia. Generally, companies that have valuations at a discount to the market and/or its sector peers are selected. Additionally, the Target Fund may also invest in stocks with market capitalization of up to RM1 billion that are not well covered by equity research houses and stockbrokers.

### 3. Asset Allocation

The indicative asset allocation for Hong Leong Penny Stock Fund ('Target Fund') is to invest a minimum of 70% of its NAV in equities and maximum 30% of its NAV in fixed income securities. Generally, Hong Leong SMART Invest Fund may invest up to 95% of its NAV in equities.

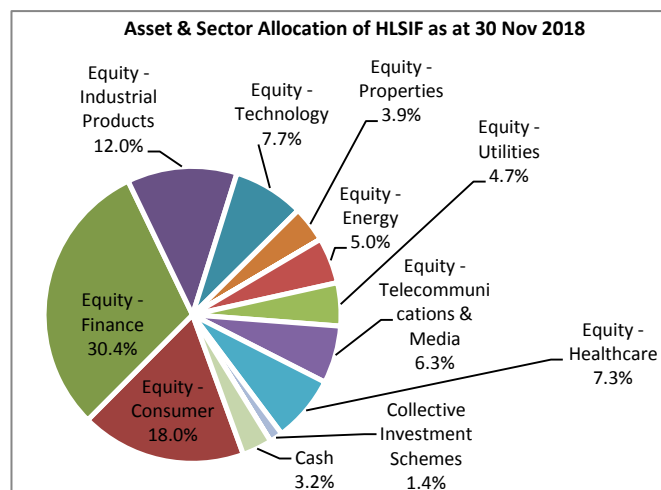
### 4. Target Market

This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

## Fund Details

Unit Price (30/11/2018)	: RM 0.9573
Fund Size (30/11/2018)	: RM 103.4mil
Fund Management Fee (effective as at 23/11/2017)	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 23 November 2017
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

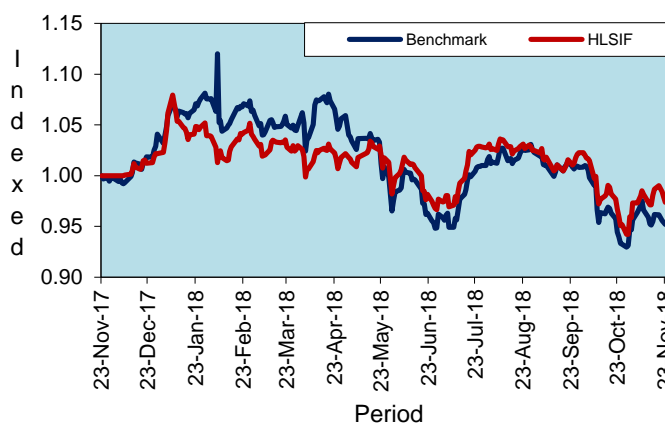
*Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*



## Top 5 Holdings for HLSIF as at 30 Nov 2018

	%
1. TOP GLOVE CORPORATION BERHAD	7.3
2. MALAYAN BANKING BERHAD	6.7
3. BRITISH AMERICAN TOBACCO (MALAYSIA)	5.8
4. PUBLIC BANK BERHAD	5.6
5. RHB BANK BERHAD	5.4
<b>Total Top 5</b>	<b>30.8</b>

## Historical Performance



	YTD	1 month	3 months	1 year	2 years	Since Inception
HLSIF	-6.29%	-0.22%	-6.60%	-4.27%	-	-4.27%
Benchmark*	-10.11%	-1.16%	-8.54%	-6.24%	-	-6.43%
Relative	3.82%	0.94%	1.94%	1.97%	-	2.16%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 1.7% to close at 1,680 points. The broader market outperformed as the FTSE BM EMAS Index declined 1.4% to close at 11,604 points. Small caps underperformed as the FTSE BM Small Cap Index declined 4.4% to close at 12,161 points.

Investor sentiment in the local market was dampened by the sell-off in the oil market.

On the corporate front, the government raised gaming tax up to 35% of gross collection. The government announce intention to create the world's first Airport Real Estate Investment Trust. The MRCB-George Kent joint venture's LRT3 contract has been reduced to about RM12 billion.

The Fund will continue to identify companies that are potential winners in growing industries helmed by capable management.

Hong Leong Assurance Berhad (94613-X)

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Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299

# Hong Leong SMART Invest Fund (HLSIF)

## Actual Annual Investment Returns for the Past One (1) Calendar Year

Year	2017
Benchmark	12.9%
HLSIF- Gross	2.5%
HLSIF - Net	2.2%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past one (1) year, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 23 November 2017. The actual investment returns are calculated based on unit price from 23 November 2017 to 31 December 2017.

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

#### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

#### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

#### 3. Credit Risk

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

#### 4. Interest Rate Risk

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

#### 5. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

If the fund invests in Foreign Asset, the fund will be exposed to the following risks:

#### 6. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

#### 7. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Target Fund Details

Hong Leong Penny Stock Fund is an Equity fund managed by Hong Leong Asset Management. The past performance of this fund is as follows:

Year	2013	2014	2015	2016	2017
Performance	19.6%	1.1%	18.8%	3.1%	21.7%

Source: Hong Leong Asset Management

## Hong Leong SMART Invest Fund (HLSIF)

### **Basis of Calculation of Past Performance**

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

For the underlying Target Fund, past performance is calculated after adjusting for distribution and/or additional units, if any.

### **Others**

Hong Leong SMART Invest Fund is managed by HLA. Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

**THIS IS AN INSURANCE PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS.**

### **Disclaimer:**

Policy Owner must evaluate your options carefully and satisfy yourself that the investment-linked fund chosen meets your risk appetite. Past performance of the fund is not an indication of its future performance. The intention of this document is to enable Policy Owner to better understand the fund features and details in order to assist Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.



# Hong Leong Smart Growth Fund (HLSGF)

Nov 2018

## Fund Features

### 1. Investment Objective

The primary objective of the fund is to provide investors with steady long-term capital growth at moderate risk.

### 2. Investment Strategy & Approach

The strategy is to provide investors an access into a diversified portfolio of growth stocks listed on Bursa Malaysia and/or in any foreign stock exchanges that offer potential capital appreciation at moderate risk. The fund may feed into collective investment schemes that meet the fund's objective. At inception, HLSGF will invest by feeding into Kenanga Growth Fund ("Target Fund") with the option to increase the number of funds or replace the Target Fund in future. The Target Fund's assets are actively invested in a diversified portfolio of Malaysian equity and equity-related securities of companies with sustainable business model that is trading at a discount to its intrinsic value.

### 3. Asset Allocation

Under normal market conditions, the Target Fund's equity exposure is expected to range from 75% to 95% of the Target Fund's NAV with the balance in money market instruments, fixed deposits and/or cash.

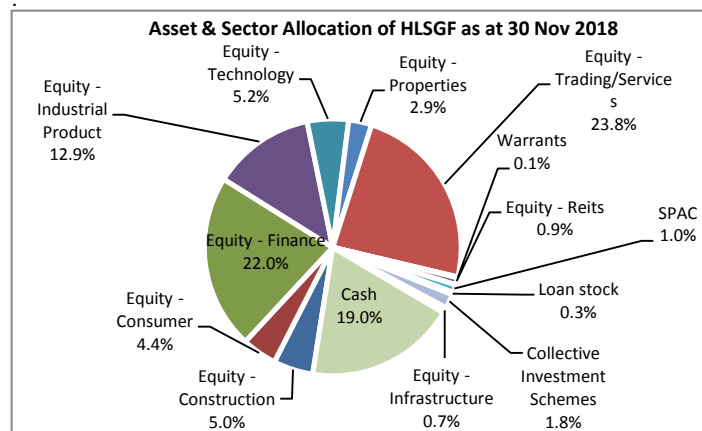
### 4. Target Market

This fund is suitable for investors who have long term investment time horizon and have a moderate risk profile with tolerance for short-term periods of volatility.

## Fund Details

Unit Price (30/11/2018)	: RM1.7292
Fund Size (30/11/2018)	: RM217.0mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 Oct 2012
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice



### Top 5 Holdings for HLSGF as at 30 Nov 2018

	%
1. TENAGA NASIONAL BHD	6.2
2. MALAYAN BANKING BERHAD	5.6
3. PUBLIC BANK BHD	4.2
4. HONG LEONG FINANCIAL GROUP BHD	4.1
5. DIALOG GROUP BHD	3.7
<b>Total Top 5</b>	<b>23.8</b>

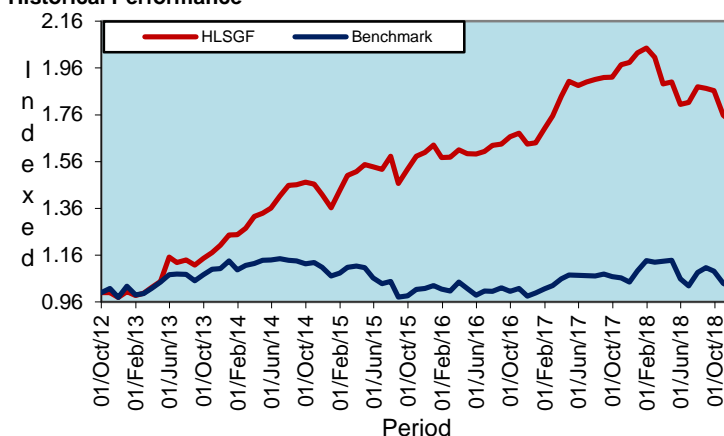
Hong Leong Assurance Berhad (94613-X)

Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

Telephone 03-7650 1818 Facsimile 03-7650 1991

Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	-14.62%	-1.66%	-12.81%	8.13%	43.80%	72.92%
Benchmark*	-6.51%	-1.72%	-2.21%	0.46%	-7.33%	2.22%
Relative	-8.11%	0.07%	-10.60%	7.67%	51.13%	70.70%

Source: Bloomberg

## Market Review, Outlook & Strategy relevant to Target Fund

November ended with mixed performances across the globe. While US equity markets recorded monthly gains with Dow Jones up by 1.7% month on month (MoM), European markets were generally negative. Investors were generally cautious over Brexit-led turmoil, falling oil prices and the uncertain outcome between Trump and Xi's trade talk in the G20 meeting. However, Powell's comments that the US interest rate was just below neutral range by end November was interpreted as dovish and provided some cheers to equity markets. Malaysia's new government announced its maiden Budget 2019 with introduction of new taxes which include sugar tax, digital tax and departure levy. Economy is expected to grow at 4.8% and 4.9% in 2018 and 2019 respectively driven by private sector consumption growth of 9% and 9.9% in 2018 and 2019 respectively. Fiscal deficit is projected at 3.7% in 2018 and will narrow to 3.4% in 2019. The Budget however did not provide any boost to the market. Malaysia 3Q18 GDP rose 4.4% year on year (YoY) driven largely by consumer and private sector spending. The KLCI slipped 1.7% MoM on the back of foreign selling and disappointing 3Q earnings. Foreigners were net sellers in November with RM0.7 billion net outflow. Year-to-date (YTD) net selling was RM10.7 billion, almost reversing RM10.8 billion foreign net buying in 2017. The Ringgit depreciated 1.1% against the US dollar in November to 4.1842. On the commodities front, Brent crude oil plunged 22% MoM and 11% YTD to USD58.71/bbl on concerns of rising global supply and weaker global demand. Tracking weakness in crude oil price, crude palm oil dropped 5% MoM and 19% YTD to RM2,040/MT.

## Market Outlook

Market could remain volatile in December with ongoing news-flow on US-China trade wars and statements from the Federal Reserve. Beijing and China now has 90 days to negotiate, after which US could go ahead with 25% tariff increase if both sides failed to reach an agreement. Expectation for further hikes next year has receded following the Powell's dovish statement. Federal Open Market Committee (FOMC) will meet on 18 & 19 December 2018 which may lead to last rate hike for the year. Another key to watch is outlook of oil price. All eyes will be on Organisation of the Petroleum Exporting Countries (OPEC) meeting which is scheduled on 6 December. Details have yet to be disclosed but market is expecting a production cut of 1 million - 1.4 million bpd. Russia had earlier expressed its interest to join Saudi in curbing production output.

# Hong Leong Smart Growth Fund (HLSGF)

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	10.5%	-5.7%	-3.9%	-3.0%	9.5%
HLSGF - Gross	27.8%	11.8%	23.1%	2.3%	27.1%
HLSGF - Net	24.1%	9.3%	19.8%	0.6%	23.5%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 1 October 2012. The actual investment returns are calculated based on unit price from 1 October 2012 to 31 December 2012.

## Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this investment. The following are the non-exhaustive list of risks associated to this fund.

### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

### 3. Credit Risk

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

### 4. Interest Rate Risk

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

### 5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

### 6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

### 7. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

## Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

## Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date;
 plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

## Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

## Target Fund Details

Kenanga Growth Fund is an Equity fund managed by Kenanga Investors Berhad. The past performance of this fund is as follows:

Year	2013	2014	2015	2016	2017
Performance	26.4%	9.3%	20.9%	-0.1%	25.8%

## Hong Leong Assurance Berhad (94613-X)

Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

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## Hong Leong Smart Growth Fund (HLSGF)

### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

For the underlying Target Fund, past performance is calculated after adjusting for distribution and/or additional units, if any.

### Others

Hong Leong Smart Growth Fund is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

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### Disclaimer:

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# HLA Venture Global Fund (HLAVGLF)

Nov 2018

## Fund Features

### 1. Investment Objective

The objective of the fund is provide investors with steady growth and consistency in income return over a medium to long term investment horizons by investing into global equities.

### 2. Investment Strategy & Approach

This fund will initially invest in, but not limited to Hong Leong Asia-Pacific Dividend Fund and Hong Leong Strategic Fund that uses equity, fixed income and money market instruments as their underlying assets. This fund will seek to diversify its investment geographically and by asset classes i.e. global equity of companies involved in the extraction, processing, transportation and distribution of natural resources, high dividend yield equities in Asia Pacific region (excluding Japan), global equities and/or local equities.

### 3. Asset Allocation

The fund will invest up to 95% of its NAV into selected unit trust funds.

### 4. Target Market

This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

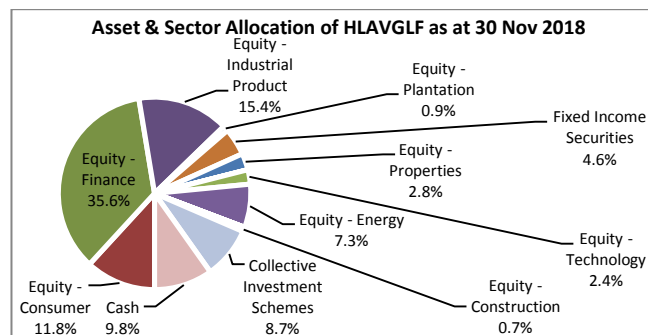
## Fund Details

<b>Unit Price (30/11/2018)</b>	:RM1.2365
<b>Fund Size (30/11/2018)</b>	:RM27.6mil
<b>Fund Management Fee</b>	:1.29% p.a.
<b>Fund Manager</b>	:Hong Leong Assurance Berhad
<b>Fund Category</b>	:Equity
<b>Fund Inception</b>	: 02 April 2007
<b>Benchmark</b>	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
<b>Frequency of Unit Valuation</b>	:Daily

Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.

## Asset Allocation for HLAVGLF as at 30 Nov 2018

	%
Hong Leong Asia-Pacific Dividend Fund	57.0
Hong Leong Strategic Fund	41.9
Cash	1.1
<b>Total</b>	<b>100.0</b>



## Top 5 Holdings for HLAVGLF as at 30 Nov 2018

	%
1. China Construction Bank Corporation - H	7.9
2. Hong Leong Islamic Institutional Income Management Fund II	6.7
3. Tencent Holdings Limited	5.3
4. AAC Technologies Holdings Inc	5.2
5. Malaysian Government Securities	4.1
<b>Total Top 5</b>	<b>29.2</b>

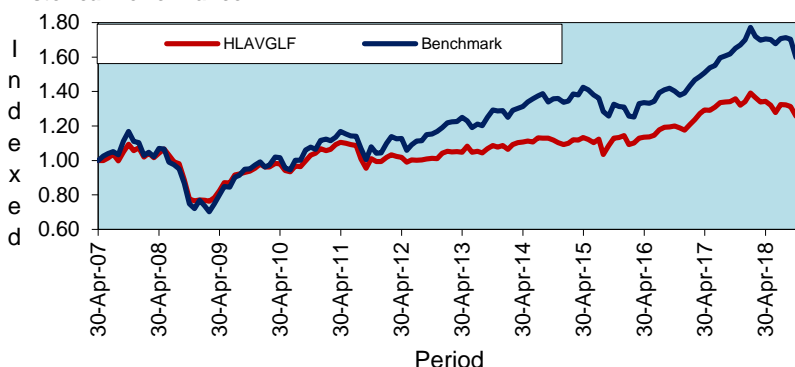
Hong Leong Assurance Berhad (94613-X)

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## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
<b>HLAVGLF</b>	-7.79%	-1.75%	-6.45%	9.10%	14.72%	61.57%	23.65%
<b>Benchmark*</b>	-3.99%	2.12%	-2.22%	24.33%	26.78%	126.14%	63.24%
<b>Relative</b>	-3.80%	-3.87%	-4.24%	-15.23%	-12.06%	-64.57%	-39.59%

Source: Bloomberg, RAM Quantshop

## Market Review, Outlook & Strategy relevant to Target Fund

### Equity Review

**Global** – Global markets stabilized during the month after a brutal October. In the United States (US), Democrats took control of the House of Representatives while the Republicans maintained control of the Senate. Markets appeared increasingly concerned about slowing global growth and impact of tariffs on global trade and household cost. The Dow Jones Industrial rose 1.7% and the broader S&P 500 Index rose 1.8%. The Euro Stoxx Index declined 0.8% and the FTSE 100 Index declined 2.1%.

**Asia Pacific** – Geopolitical concerns continued to weigh on investors' risk appetite as emerging markets were unable to recover completely from the declines in the previous month. Still, regional markets saw some rebound after investors interpreted a recent speech by the Federal Reserve (Fed) Chairman as being closer to the end of interest rate hikes. In the region, Hong Kong and India markets were the leaders while Australia and Malaysia markets were the laggards.

**Malaysia** – Investor sentiment in the local market was weak as oil plunged during the month. The FTSE BM KLCCI declined 1.7% to close at 1,680 points. The broader market outperformed as the FTSE BM EMAS declined 1.4% to close at 11,604 points. Small caps underperformed as the FTSE BM Small Cap Index declined 4.4% to close at 12,161 points.

### Outlook & Strategy

**Global** – US economic data continue to show positive outlook. Consumer confidence remains high although down slightly from the peak. The US Fed reiterated its view that the economy is strong and labour market is healthy. The economy in Europe continues to go through a soft patch. The political uncertainty and increasing friction between Italy and the rest of Europe seems to have affected corporate activity to some extent.

**Asia Pacific** – With the prospects of a quick resolution to the trade war getting more and more unlikely, China announced another slew of fiscal stimulus to be implemented next year in an effort to protect the economy from the possible adverse impacts of the trade war. For our investment portfolios, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

**Malaysia** – The Budget 2019 provided some much-needed clarity on the future utilization of the country's finances and the government's focus in the next one year. We prefer to be invested in blue-chip stocks that are trading at attractive levels, selected consumer stocks and export stocks.

### Fixed Income Review and Outlook

The local sovereign bond market rallied on improved risk appetite after Fed Chairman's dovish speech signaled for a less hawkish rate outlook. Chairman Powell considered the current benchmark interest rates to be "just below neutral". The US Treasury curve flattened with the 10-year benchmark falling below the 3% level for the first time since September. On the domestic front, local investors continued to support the market as offshore investors pared down their positions in November.

In the primary sovereign market, the reopening auction of the 5-year Malaysian Government Securities (MGS) garnered a strong bid-to-cover ratio of 2.3 times despite the slightly larger-than-usual issue size of RM4.5 billion. We also saw the 7-year reopening with a bid-to-cover of 2.3 times, mainly supported by domestic investors. Sarawak Energy Berhad raised RM1.5 billion of 10 and 15-year sukuk whilst Danainfra Berhad raised a total of RM3.2 billion in the primary corporate space.

Malaysia's headline inflation continued to stay below 1% for the fifth consecutive month. October's headline inflation was at 0.6%, up from 0.3% in September. For 2019, we expect inflation to pick up as consumption tax and targeted fuel subsidy gradually take effect. However, we do not expect Bank Negara Malaysia (BNM) to shift its monetary policy in the near to medium term as BNM continues to be accommodative in its policy stance. On portfolio positioning, we look to remain defensive by reducing duration and to maintain a higher holding in corporate bonds to minimise marked-to-market volatility.



## HLA Venture Global Fund (HLAVGLF)

### Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	8.3%	3.9%	-2.2%	6.2%	22.3%
HLAVGLF- Gross	6.0%	1.9%	6.7%	4.2%	16.7%
HLAVGLF - Net	4.2%	0.5%	4.9%	2.6%	14.1%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

#### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

#### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

#### 3. Credit Risk

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

#### 4. Interest Rate Risk

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

#### 5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

#### 6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

#### 7. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by us but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Target Fund Details

- Hong Leong Asia-Pacific Dividend Fund is an Equity fund managed by HLAM. The past performance of this fund is as follows:

Year	2013	2014	2015	2016	2017
Performance	-4.8%	-1.0%	6.5%	1.8%	19.2%

- Hong Leong Strategic Fund is a Mixed Assets fund managed by HLAM. The past performance of this fund is as follows:

Year	2013	2014	2015	2016	2017
Performance	14.5%	-0.7%	4.3%	4.8%	10.9%

Source: Hong Leong Asset Management Berhad (HLAM)

Note: Hong Leong Global Resources Income Fund has been liquidated on 17 April 2014.

### Basis of Calculation of Past Performance

## HLA Venture Global Fund (HLAVGLF)

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

For the underlying target funds, past performance is calculated after adjusting for distribution and/or additional units, if any.

### Others

HLA Venture Global Fund is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

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### Disclaimer:

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# HLA Venture Managed Fund (HLAVMF)

Nov 2018

## Fund Features

### 1. Investment Objective

The objective of the fund is aim to provide investors with prospects for long-term capital appreciation through diversification in various capital instruments including equity, government securities, private debt securities, money market instruments and foreign assets as well as derivatives. This fund aims to outperform the benchmark comprising of FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) and Maybank 12-month fixed deposit rate in a ratio of 50:50.

### 2. Investment Strategy & Approach

This fund will participate in both fixed income and equity markets as well as benchmarked against the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) and Maybank 12-month fixed deposit rate in equal proportion. This fund is suitable for investors who are willing to take moderate risk.

### 3. Asset Allocation

The fund will invest up to a maximum 50% of its NAV in equities.

### 4. Target Market

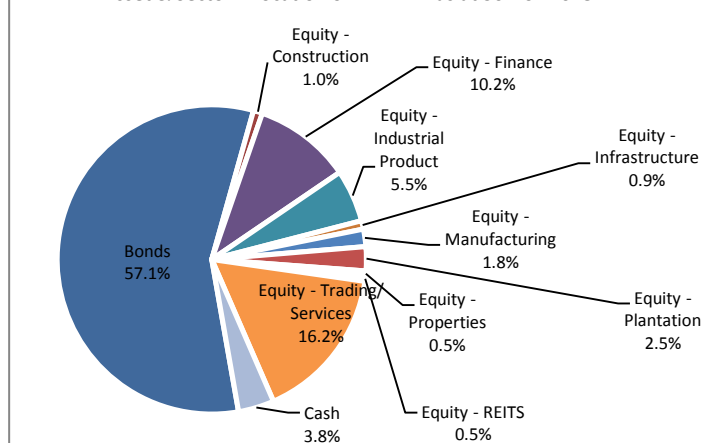
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

Unit Price (30/11/2018)	:RM2.0577
Fund Size (30/11/2018)	:RM224.7mil
Fund Management Fee (effective as at 01/03/2017)	: 1.23% p.a. (capped at 1.25%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:07 April 2004
Benchmark	:50% FTSE Bursa Malaysia KLCI Index (FBM KLCI)&50% 12-month Fixed Deposit Interest Rates
Frequency of Unit Valuation	:Daily

The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%) of the initial asset allocation.

Asset & Sector Allocation of HLAVMF as at 30 Nov 2018

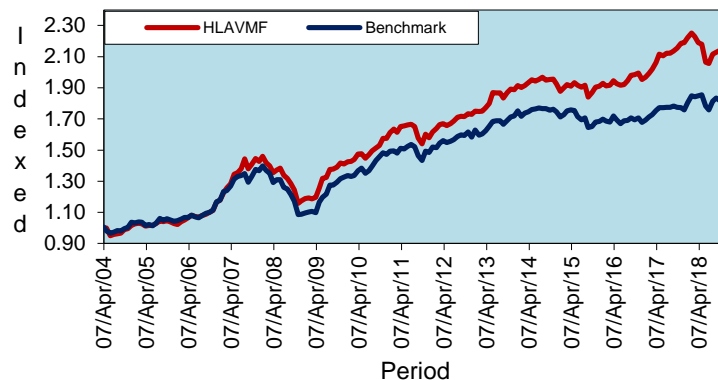


Top 5 Holdings for HLAVMF as at 30 Nov 2018

		%
1.	MAYBANK	EQ 5.3
2.	TENAGA	EQ 5.1
3.	CIMB	EQ 4.9
4.	M'SIAN GOVERNMENT SECURITIES 0	FI 4.5
5.	MALAYSIA AIRPORTS HOLDINGS 1	FI 4.4
<b>Total Top 5</b>		<b>24.1</b>

FI : Fixed Income  
EQ : Equities

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	-7.39%	-0.85%	-5.99%	7.73%	9.03%	75.09%	105.77%
Benchmark*	-2.33%	-0.82%	0.26%	4.62%	2.55%	61.85%	75.38%
Relative	-5.06%	-0.04%	-6.25%	3.12%	6.48%	13.24%	30.39%

\*Source: Bloomberg, Maybank

# HLA Venture Managed Fund (HLAVMF)

## **Market Review, Outlook & Strategy - Equities Market**

Regional markets continue to be volatile with conflicting developments on the trade war front. While US President Trump was initially contemplating implementing tariffs on the remaining US\$275b of Chinese imports to the US by December; he subsequently indicated his willingness to negotiate with China on the US-China trade tariffs the following day. The US Mid-Term Elections also saw Democrats winning the majority in the House of Representatives while the Republicans expanded its majority in the Senate. This may result in fiscal decisions being more contentious going forward with a number of decisions needed to be made to avoid a partial government shutdown; to increase the debt ceiling and to lift the cap on discretionary spending up until year 2020. The recent comments in the FOMC Meeting Minutes by US Fed Chairman Jerome Powell also set a dovish tone on the economy. He earlier characterised interest rates as being "a long way from neutral" but recently tempered the tone to indicate that rates "remain below the broad range of estimates of the level that would be neutral for the economy".

As for the local market, Budget 2019 was still an expansionary one that tried to strike a balance between fiscal management and national debt rationalisation, as well as the promotion of nation building and the rakyat's wellbeing. GDP growth in 2018 and 2019 is forecasted at 4.8% and 4.9% respectively while the budget deficit will widen to 3.7% of GDP in 2018 and come off to 3.4% of GDP in 2019. Among the unexpected announcements were the introduction of additional fees for gaming licenses and higher casino duties, imposition of sugar tax, Real Property Gains Tax for properties held > 5 years, new departure levy on travellers and a more defined petrol subsidy. The 3Q18 quarter results season was also a disappointment with notable earnings downgrades across major sectors such as utilities, plantation, construction and property.

Crude oil prices took a plunge (-22% mom) to US\$50.72/barrel when the US offered waivers to eight of Iran's top importers of crude following sanctions on the Middle East nation. The Ringgit held steady against the US\$ ending the month at RM4.1842/ US\$.

For the month, FBM KLCI ended the month lower by 1.7% mom to 1,679.86 pts. It underperformed FTSE Emas Shariah which declined by 1.2% mom and FTSE Emas which was down by 1.4% mom. The FTSE Small Cap index continued to see pressure with a 4.4% mom decline in November.

Going forward, investors will be following closely the developments at the G20 meeting and also the OPEC meeting in early December. Trade tensions between the US and China has been temporarily halted for 90 days pending discussions, but the main issues may remain unresolved. The 3Q18 corporate earnings disappointment is also likely to continue into 4Q18. As such, with no strong growth catalysts for the domestic market, we expect the local bourse to take its cue from regional developments and remain volatile. We retain our defensive strategy, staying invested in high dividend yielding blue chip stocks with certainty of earnings.

## **Market Review, Outlook & Strategy - Fixed Income Market**

U.S. Treasury ("UST") rallied with 10-year yields briefly sliding below 3% at end-November from 3.14% a month ago, driven by risk-off sentiment. Fear over slowing global growth had boosted demand for UST, more so when Fed Chair Jerome Powell commented that interest rates were "just below" neutral level, suggesting a shift from a hawkish to dovish bias.

Meanwhile, Malaysian Government Securities ("MGS") yields twist flattened with shorter-dated yields climbing 3-6 bps higher while longer-dated yields retreated 2-4 bps lower on MoM basis, aided by risk-off sentiment across regional markets.

Corporate bonds and sukuk market were also lackluster with secondary trade volume dropping to RM7.3 billion from prior month's RM13.2 billion, mainly attributed to lower demand on high grade bonds from both AAA-rated and quasi-government segments. Credit spreads widened within 3-11 bps on the longer-dated bonds across the rating space, while short-end tightened by 1-3 bps. The Government Guaranteed (GG) curve steepened further with credit spread widening by 3-12 bps from the belly to the back-end of the curve.

Slowing global growth has increased expectations that the Fed will not be able to raise rates much further without hurting the U.S. economy. Despite a December rate hike being largely priced in, the interest rate path for 2019 is now uncertain. With that, investors are reassessing the pace of tightening amid signs of faltering global growth and the 1 to 2 rate expected hikes have been dialled back.

On the local front, while there are some concerns of a flight to safety selloff due to further emerging market outflows triggered by external headwinds, the risk is lower as foreign holdings of MGS and GII has already dropped to a low 25%. This risk is further mitigated by the fact that more than half of local bonds are held by foreign government agencies, central banks and pension funds who are longer term sticky investors. Also, we are of the view that event driven volatility which causes knee jerk sell-downs are usually short lived. Generally, central bank's monetary policy will still be the key factor in dictating the bond yield movement or interest rate direction.

We expect trading activities to gradually pick up as any upward movement in bond yields could provide a good opportunity for investors to switch into higher yielding reinvestments. We are also of the view that the Malaysian bond market remains resilient and that any sell-off would be matched by buying interest given the ample liquidity in the system. This is further supported by the deep institutional presence and current scarcity of corporate bonds and sukuk issuances. As such, we would maintain our overweight position on bonds and continue to reinvest into longer tenure papers which enable the portfolios to benefit from dissipating risk premium when the market strengthens.



# HLA Venture Managed Fund (HLAVMF)

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	7.3%	-2.6%	-1.3%	-0.8%	6.6%
HLAVMF - Gross	11.4%	-0.7%	4.3%	3.4%	15.4%
HLAVMF - Net	9.3%	-1.9%	2.7%	2.0%	12.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

#### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

#### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

#### 3. Credit Risk

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

#### 4. Interest Rate Risk

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

#### 5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

#### 6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

### Others

HLA Venture Managed Fund is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

## THIS IS AN INSURANCE PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS.

### Disclaimer:

Policy Owner must evaluate your options carefully and satisfy yourself that the investment-linked fund chosen meets your risk appetite. Past performance of the fund is not an indication of its future performance. The intention of this document is to enable Policy Owner to better understand the fund features and details in order to assist Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.

# HLA Venture Income Fund (HLAVIF)

**Nov 2018**

## Fund Features

### 1. Investment Objective

The objective of the fund is to achieve high principal security and steady income by investing in fixed-income instruments. Returns will be comparable to prevailing interest rates but correspondingly, the risks will be significantly lower than that for equities investment.

### 2. Investment Strategy & Approach

This fund focuses on fixed income securities and money market instruments as well as benchmarked against Maybank's 3 months fixed deposit rate. This fund is suitable for investors who have low to moderate risk profile.

### 3. Asset Allocation

The fund will invest up to 100% of its NAV in fixed income instruments.

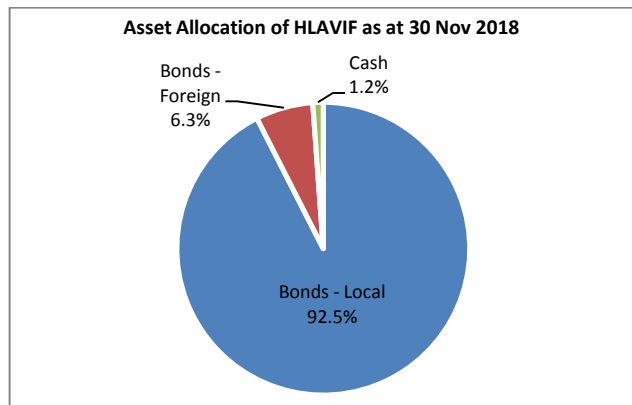
### 4. Target Market

This fund is suitable for investors who have low to moderate risk profile

## Fund Details

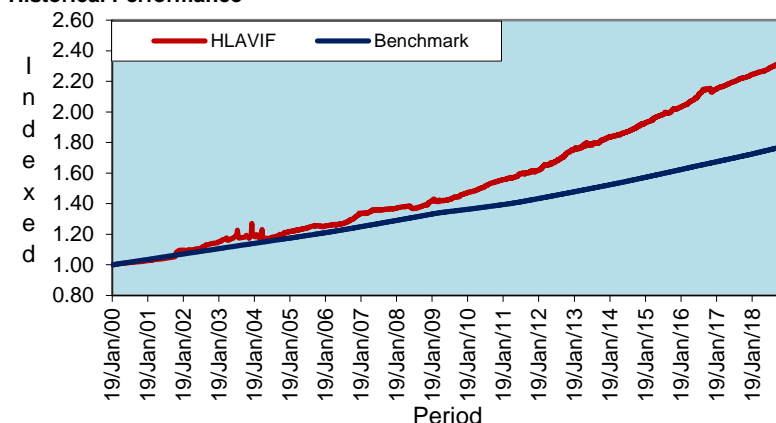
<b>Unit Price (30/11/2018)</b>	:RM2.3294
<b>Fund Size (30/11/2018)</b>	:RM146.5mil
<b>Fund Management Fee</b>	: 0.50% p.a.
<b>Fund Manager</b>	:Hong Leong Assurance Berhad
<b>Fund Category</b>	:Bond
<b>Fund Inception</b>	:19 Jan 2000
<b>Benchmark</b>	:3-month Fixed Deposit Interest Rates
<b>Frequency of Unit Valuation</b>	:Daily

*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*



Top 5 Holdings for HLAVIF as at 30 Nov 2018		%
1.	M'SIAN GOVERNMENT SECURITIES 0	7.0
2.	M'SIAN GOVERNMENT SECURITIES 0	6.9
3.	UBS GROUP FUNDING SWITZE 2	6.3
4.	ALLIANCE BANK MALAYSIA BHD 1	6.0
5.	MALAYSIA AIRPORTS HOLDINGS 1	4.0
<b>Total Top 5</b>		<b>30.2</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVIF	4.08%	0.44%	4.46%	15.24%	28.00%	66.73%	132.94%
Benchmark*	2.98%	0.26%	3.22%	9.72%	16.87%	33.70%	77.31%
Relative	1.10%	0.17%	1.23%	5.53%	11.13%	33.03%	55.63%

\*Source: Maybank

## Market Review

U.S. Treasury ("UST") rallied with 10-year yields briefly sliding below 3% at end-November from 3.14% a month ago, driven by risk-off sentiment. Fear over slowing global growth had boosted demand for UST, more so when Fed Chair Jerome Powell commented that interest rates were "just below" neutral level, suggesting a shift from a hawkish to dovish bias.

Meanwhile, Malaysian Government Securities ("MGS") yields twist flattened with shorter-dated yields climbing 3-6 bps higher while longer-dated yields retreated 2-4 bps lower on MoM basis, aided by risk-off sentiment across regional markets.

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## Market Outlook & Strategy

Slowing global growth has increased expectations that the Fed will not be able to raise rates much further without hurting the U.S. economy. Despite a December rate hike being largely priced in, the interest rate path for 2019 is now uncertain. With that, investors are reassessing the pace of tightening amid signs of faltering global growth and the 1 to 2 rate expected hikes have been dialled back.

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# HLA Venture Income Fund (HLAVIF)

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	3.1%	3.2%	3.2%	3.1%	3.0%
HLAVIF- Gross	5.4%	5.8%	6.5%	6.9%	5.3%
HLAVIF - Net	4.5%	4.8%	5.5%	5.8%	4.4%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

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### Others

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# HLA Horizon Funds

**Nov 2018**

## Fund Features

### 1. Investment Objective

The fund is designed to offer customers a Minimum Guaranteed Unit Price upon fund maturity and yet offer the opportunity to enhance returns via a leveraged exposure. The fund will periodically lock in part of the gains (10 years after launch of the fund) and thereby increasing the customers' Minimum Guaranteed Unit Price at fund maturity.

The fund is open ended with three maturity dates to match customer financial planning needs: Horizon28 to be matured in Year 2028, Horizon38 in Year 2038 and Horizon48 in Year 2048.

### 2. Investment Strategy & Approach

The fund will invest into Floating Rate Negotiable Instrument of Deposit (FRNID). FRNID allocate into two major components: Mean Variance Optimization (MVO) Strategy and Zero-coupon Negotiable Instrument of Deposit (ZNID).

To enhance investment return, MVO Strategy will be leveraged by 3 times. This MVO Strategy uses the Efficient Frontier to find the optimal portfolio returns for a defined risk, limiting to basket volatility to around 8%. The portfolio consists of 4 asset classes:

- (i) 4 equities indices (S&P500, Euro Stoxx 50, Hang Seng China Enterprises, MSCI Emerging Market),
- (ii) 2 bond indices (Franklin Templeton & PIMCO),
- (iii) Spot Gold index
- (iv) Cash index

These indices are published at Bloomberg to provide transparency to customer.

The ZNID provides the Minimum Guaranteed Unit Price upon each fund's maturity. The initial Minimum Guaranteed Unit Price as follow:

Fund	Initial Minimum Guaranteed Unit Price at fund maturity
HLA Horizon28	RM 1.00
HLA Horizon38	RM 1.50
HLA Horizon48	RM 2.00

Over time, Minimum Guaranteed Unit Price may go up via a profit taking mechanism. This mechanism will lock the gains provided the condition stated below is met, by transferring portion of gains from the MVO Strategy to the ZNID on a yearly basis as follow:

Fund Year	% of the MVO Strategy Gains
1 to 10	0%
11 to 20	50%
21 to 30	100%

The condition for profit taking:

$$\left( \frac{MVO_t}{MVO_{prevPT}} - 1 \right) > 0$$

Where,

$MVO_t$  is the mark-to-market value of MVO per unit

$MVO_{prevPT}$  is the mark-to-market value of MVO at the time of previous actual executed profit taking per unit

### 3. Target Market

The fund is suitable for investors who wish to engage in mid-term and long-term wealth-planning. The feature of this Minimum Guaranteed Unit Price upon fund maturity will help to safeguard the savings goal for their children's education, retirement planning or wealth-building for future generations.

## Fund Details

<b>Fund Management Fee</b>	: 1.30% p.a.
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Inception</b>	: 9 Oct 2018
<b>Benchmark</b>	: 3-month Klibor *+ 2.65%
<b>Frequency of Unit Valuation</b>	: Weekly

*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*

\*Source: Bloomberg

## Other Details

Fund Name	Fund Maturity Date	Unit Price @ 27/11/2018	Fund Size 27/11/2018	Guaranteed Unit Price upon Fund Maturity (updated @ 27/11/2018)
HLA Horizon28 Fund	:08/10/2028	RM1.0000	RM30,958.25	RM1.00
HLA Horizon38 Fund	:08/10/2038	RM1.0017	RM1,193,969.85	RM1.50
HLA Horizon48 Fund	:08/10/2048	RM1.0011	RM487,512.01	RM2.00

The Guaranteed Unit Price upon Fund Maturity stated above may be revised upwards from time to time via profit taking.

# HLA Horizon Funds

## Performance Snapshot

Fund	1 Month	1 Year
HLA Horizon28	0.00%	-
HLA Horizon38	0.17%	-
HLA Horizon48	0.11%	-

## Exposure to MVO Strategy

Fund	Exposure as at 27/11/2018
HLA Horizon28	-
HLA Horizon38	110.26%
HLA Horizon48	147.63%

## Market Review (by Hong Leong Bank Berhad)

Over the last month, macro data has softened in Europe, China, and across emerging markets. There are more negative signals than positive ones from the China's economic data in November. Industrial production grew by 5.4% yoy compared to 5.9% in October. Retail sales grew by 8.1% versus 8.6% in October, with weakness from auto sales continuing. We think the government will hold its policy stance at this stage. Without a change of policy stance, economic growth will likely slow in H1 2019. Sentiment surveys and financial conditions have deteriorated a bit in the US as well, but the world's largest economy remains the bastion of global growth for now. Fundamentals in the US economy continue to look strong, without dangerous excesses that have portended recessions in the past. Even with recent market turbulence, financial conditions remain accommodative, and fiscal policy will remain supportive through the end of next year. As long as Europe and China manage their slowdowns as we expect, the path should be clear for the US economy to continue growing.

We expect the Fed to raise rates for the fourth time in 2018 at its December meeting on 20 Dec, in line with our long-held expectation. However, the more important question will be what signal the Committee sends about its policy path in the coming years. Overall, we expect the message to be that the Fed remains upbeat on the outlook and expects to raise rates further in the coming quarters, but that the pace of normalization is likely to slow next year from its recent quarterly rate as the path forward becomes more data dependent. Reflecting this, the statement should modify the forward guidance language by noting that gradual increases remain appropriate in the "near term". In a close call, we expect the 2019 median dot to fall from three hikes to two, while the median rate trajectory should remain unchanged further out.

We continue to favour US equities and expect developed market interest rates to continue grinding higher over the next several quarters. There is some fragility though, peak quantitative easing has moved to quantitative tightening within 18 months and this may be the reason 2018 is shaping up to be the worst year on record (back to 1901) for the percentage of global assets down in dollar terms. Political risks also lurk in the background. The Italian debt outlook remains a latent source of risk for the euro area, while the outcome of Brexit remains highly uncertain and merits a higher risk premium for Sterling.

Gains of MVO Strategy (per unit)	HLA Horizon28	HLA Horizon38	HLA Horizon48
Previous actual executed profit taking at -	N/A	N/A	N/A
As at 27 Nov 2018	N/A	0.03%	0.03%
As at 30 Oct 2018	N/A	N/A	N/A

The next observation date for profit taking is 8 Oct 2029. If this date is not a Business Day, then shall be the Business Day immediately following the date stated.

## Underlying Asset in the MVO Strategy as at 27 Nov 2018

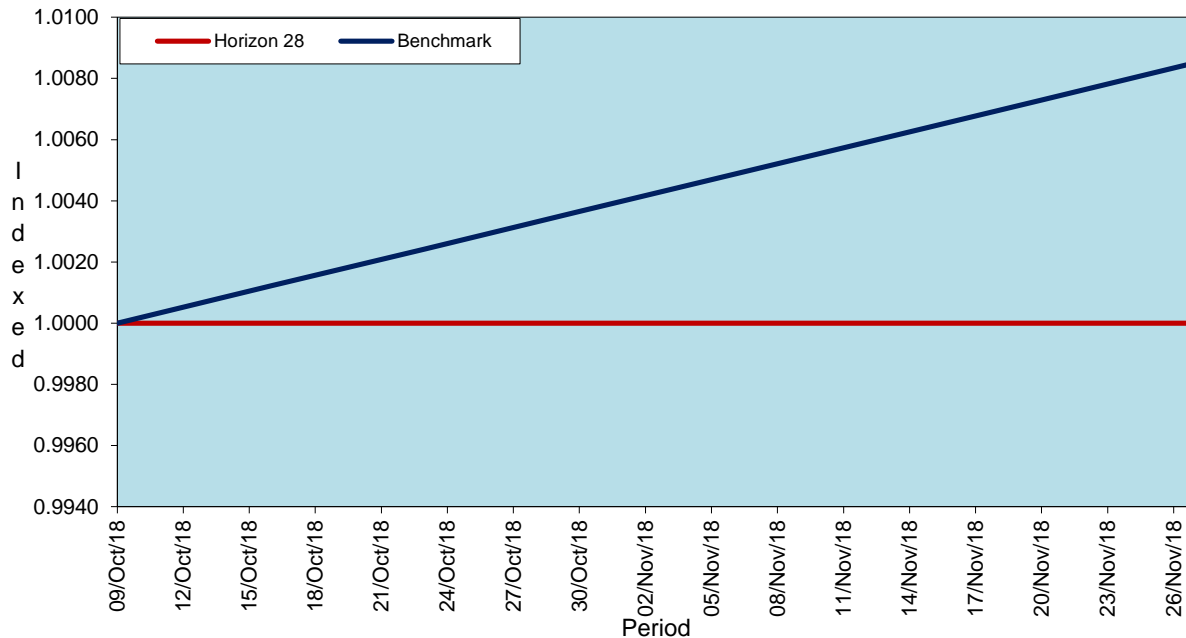
Indices	Bloomberg Ticker	Weightage (%)	Monthly Performance
iShares MSCI EM Index Fund	EEM US Equity	0.00%	4.76%
S&P 500 Index	SPX Index	0.00%	0.88%
Euro Stoxx 50 Index	SX5E Index	0.00%	1.01%
Hang Seng China Enterprises Index	HSCEI Index	0.00%	4.54%
Gold	GOLDLNAM Index	25.00%	-0.89%
Templeton Global Bond Fund	FTGBFAC LX Equity	30.00%	0.07%
PIMCO Funds – Total Return Bond Fund	PTRBDFE ID Equity	0.00%	-0.31%
DB Fed Funds Effective Rate TR Index	DBMMFED1 Index	45.00%	0.20%
<b>Total</b>		<b>100.00%</b>	



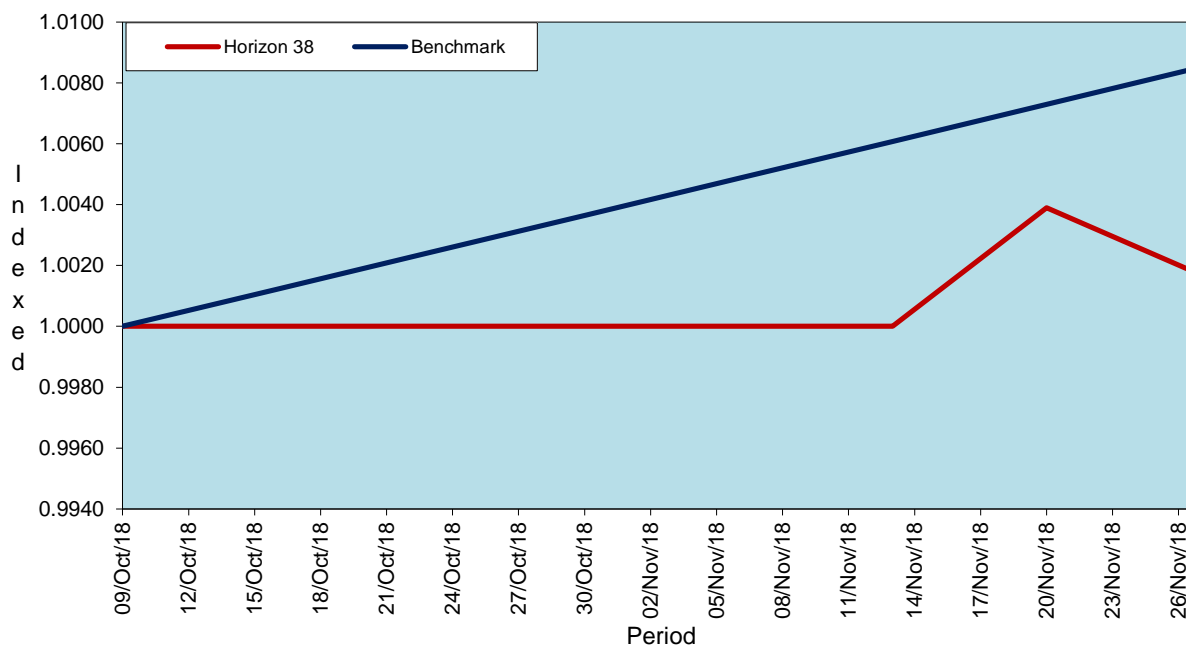
# HLA Horizon Funds

## Historical Performance

HLA Horizon28 Fund						
As of 27/11/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon28	0.00%	0.00%	n/a	n/a	n/a	0.00%
KLIBOR+2.65% p.a.*	0.85%	0.48%	n/a	n/a	n/a	0.85%
Performance vs Benchmark	-0.85%	-0.48%	n/a	n/a	n/a	-0.85%

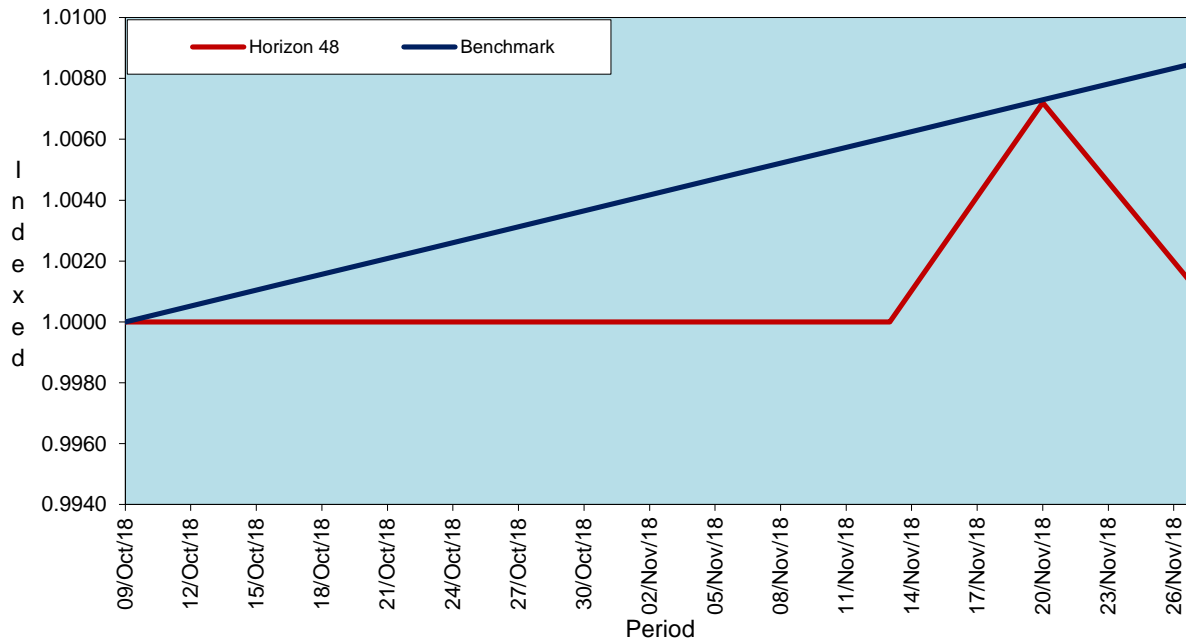


HLA Horizon38 Fund						
As of 27/11/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon38	0.17%	0.17%	n/a	n/a	n/a	0.17%
KLIBOR+2.65% p.a.*	0.85%	0.48%	n/a	n/a	n/a	0.85%
Performance vs Benchmark	-0.68%	-0.31%	n/a	n/a	n/a	-0.68%



# HLA Horizon Funds

HLA Horizon48 Fund						
As of 27/11/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon48	0.11%	0.11%	n/a	n/a	n/a	0.11%
KLIBOR+2.65% p.a.*	0.85%	0.48%	n/a	n/a	n/a	0.85%
Performance vs Benchmark	-0.74%	-0.37%	n/a	n/a	n/a	-0.74%



\*Source: Bloomberg

## HLA Horizon Funds

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the detailed explanation of the risk associated to this fund.

**1. Market Risk**

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

**2. Liquidity Risk**

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

**3. Credit Risk**

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

**4. Interest Rate Risk**

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

**5. Deleverage Risk**

Deleveraging may occur if the bond floor rises due to falling interest rates or due to nearing maturity, or due to sustained underperformance of the underlying asset. When this occurs, the Funds will unwind all allocation to the underlying asset and will effectively become a zero-coupon bond fund.

**6. Currency Risk**

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

**7. Country Risk**

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

1. The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
2. The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
3. The maximum value of any asset of any fund shall not exceed the following price:
  - a) The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - b) In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
4. To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

### Others

HLA Horizon Funds are managed by Hong Leong Assurance Berhad (HLA). Allocated premiums of the policy invested in the fund are invested by HLA on behalf of the Policy Owner in a FRNID issued by Hong Leong Bank Berhad. If the issuer of the FRNID defaults or becomes insolvent, the Policy Owner risks losing part or all of his/her allocated premium amounts that were invested into the FRNID on his/her behalf by HLA. Should the issuer/financial institutions default the above investment instrument, the Minimum Guaranteed Unit Price at Fund Maturity will not be applicable.

**THIS IS AN INSURANCE PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS.**

### Disclaimer:

Policy Owner must evaluate your options carefully and satisfy yourself that the investment-linked fund chosen meets your risk appetite. Past performance of the fund is not an indication of its future performance. The intention of this document is to enable Policy Owner to better understand the fund features and details in order to assist Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.

# HLA EverGreen Funds

Nov 2018

## Fund Features

### 1. Investment Objective

The fund is designed to provide investors with principal and enhanced profit protection via a systematic investment in a globally diversified multi asset (equities, currency, rates, commodities, property, hedge fund strategies) long short strategy.

### 2. Investment Strategy & Approach

The main investment strategy is executed via portfolio optimization methodology. The fund is open ended with defined maturity date. The investment execution is accomplished via a Floating Rate Negotiable Instrument of Deposits ("FRNID") issued by CIMB Bank Berhad.

The FRNID is principal protected at maturity by CIMB Bank. The FRNID dynamically adjusts its exposure to the strategy, such as to reduce exposure when the strategy has negative performance and increase exposure when it has positive performance.

### 3. Asset Allocation

The fund will invest in a FRNID.

### 4. Target Market

The fund is suitable for investors who wish to engage in long-term wealth-planning, such as for children's education, retirement planning or wealth-building for future generations, whereby the investor's return on their lifetime of investments will be safely locked at fund maturity.

## Fund Details

<b>Fund Management Fee</b>	:	HLA EverGreen 2023 Fund HLA EverGreen 2025 Fund	:	0%*p.a.	HLA EverGreen 2028 Fund HLA EverGreen 2030 Fund HLA EverGreen 2035 Fund	:	1.30% p.a.
<b>Fund Manager</b>	:	Hong Leong Assurance Berhad					
<b>Fund Inception</b>	:	28 Dec 2010					
<b>Benchmark</b>	:	3-month Klibor + 2.65%					
<b>Frequency of Unit Valuation</b>	:	Weekly					

*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*

*\*The Company shall cease to charge the Fund Management Fee for HLA EverGreen 2023 and HLA EverGreen 2025 with effective from 22 Jan 2016 and 5 July 2016 respectively.*

## Other Details

Fund Name	Unit Price (27/11/2018)	Fund Size (27/11/2018)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM1.0141	RM25.78 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM0.9621	RM8.612 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM0.8934	RM10.15 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.8717	RM34.35 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8417	RM545.24 mil	26 Dec 2035	1.4221

The Minimum Guaranteed Unit Price at Fund Maturity before tax will attract a portion of tax which has yet to be provided for. The further tax adjustment is the difference of tax payable on the capital gains of the funds determined at funds maturity and tax which has been provided for the funds through weekly unit pricing. The unit prices published weekly are on after tax basis.

## Market Review (by CIMB Bank Berhad)

Max InvestSave decreased by 1.49% in the reported period with five out of eleven Underlying Assets moving against the Effective Max InvestSave Weightings. Losses were mainly due to the depreciation of Commodities where positive weightings were held and by the appreciation of Chinese and Emerging Market Equities where negative weightings were held by the Effective Max InvestSave Weightings.

November 2018 brought a minor rebound for American Equities after the huge selloff during the previous month, which was the worst month for the S&P 500 index since the year 2011. However, after the decline in October, many investors have been encouraged to reenter the market now that the forward PE ratio of the S&P 500 index is lower. Some investors are now optimistic for the rest of year as the S&P 500 index has registered positive growth in Q4 during 25 of the last 30 years. While President Trump is confident about solving the ongoing trade dispute with China, many observers are not confident of the positive effect of upcoming events on the market. The dovish stance taken by the Federal Reserve pushed equities up as the spectre of rising rates appeared to subside. China has also been grappling with the effects of the trade war as export orders declined for the sixth month in a row. Their manufacturing sector has also shown signs of a slowdown. The government has responded by implementing various measures but those steps have had limited effect thus far.

In the United Kingdom, concerns have been raised about the possibility of a Brexit without a deal with the European Union (EU). The Bank of England has stated that an exit from the EU without a deal could lead to a recession. As Prime Minister Theresa May struggles to get the support that she needs for her deal proposal, speculation about calls for a second Brexit referendum has been rife. Oil prices suffered the worst monthly loss in a decade due to increasing oil production coupled with worries about slowing global growth leading to reduced demand. (Source: Bloomberg)

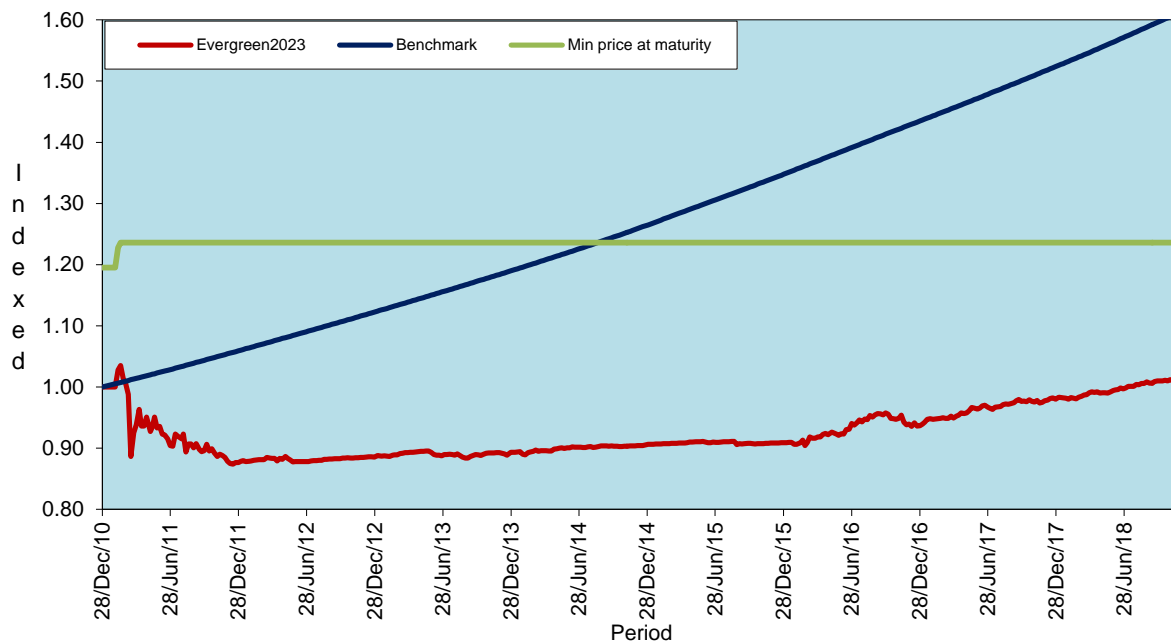
## Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index

Fund	HLA EverGreen 2023	HLA EverGreen 2025	HLA EverGreen 2028	HLA EverGreen 2030	HLA EverGreen 2035
Avg Exposure of Maximum Assurance FRNID to Max InvestSave PSSIA-i 30Y	0.00%	0.00%	0.00%	0.24%	10.24%
Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index	91.99%				
Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in Nov 2018	0.00%	0.00%	0.00%	0.22%	9.42%

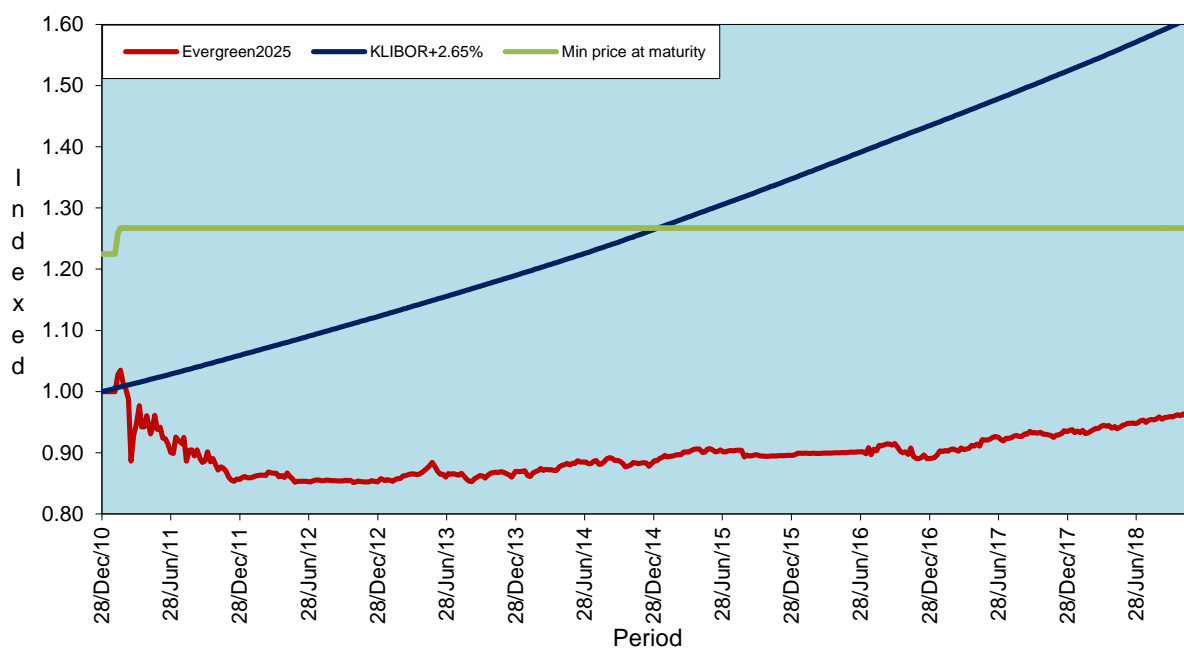
# HLA EverGreen Funds

## Historical Performance

HLA EverGreen 2023 Fund						
As of 27/11/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2023	3.45%	0.20%	3.75%	11.65%	13.60%	1.41%
KLIBOR+2.65% p.a.*	5.88%	0.48%	6.39%	20.42%	36.26%	61.32%
Performance vs Benchmark	-2.43%	-0.29%	-2.63%	-8.77%	-22.66%	-59.91%



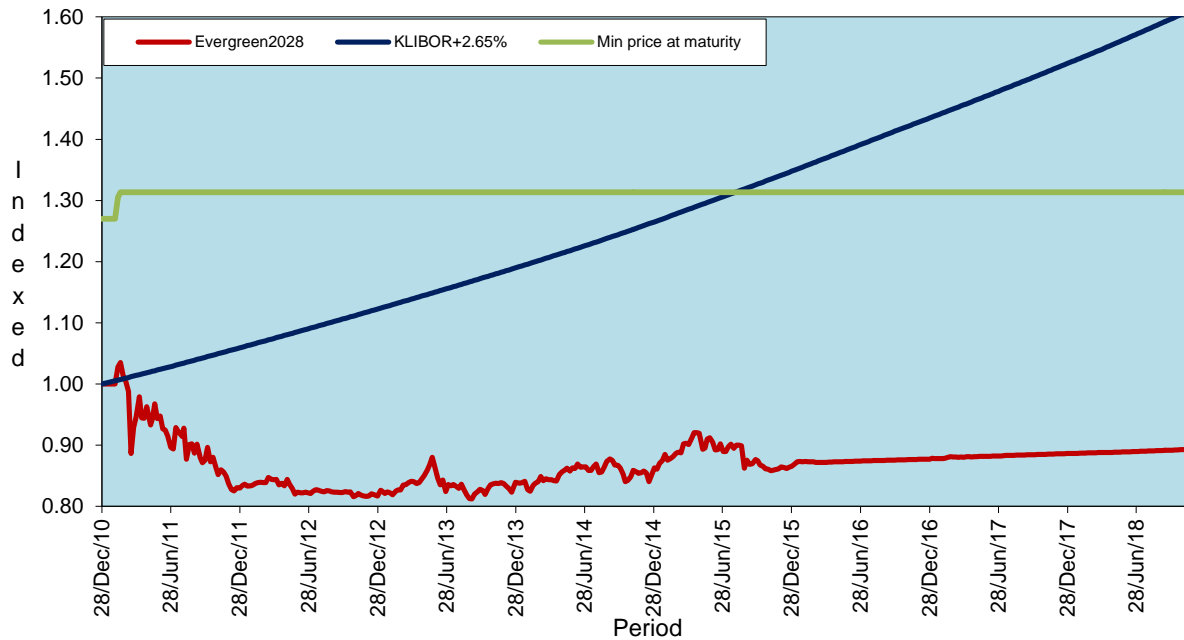
HLA EverGreen 2025 Fund						
As of 27/11/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2025	2.96%	-0.10%	3.60%	7.47%	10.82%	-3.79%
KLIBOR+2.65% p.a.*	5.88%	0.48%	6.39%	20.42%	36.26%	61.32%
Performance vs Benchmark	-2.92%	-0.59%	-2.79%	-12.95%	-25.44%	-65.11%



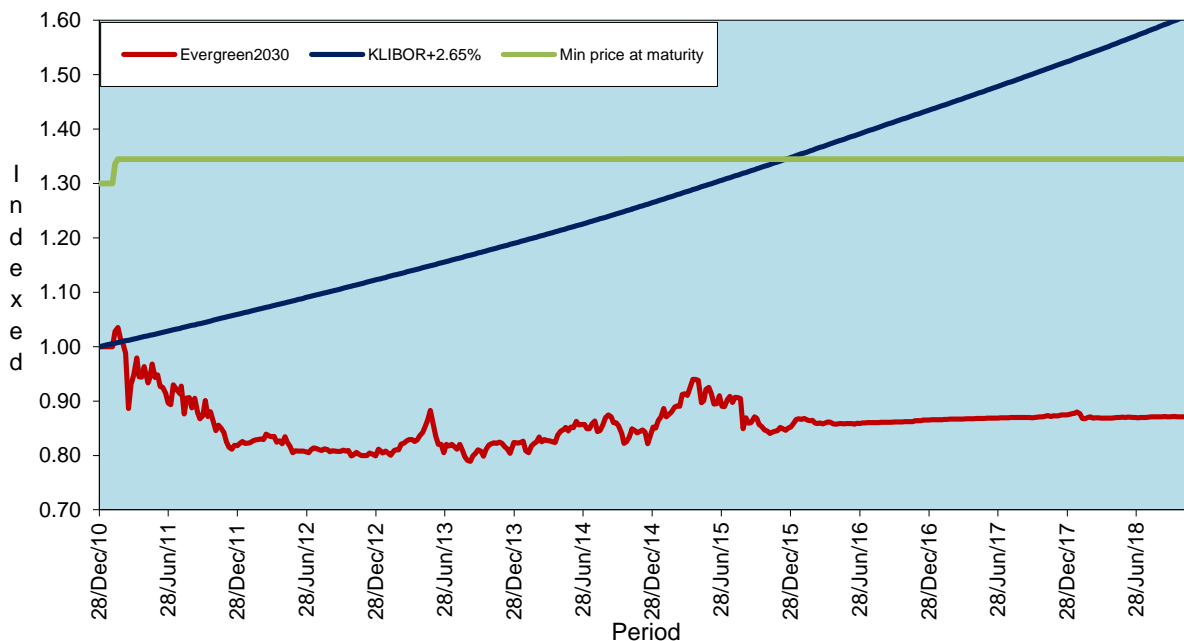


## HLA EverGreen Funds

HLA EverGreen 2028 Fund						
As of 27/11/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2028	0.80%	0.08%	0.86%	3.73%	6.66%	-10.66%
KLIBOR+2.65% p.a.*	5.88%	0.48%	6.39%	20.42%	36.26%	61.32%
Performance vs Benchmark	-5.08%	-0.41%	-5.53%	-16.69%	-29.60%	-71.98%

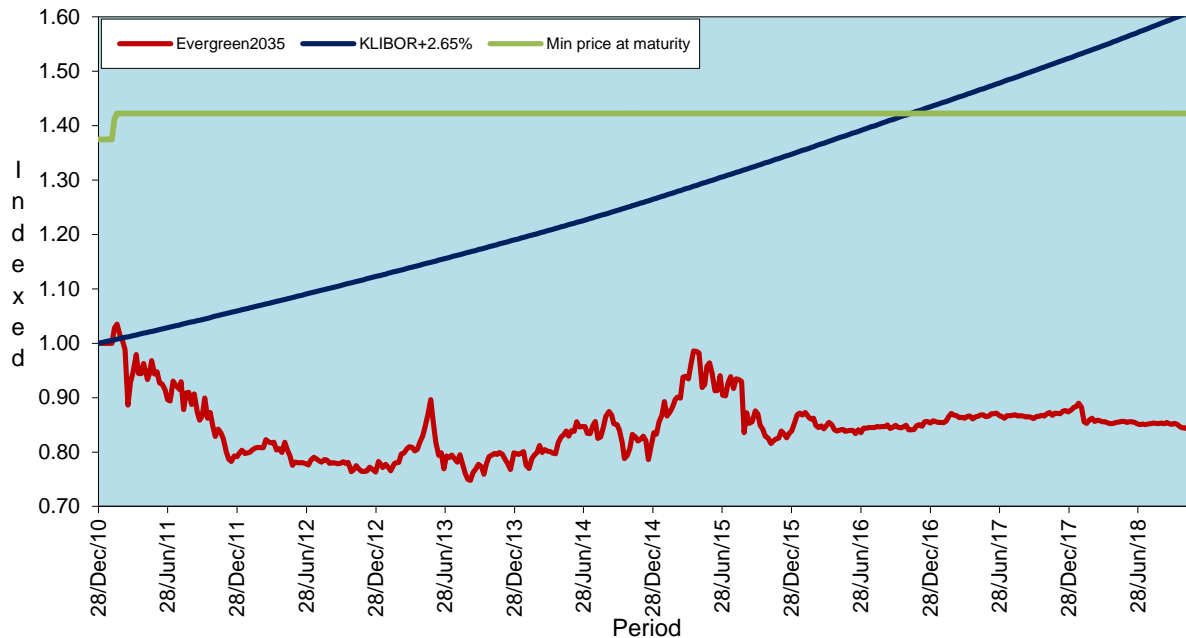


HLA EverGreen 2030 Fund						
As of 27/11/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2030	-0.29%	0.06%	-0.13%	3.11%	6.02%	-12.83%
KLIBOR+2.65% p.a.*	5.88%	0.48%	6.39%	20.42%	36.26%	61.32%
Performance vs Benchmark	-6.17%	-0.43%	-6.51%	-17.31%	-30.24%	-74.15%



# HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 27/11/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2035	-3.70%	-0.30%	-3.38%	1.95%	5.78%	-15.83%
KLIBOR+2.65% p.a.*	5.88%	0.48%	6.39%	20.42%	36.26%	61.32%
Performance vs Benchmark	-9.58%	-0.78%	-9.76%	-18.47%	-30.48%	-77.15%



\*Source: Bloomberg

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	6.0%	6.3%	6.5%	6.5%	6.2%
HLA EVERGREEN 2023 – Gross	2.4%	3.0%	1.7%	4.7%	6.5%
HLA EVERGREEN 2023 – Net	0.9%	1.4%	0.3%	3.0%	4.7%
HLA EVERGREEN 2025 – Gross	3.6%	3.6%	2.5%	0.8%	6.7%
HLA EVERGREEN 2025 – Net	2.0%	2.0%	1.0%	-0.6%	4.9%
HLA EVERGREEN 2028 – Gross	4.5%	4.5%	1.7%	2.9%	2.5%
HLA EVERGREEN 2028 – Net	2.8%	2.8%	0.3%	1.4%	1.0%
HLA EVERGREEN 2030 – Gross	4.8%	5.1%	1.4%	3.0%	2.6%
HLA EVERGREEN 2030 – Net	3.1%	3.4%	0.0%	1.5%	1.1%
HLA EVERGREEN 2035 – Gross	6.4%	6.5%	1.9%	3.2%	4.1%
HLA EVERGREEN 2035 – Net	4.6%	4.7%	0.4%	1.6%	2.4%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

## Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

### 3. Credit Risk

This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.

### 4. Interest Rate Risk

The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.

### 5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

## HLA EverGreen Funds

### 6. Deleverage Risk

Deleveraging may occur if the bond floor rises due to falling interest rates or due to nearing maturity, or due to sustained underperformance of the underlying asset. When this occurs, the Funds will unwind all allocation to the underlying asset and will effectively become a zero-coupon bond fund.

### 7. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

### 8. Performance Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date;
 plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Performance of Max InvestSave PSSIA-I 30Y

Month on month historical performance*														
Year	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD <sup>A</sup>	RTD
2011	-	1.69%	-6.28%	2.21%	-1.23%	-4.08%	2.04%	-3.97%	-1.16%	-3.57%	3.57%	-1.34%	-18.00%	-
2012	2.41%	1.07%	1.07%	-0.41%	-4.17%	-1.18%	2.35%	-0.49%	-0.66%	-1.88%	0.66%	-0.58%	-1.98%	-
2013	0.85%	3.31%	3.47%	3.25%	0.11%	-4.18%	-2.19%	-4.28%	4.44%	3.75%	0.54%	0.55%	9.50%	-
2014	-3.65%	5.03%	-1.05%	4.21%	1.61%	-0.38%	0.72%	3.50%	-2.35%	-0.76%	0.42%	2.21%	9.51%	-
2015	4.74%	3.12%	3.50%	0.48%	1.51%	-4.21%	2.83%	-5.19%	0.63%	-5.27%	1.28%	1.54%	4.39%	-
2016	1.82%	0.60%	-1.24%	-1.96%	0.34%	0.93%	0.78%	0.66%	-0.16%	-1.10%	1.39%	0.81%	2.84%	-
2017	0.64%	3.87%	-0.52%	-0.22%	0.89%	-1.58%	0.67%	0.76%	-2.20%	3.91%	-0.01%	1.07%	7.32%	-
2018	4.22%	-5.86%	-2.06%	-0.96%	-0.29%	-1.63%	-0.14%	0.87%	-1.32%	-8.58%	-1.49%		-16.46%	-7.21%

<sup>A</sup>Note that calculation for YTD starts from first day of the year to the last day of the same year

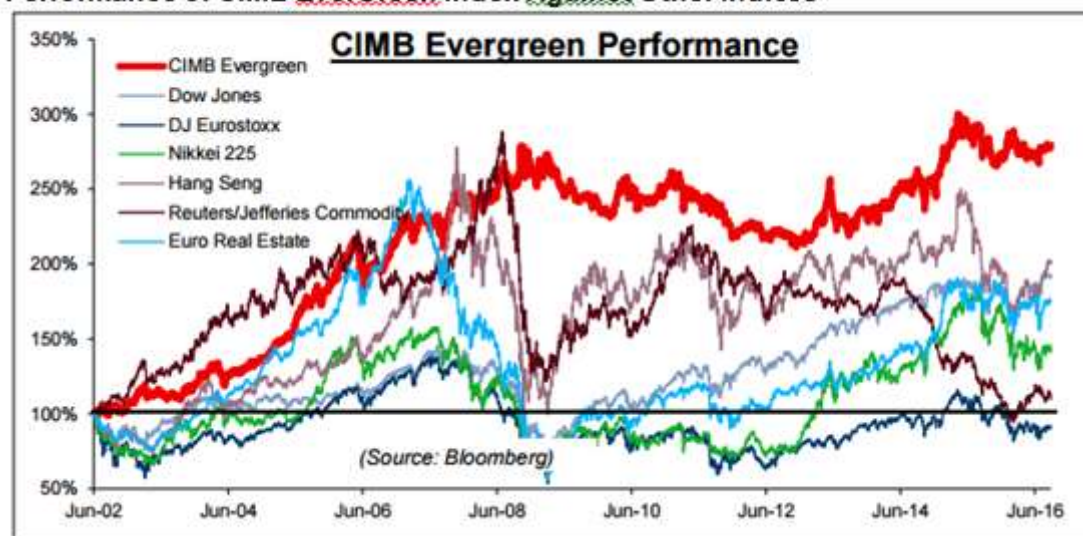
Underlying Performance				
Underlying Asset	31-Oct-18 Closing Px	30-Nov-18 Closing Px	Performance (31 Oct 18 - 30 Nov 18)*	Effective Max InvestSave Weights** (25 Oct 18)
American Equity	5,369.49	5,478.91	2.04%	23.00%
Japanese Equity	2,444.11	2,475.92	1.30%	-23.00%
European Equity	6,593.03	6,546.38	-0.71%	-23.00%
UK Equity	6,266.04	6,165.84	-1.60%	-23.00%
Emerging Market Equity	3,721.94	3,898.08	4.73%	-9.20%
China Equity	10,138.63	10,621.74	4.77%	-9.20%
Commodity Index	842.56	773.96	-8.14%	22.95%
European Real Estate	5,875.78	5,896.63	0.35%	9.32%
American Real Estate	78.11	81.78	4.70%	9.20%
Hedge Fund Strategies	220.53	218.69	-0.83%	4.60%
Currency	0.88	0.88	-0.06%	-23.00%

\* Month on month historical performance is calculated from previous Month End Date to current Month End Date

\*\* Effective Max InvestSave Weights are re-balanced monthly

## HLA EverGreen Funds

### Performance of CIMB EverGreen Index Against Other Indices



#### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

#### Others

HLA EverGreen Funds are managed by Hong Leong Assurance Berhad (HLA). Allocated premiums of the policy invested in the fund are invested by HLA on behalf of the Policy Owner in a FRNID issued by CIMB Bank Berhad. The amount invested in the FRNID is guaranteed by the issuer if held to maturity. If the issuer of the FRNID defaults or becomes insolvent, the Policy Owner risks losing part or all of his/her allocated premium amounts that were invested into the FRNID on his/her behalf by HLA. Should the issuer/financial institutions default the above investment instrument, the Minimum Guaranteed Unit Price at Fund Maturity will not be applicable.

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#### CIMB Evergreen Index Disclaimer:

The index sponsor or the calculation agent of the CIMB Evergreen Index (the "Index") does not guarantee the accuracy and/or completeness of the composition, calculation, publication and adjustment of the Index, any data included therein, or any data from which it is based, and the calculation agent and the index sponsor of the Index shall have no liability for any errors, omissions, or interruptions therein. The calculation agent and the index sponsor of the Index make no warranty, express or implied, as to results to be obtained from the use of the Index. The calculation agent and the index sponsor of the Index make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall the calculation agent or the index sponsor of the Index have any liability for any special, punitive, indirect, or consequential damages (including loss of profits), even if notified of the possibility of such damages.

# HLA Dana Suria (HLADS)

Nov 2018

## Fund Features

### 1. Investment Objective

This fund provides investors an affordable access into a diversified investment portfolio which offers steady and consistent return over a long-term investment horizon by investing into local and global equities and fixed income securities that comply with Shariah requirements.

### 2. Investment Strategy & Approach

At inception, this fund will invest by feeding into Hong Leong Dana Maa'rof and HLA Venture Dana Putra ("Target Funds") with the option to increase the number of funds or replace the Target Funds in future.

Generally, the Target Funds select undervalued companies that have the potential to offer good Medium-To-Long Term capital growth. In terms of fixed income instruments, selection depends largely on credit quality to assure relative certainty in profit income, principal payment, and overall total return stability.

### 3. Asset Allocation

Hong Leong Dana Maa'rof (HLDM) will invest a minimum 40% and maximum 60% of its NAV into Shariah-compliant equities while HLA Venture Dana Putra (HLAVDP) will invest up to maximum 90%, but not less than 40% of fund's NAV into Shariah approved equities. Generally, HLA Dana Suria may invest up to a maximum of 95% of its NAV into Shariah-compliant equities or a maximum of 100% of its NAV into Shariah-based deposits or Islamic money market instruments.

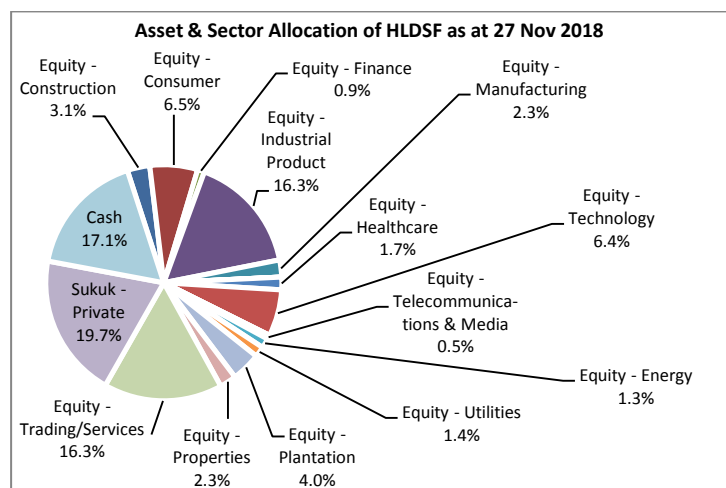
### 4. Target Market

This fund is suitable for investors who have moderate risk-reward temperament and are looking for returns from Shariah-compliant investments in a medium-to-long term investment horizon.

## Fund Details

Unit Price (27/11/2018)	:RM1.0915
Fund Size (27/11/2018)	:RM6.22mil
Fund Management Fee	:1.30% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:24 Sept 2013
Benchmark	:(70% x FTSE Bursa Malaysia EmasShariah Index) + (30% x 3-month Klibor)
Frequency of Unit Valuation	:Weekly

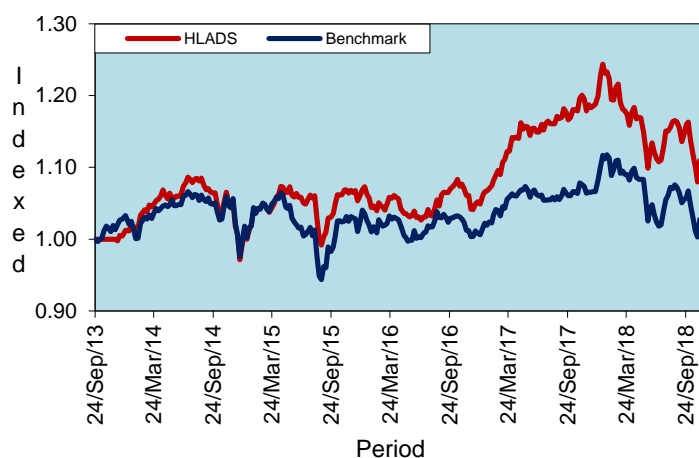
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.



### Top 5 Holdings for HLADS as at 27 Nov 2018

		%
1.	Tenaga Nasional Berhad	Equity 6.1
2.	Tenaga Nasional Berhad Sukuk	Sukuk 5.0
3.	Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA)	Sukuk 4.8
4.	QL	Equity 3.4
5.	Sepangar Bay Power Corporation Sdn Bhd	Sukuk 2.5
<b>Total Top 5</b>		<b>21.8</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLADS	-8.97%	1.11%	-8.04%	2.21%	9.15%	9.15%
Benchmark*	-6.19%	1.15%	-4.76%	-1.61%	0.15%	1.47%
Relative	-2.77%	-0.04%	-3.27%	3.82%	9.00%	7.68%

\*Source: Bloomberg

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# HLA Dana Suria (HLADS)

## Market Review, Outlook & Strategy

Regional markets continue to be volatile with conflicting developments on the trade war front. While US President Trump was initially contemplating implementing tariffs on the remaining US\$275b of Chinese imports to the US by December; he subsequently indicated his willingness to negotiate with China on the US-China trade tariffs the following day. The US Mid-Term Elections also saw Democrats winning the majority in the House of Representatives while the Republicans expanded its majority in the Senate. This may result in fiscal decisions being more contentious going forward with a number of decisions needed to be made to avoid a partial government shutdown; to increase the debt ceiling and to lift the cap on discretionary spending up until year 2020. The recent comments in the FOMC Meeting Minutes by US Fed Chairman Jerome Powell also set a dovish tone on the economy. He earlier characterised interest rates as being "a long way from neutral" but recently tempered the tone to indicate that rates "remain below the broad range of estimates of the level that would be neutral for the economy".

As for the local market, Budget 2019 was still an expansionary one that tried to strike a balance between fiscal management and national debt rationalisation, as well as the promotion of nation building and the rakyat's wellbeing. GDP growth in 2018 and 2019 is forecasted at 4.8% and 4.9% respectively while the budget deficit will widen to 3.7% of GDP in 2018 and come off to 3.4% of GDP in 2019. Among the unexpected announcements were the introduction of additional fees for gaming licenses and higher casino duties, imposition of sugar tax, Real Property Gains Tax for properties held > 5 years, new departure levy on travellers and a more defined petrol subsidy. The 3Q18 quarter results season was also a disappointment with notable earnings downgrades across major sectors such as utilities, plantation, construction and property.

Crude oil prices took a plunge (-22% mom) to US\$50.72/barrel when the US offered waivers to eight of Iran's top importers of crude following sanctions on the Middle East nation. The Ringgit held steady against the US\$ ending the month at RM4.1842/ US\$.

For the month, FBM KLCI ended the month lower by 1.7% mom to 1,679.86 pts. It underperformed FTSE Emas Shariah which declined by 1.2% mom and FTSE Emas which was down by 1.4% mom. The FTSE Small Cap index continued to see pressure with a 4.4% mom decline in November.

Going forward, investors will be following closely the developments at the G20 meeting and also the OPEC meeting in early December. Trade tensions between the US and China has been temporarily halted for 90 days pending discussions, but the main issues may remain unresolved. The 3Q18 corporate earnings disappointment is also likely to continue into 4Q18. As such, with no strong growth catalysts for the domestic market, we expect the local bourse to take its cue from regional developments and remain volatile. We retain our defensive strategy, staying invested in high dividend yielding blue chip stocks with certainty of earnings.

## Market Review, Outlook & Strategy - Fixed Income Market

The U.S. Treasury (UST) market experienced wild swings in October, stemming from concerns over the prospect of rising interest rates and the rout across global equity markets. Geopolitical risks and rising US government debt also contributed to the volatility that propelled the 30-year UST yield to end 18bps higher at 3.39%, while 10-year UST yield also closed 8bps higher at 3.14%.

U.S. Treasury ("UST") rallied with 10-year yields briefly sliding below 3% at end-November from 3.14% a month ago, driven by risk-off sentiment. Fear over slowing global growth had boosted demand for UST, more so when Fed Chair Jerome Powell commented that interest rates were "just below" neutral level, suggesting a shift from a hawkish to dovish bias.

Meanwhile, Malaysian Government Securities ("MGS") yields twist flattened with shorter-dated yields climbing 3-6 bps higher while longer-dated yields retreated 2-4 bps lower on MoM basis, aided by risk-off sentiment across regional markets.

Corporate bonds and sukuk market were also lackluster with secondary trade volume dropping to RM7.3 billion from prior month's RM13.2 billion, mainly attributed to lower demand on high grade bonds from both AAA-rated and quasi-government segments. Credit spreads widened within 3-11 bps on the longer-dated bonds across the rating space, while short-end tightened by 1-3 bps. The Government Guaranteed (GG) curve steepened further with credit spread widening by 3-12 bps from the belly to the back-end of the curve.

Slowing global growth has increased expectations that the Fed will not be able to raise rates much further without hurting the U.S. economy. Despite a December rate hike being largely priced in, the interest rate path for 2019 is now uncertain. With that, investors are reassessing the pace of tightening amid signs of faltering global growth and the 1 to 2 rate expected hikes have been dialled back.

On the local front, while there are some concerns of a flight to safety selloff due to further emerging market outflows triggered by external headwinds, the risk is lower as foreign holdings of MGS and GII has already dropped to a low 25%. This risk is further mitigated by the fact that more than half of local bonds are held by foreign government agencies, central banks and pension funds who are longer term sticky investors. Also, we are of the view that event driven volatility which causes knee jerk sell-downs are usually short lived. Generally, central bank's monetary policy will still be the key factor in dictating the bond yield movement or interest rate direction.

We expect trading activities to gradually pick up as any upward movement in bond yields could provide a good opportunity for investors to switch into higher yielding reinvestments. We are also of the view that the Malaysian bond market remains resilient and that any sell-off would be matched by buying interest given the ample liquidity in the system. This is further supported by the deep institutional presence and current scarcity of corporate bonds and sukuk issuances. As such, we would maintain our overweight position on bonds and continue to reinvest into longer tenure papers which enable the portfolios to benefit from dissipating risk premium when the market strengthens.

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	3.3%	-1.4%	2.2%	0.4%	7.5%
HLADS - Gross	2.7%	1.5%	7.4%	-0.6%	17.0%
HLADS - Net	1.2%	0.1%	5.5%	-1.9%	14.3%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 24 September 2013. The actual investment returns are calculated based on unit price from 24 September to 31 December 2013.

## Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

### 1. Market Risk

## HLA Dana Suria (HLADS)

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

### 3. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

### 4. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

### 5. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- The maximum value of any asset of any fund shall not exceed the following price:
  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Target Fund Details

- Hong Leong Dana Maa'rof is a Balanced fund managed by Hong Leong Asset Management Berhad. The past performance of this fund is as follows:

Year	2013	2014	2015	2016	2017
Performance	7.0%	0.1%	9.1%	-1.2%	13.1%

Source: Hong Leong Asset Management Berhad

- HLA Venture Dana Putra is a Equity fund managed by Hong Leong Assurance Berhad. The past performance of this fund is as follows:

Year	2013	2014	2015	2016	2017
Performance	32.6%	-1.1%	4.9%	-2.3%	20.8%

Source: Hong Leong Assurance Berhad

### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

For the underlying Target Fund, past performance is calculated after adjusting for distribution and/or additional units, if any.

### Others

HLA Dana Suria is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner into Islamic unit trust/investment-linked funds which will invest in Shariah-compliant fixed income securities, equities, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the funds default or become insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the fund on his/her behalf by HLA.

**THIS IS AN INSURANCE PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS.**

### Disclaimer:

Policy Owner must evaluate your options carefully and satisfy yourself that the investment-linked fund chosen meets your risk appetite. Past performance of the fund is not an indication of its future performance. The intention of this document is to enable Policy Owner to better understand the fund features and details in order to assist Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.

# HLA Secure Fund (HLASF)

Nov 2018

## Fund Features

### 1. Investment Objective

To provide investors with steady and consistent return over a long-term investment horizon by investing into local and global fixed income securities and equities.

### 2. Investment Strategy & Approach

The strategy is to provide investors an affordable access into a diversified investment portfolio with a mixture of equities and fixed income instrument. The fund will invest primarily in fixed income instruments such as bonds, money market instruments, repo and deposits with financial institutions that provide regular income as well as in high dividend yield stocks to enhance the fund's returns. The asset allocation decision between fixed income instruments and equity is decided after considering the fixed income and equity market outlook over the medium to long-term horizon. Initially the fund will invest by feeding into Affin Hwang Select Income Fund ("Target Fund"), with the option to increase the number of funds or replace Affin Hwang Select Income Fund with other fund(s) in future.

### 3. Asset Allocation

The fund shall invest a minimum 70% of the NAV in Fixed Income Instruments and maximum 30% of NAV in equities.

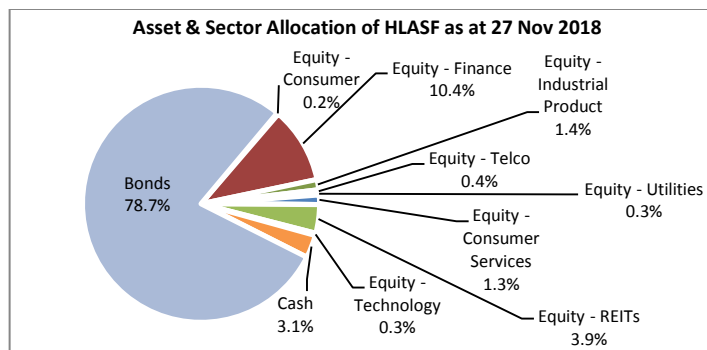
### 4. Target Market

The fund is suitable for investors who are relatively conservative and wish to have a steady and stable return that meets their retirement needs.

## Fund Details

Unit Price (27/11/2018)	:RM1.3152
Fund Size (27/11/2018)	:RM15.6mil
Fund Management Fee	:1.00% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Bond
Fund Inception	:05 Feb 2013
Benchmark	: (70% x Maybank 12 Months Fixed Deposit Rate) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index)
Frequency of Unit Valuation	:Weekly

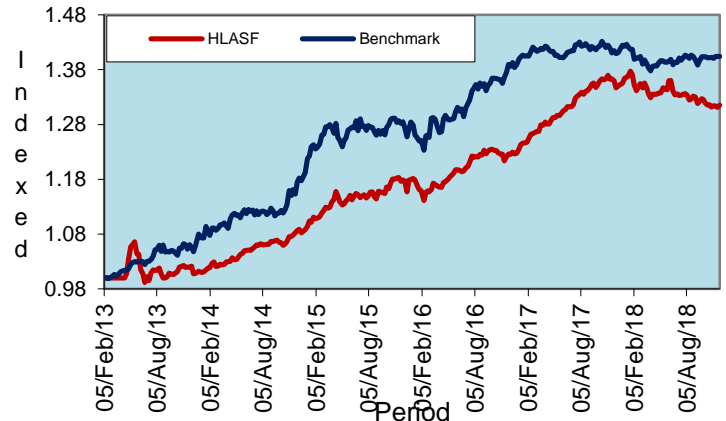
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.



## Top 5 Holdings for HLASF as at 27 Nov 2018

		%
1.	PTT Exploration & Production	FI 1.8
2.	DBS Group Holdings Ltd	Equity 1.8
3.	China Life Insurance Co Ltd	FI 1.5
4.	United Overseas Bank Ltd	Equity 1.5
5.	AIA Group Ltd	Equity 1.5
<b>Total Top 5</b>		<b>8.1</b>

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	-2.97%	0.26%	-3.29%	11.77%	29.02%	31.52%
Benchmark*	-1.44%	0.12%	-0.73%	9.51%	32.41%	40.43%
Relative	-1.52%	0.13%	-2.56%	2.26%	-3.39%	-8.91%

\*Source: AffinHwang

## Market Review, Outlook & Strategy relevant to Target Fund

Regional markets pared some losses from the previous month ahead of trade talks between the US and China, lower oil prices, and increased fiscal and monetary stimulus in China. Crude oil prices saw a sharp decline in November due to supply side pressures, with Brent prices falling close to the USD50 level towards month end. 10-Year US Treasuries rallied, ending the month with yields just below the 3.00% level as the Federal reserves stayed pat on interest rates while investors perceived a subsequent statement by the Fed Chairman as dovish. The global earnings revision ratio declined from 0.72 to 0.59 in November, hitting a 3-year low. In Asia ex-Japan, the downgrade cuts deeper with earnings revision ratio falling to 0.46 which is a 6-year low for the region. A wider divergence was seen between China's A-share and H-share market amidst expectations of further earnings downgrade. A P/E multiple derating contributed to the bulk of the sell off this year as investors pared down expectations. Supported by easing policies, Chinese equities led regional market gains, bringing the MSCI Asia ex Japan Index up 5.3% in November.

An absence of further trade noise in the coming months, a potentially softer USD and further loosening measures in China could provide stability for regional markets over the next few months. However, we are still mindful of lingering risks, including the continued earnings downgrades, potentially temporary US-China trade truce, and a slower growth expectations for 2019. The US Federal Reserve remain on course for a December rate hike, though the market is currently pricing in less increases in 2019 than what had been guided by the Fed. Still high valuations, a market still adjusting to shrinking liquidity and an expected heavy upcoming supply of new issuances remain a challenge in regional fixed income markets. Our cautious stance remains in the near term, as we slightly reduce some USD exposure in light of recent softness. Duration is still kept short at around 3 years. For equities, we are tactically increasing market exposure to around 75% to 80% as markets have been oversold, with a particular focus in Hong Kong and China. We are also adding to selective positions in India, Indonesia, and Philippines, which are now at attractive valuations and could benefit from fund flows back to EM.

## HLA Secure Fund (HLASF)

### Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	7.2%	10.4%	7.7%	8.2%	2.6%
HLASF - Gross	2.5%	9.2%	10.2%	5.6%	12.4%
HLASF - Net	1.3%	7.5%	8.4%	4.1%	10.4%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 14 February 2013. The actual investment returns are calculated based on unit price from 14 February 2013 to 31 December 2013.

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

#### 1. Market Risk

Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.

#### 2. Liquidity Risk

Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.

#### 3. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

#### 4. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

#### 5. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

### Risk Management

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### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
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  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

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### Target Fund Details

Affin Hwang Select Income Fund is a Bond fund managed by Affin Hwang Investment Management. The past performance of this fund is as follows:

Year	2013	2014	2015	2016	2017
Performance	2.9%	6.9%	8.6%	4.1%	10.4%

Source: Affin Hwang Investment Management

## HLA Secure Fund (HLASF)

### **Basis of Calculation of Past Performance**

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

For the underlying Target Fund, past performance is calculated after adjusting for distribution and/or additional units, if any.

### **Others**

HLA Secure Fund is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

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### **Disclaimer:**

Policy Owner must evaluate your options carefully and satisfy yourself that the investment-linked fund chosen meets your risk appetite. Past performance of the fund is not an indication of its future performance. The intention of this document is to enable Policy Owner to better understand the fund features and details in order to assist Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.



# HLA Cash Fund (HLACF)

**Nov 2018**

## Fund Features

### 1. Investment Objective

This fund aims to provide high principal security and consistent return to the investors by investing in money market instrument. Returns will be comparable to prevailing overnight policy rates but correspondingly, the risks will be significantly lower than that for equities investment.

### 2. Investment Strategy & Approach

This fund may be placed with any licensed financial institution under the Islamic Financial Services Act 2013, determined by the fund manager.

### 3. Asset Allocation

This fund may be placed with any licensed financial institution under the Islamic Financial Services Act 2013, determined by the fund manager.

### 4. Target Market

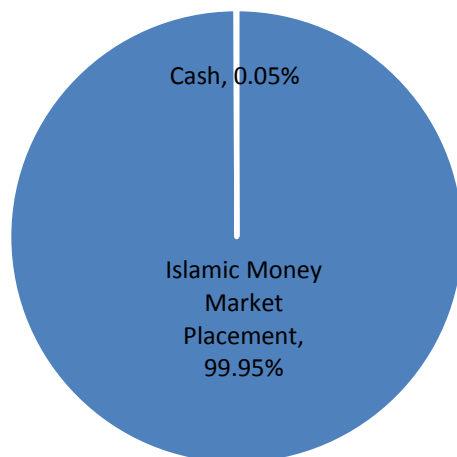
This fund is suitable for investors who are low risk profile.

## Fund Details

<b>Unit Price (27/11/2018)</b>	: RM1.2093
<b>Fund Size (27/11/2018)</b>	: RM37.8mil
<b>Fund Management Fee</b>	: 0.25% p.a.
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Money Market Fund
<b>Fund Inception</b>	: 28 Dec 2010
<b>Benchmark</b>	: Overnight Policy Rate
<b>Frequency of Unit Valuation</b>	: Weekly

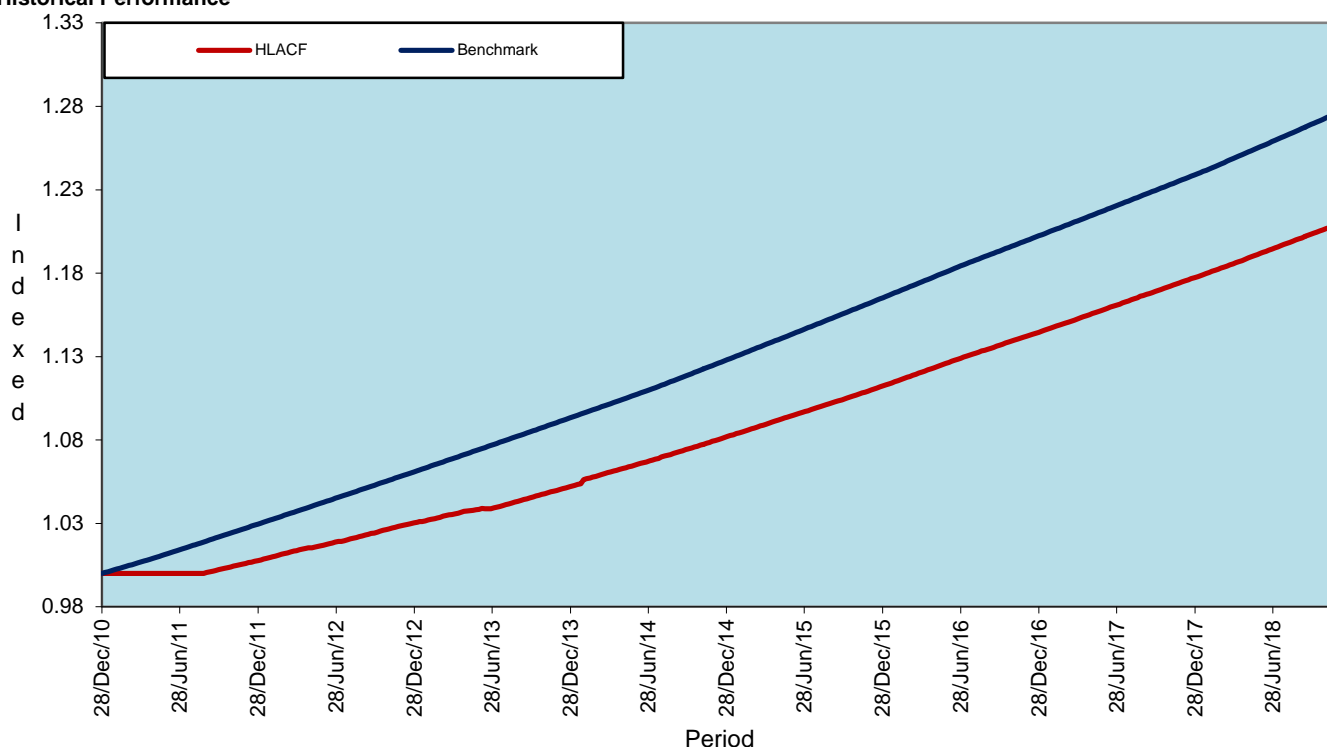
*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*

**Asset & Sector Allocation of HLACF as at 27 Nov 2018**



# HLA Cash Fund (HLACF)

## Historical Performance



As of 27/11/18	1 month	YTD	1 Year	3 Years	5 Years	Since Inception
HLACF	0.22%	2.71%	2.94%	9.01%	15.19%	20.93%
Benchmark*	0.25%	3.01%	3.25%	9.86%	17.03%	27.62%
Relative	-0.03%	-0.30%	-0.32%	-0.84%	-1.84%	-6.69%

\*Source: Bloomberg

## Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016	2017
Benchmark	3.0%	3.1%	3.2%	3.1%	3.0%
HLACF- Gross	2.6%	3.4%	3.3%	3.4%	3.4%
HLACF - Net	2.1%	2.9%	2.8%	2.9%	2.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

## Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the non-exhaustive list of risks associated to this fund.

### 1. Counterparty risk

This refer to the possibility that the institution that the fund invested in may not be able to make the required interest payment and repayment of principal.

## Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

## Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
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  - The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

## HLA Cash Fund (HLACF)

### Exceptional Circumstances

The Company reserves the right to defer the payment of benefits (other than death benefit) under this Policy for a period not exceeding six (6) months from the date the payment would have been normally effected if not for intervening events such as temporary closure of any Stock Exchange in which the fund is invested which the Company, in its discretion, may consider exceptional.

### Basis of Calculation of Past Performance

The historical performance of the fund is calculated based on the price difference over the period in consideration compared to the older price of the period in consideration.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

### Others

HLA Cash Fund is managed by HLA. Any amount invested in this fund is invested by HLA on behalf of Policy Owner in money market instrument/s issued by licensed financial institution/s under the Islamic Financial Services Act 2013. The amount invested in this money market instrument/s is guaranteed by these financial institutions, before deducting any charge or tax. If the financial institutions issuing the money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on their behalf by HLA.

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# Fund Risk Type & Customer Risk Appetite

Fund Risk Type  
High

Customer Risk Appetite  
Aggressive

