

# Monthly Fund Fact Sheet

## — August 2021



## Contents

### Daily Valuation Funds

HLA Venture Growth Fund.....	1
HLA Venture Blue Chip Fund .....	4
HLA Venture Dana Putra.....	7
HLA Venture Flexi Fund .....	10
HLA Value Fund.....	13
HLA Dividend Growth Fund .....	16
Hong Leong SMART Invest Fund .....	19
Hong Leong SMART Growth Fund.....	22
HLA Venture Global Fund .....	25
HLA Venture Managed Fund .....	28
HLA Venture Income Fund.....	31
HLA Dana Suria .....	34
HLA Secure Fund.....	38
HLA Cash Fund .....	41

### Weekly Valuation Funds

HLA Horizon Funds.....	44
HLA EverGreen Funds .....	49
Fund Risk Type & Customer Risk Appetite .....	55

# HLA Venture Growth Fund (HLAVGF)

August 2021

## 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

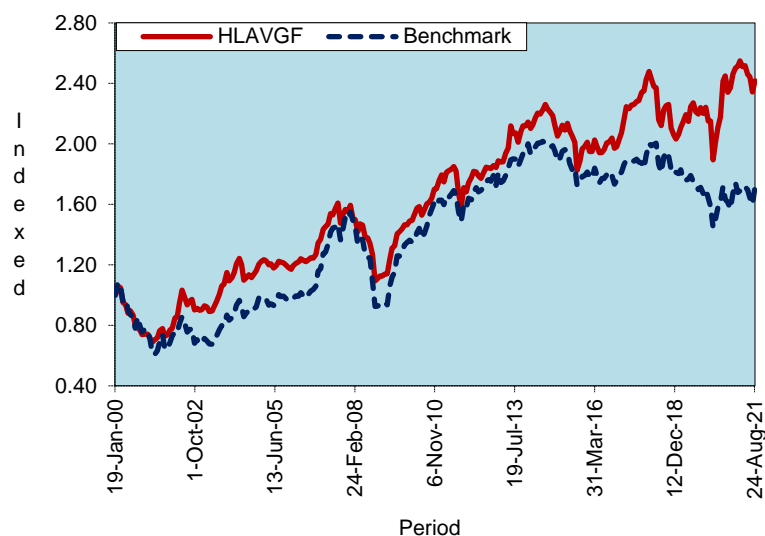
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (30/8/2021)	:RM2.4169
Fund Size (30/8/2021)	:RM414.8 mil
Fund Management Fee (effective as at 01/08/2018)	: 1.39% 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.

## Historical Performance

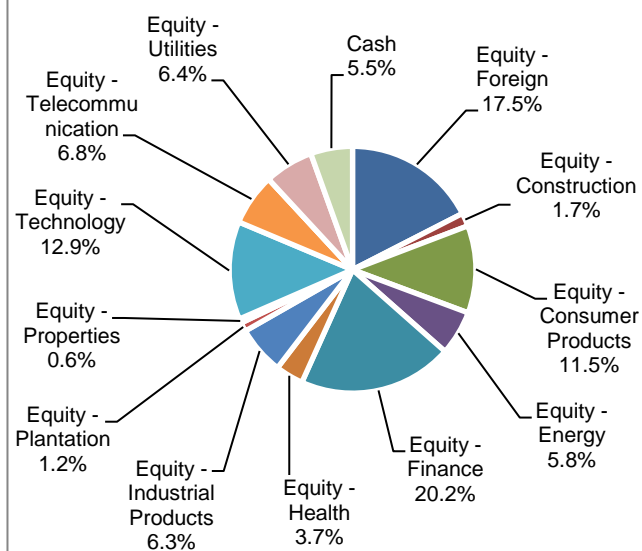


	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	-3.45%	3.14%	-1.33%	7.31%	20.41%	44.78%	141.69%
Benchmark*	-1.59%	7.14%	4.99%	-12.00%	-4.57%	10.65%	71.57%
Relative	-1.86%	-4.01%	-6.32%	19.30%	24.98%	34.13%	70.12%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

**Asset & Sector Allocation of HLAVGF as at 30 Aug 2021**



## Top 5 Holdings for HLAVGF as at 30 Aug 2021

	%
1. CIMB	8.0
2. MAYBANK	7.1
3. TENAGA	5.7
4. INARI	5.5
5. TENCENT	5.5
Total Top 5	31.6

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# HLA Venture Growth Fund (HLAVGF)

## Market Review, Outlook & Strategy

In August, Asia continued to underperform the developed markets in the US and Europe. The selloff in Chinese stocks continued to deepen with the MSCI China dipping by >7% in mid-August. This was following the Chinese government's new economic agenda to focus on strengthening its regulatory grip over key sectors such as technology and healthcare. President Xi Jinping's rhetoric about "common prosperity" further reinforced the Communist Party's commitment to close the widening wealth gap among the population which soured market sentiment further. Globally, while key economic indicators are still holding, there are now downside risks with the recent surge in the Delta variant. The recent full FDA approval for the Pfizer-BioNTech Covid-19 vaccine raised hopes of the pace of vaccination being increased further. Fed Chair Powell's recent Jackson Hole speech also did not deliver any taper surprises where he acknowledged that tapering conditions (including progress toward full employment) could be met by the end of this year and the pace of any tapering is likely to be slow. He also indicated that if the Fed were to reduce asset purchases, it would not necessarily signal short-term interest rate hikes were in the pipeline.

On the domestic front, August was another eventful month. We saw the resignation of Tan Sri Mahiaddin Yassin and the appointment of Dato' Sri Ismail Sabri as the 9th Prime Minister of Malaysia after securing 114 Parliamentary seats with a leaner new cabinet. These developments have alleviated some of the political uncertainties in the near term. The pace of vaccination continued to see positive trajectory with close to 50% of the total population having been fully vaccinated. This brings Malaysia closer to achieving its 80% nationwide herd immunity target by early December. The Health Ministry also announced that Covid-19 will be treated as an endemic and that the country will move away from the current total containment measures, paving the way for more economic sectors to be reopened. BNM has revised their 2021 GDP forecast from 6.5-7.5% to 3-4% after taking into account the earlier restrictions.

The average daily trading volumes and values continued to fall mom to their lowest levels since Apr 2020. Average daily trading volumes fell 17% mom to 4.2b units while average daily trading values fell 11% mom to RM2.7b in Aug. Foreign investors turned net buyers of RM1b of Malaysian equities in Aug 2021 after close to 24 consecutive months of net selling. Local institutional investors, on the other hand, were the largest net sellers in August to the tune of RM1.5b. The best performing sectors in August were the plantation and transport sectors, while the worst performing sectors were the healthcare and REITs. For the month, FBMKLCI outperformed the broader market with a gain of 7.1% mom to 1,601.38pts. The FBM Shariah was up by 5.8% mom, FBMSC appreciated by 3.4% mom and FBM Emas increased by 6% mom.

On the regional front, market participants will be monitoring the spread of the Delta variant and the roll-out of the Covid-19 vaccination and distribution programmes. Investors will also continue to follow closely the progress of re-opening in the US and Europe as well as the outcome of the US Federal Reserve's Federal Open Market Committee meetings on 21-22 Sep. Domestically, key events taking place include the Monetary Policy Committee meeting on 9th September (market participants are not expecting any changes to the Overnight Policy Rate), vote of confidence for the Prime Minister when Parliament reconvenes on 13th September and the tabling of the 12th Malaysia Plan on the 27th September. We maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

## Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%
<b>HLAVGF- Gross</b>	0.5%	10.7%	16.3%	-3.2%	-0.6%	-0.1%	26.0%	-16.1%	12.8%	14.2%
<b>HLAVGF - Net</b>	-0.9%	8.5%	13.6%	-4.4%	-1.9%	-1.5%	22.5%	-16.2%	10.3%	11.7%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance**

## 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.

## HLA Venture Growth Fund (HLAVGF)

### Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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 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.

**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 Blue Chip Fund (HLAVBCF)

August 2021

## 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

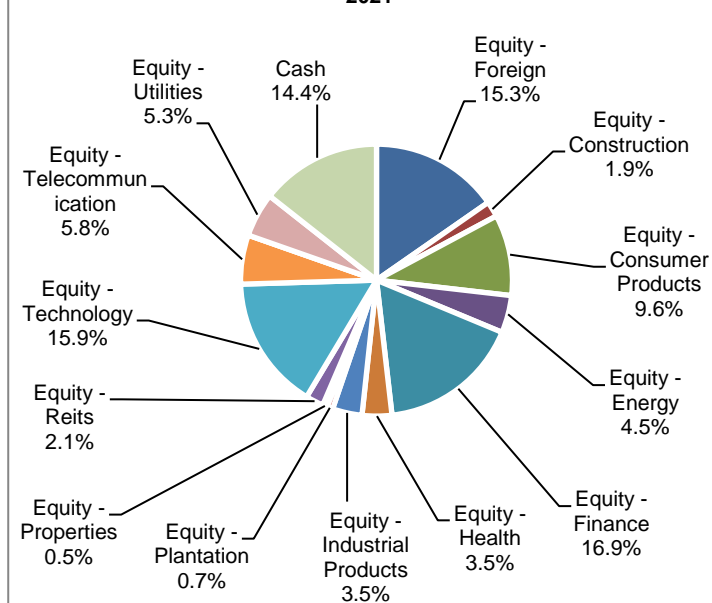
This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

## Fund Details

Unit Price (30/8/2021)	: RM2.7133
Fund Size (30/8/2021)	: RM474.77 mil
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.

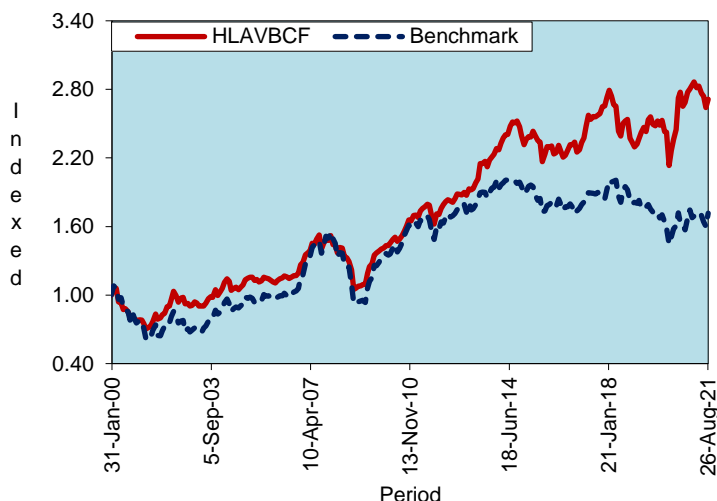
**Asset & Sector Allocation of HLAVBCF as at 30 Aug 2021**



**Top 5 Holdings for HLAVBCF as at 30 Aug 2021**

	%
1. CIMB	5.4
2. INARI	5.0
3. MAYBANK	4.8
4. TENAGA	4.8
5. RHBBANK	4.6
<b>Total Top 5</b>	<b>24.5</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVBCF	-3.25%	2.73%	-2.19%	7.48%	17.12%	61.27%	171.33%
Benchmark*	-1.59%	7.14%	4.99%	-12.00%	-4.57%	10.65%	71.57%
Relative	-1.66%	-4.42%	-7.19%	19.48%	21.69%	50.62%	99.76%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Venture Blue Chip Fund (HLAVBCF)

## Market Review, Outlook & Strategy

In August, Asia continued to underperform the developed markets in the US and Europe. The selloff in Chinese stocks continued to deepen with the MSCI China dipping by >7% in mid-August. This was following the Chinese government's new economic agenda to focus on strengthening its regulatory grip over key sectors such as technology and healthcare. President Xi Jinping's rhetoric about "common prosperity" further reinforced the Communist Party's commitment to close the widening wealth gap among the population which soured market sentiment further. Globally, while key economic indicators are still holding, there are now downside risks with the recent surge in the Delta variant. The recent full FDA approval for the Pfizer-BioNTech Covid-19 vaccine raised hopes of the pace of vaccination being increased further. Fed Chair Powell's recent Jackson Hole speech also did not deliver any taper surprises where he acknowledged that tapering conditions (including progress toward full employment) could be met by the end of this year and the pace of any tapering is likely to be slow. He also indicated that if the Fed were to reduce asset purchases, it would not necessarily signal short-term interest rate hikes were in the pipeline.

On the domestic front, August was another eventful month. We saw the resignation of Tan Sri Mahiaddin Yassin and the appointment of Dato' Sri Ismail Sabri as the 9th Prime Minister of Malaysia after securing 114 Parliamentary seats with a leaner new cabinet. These developments have alleviated some of the political uncertainties in the near term. The pace of vaccination continued to see positive trajectory with close to 50% of the total population having been fully vaccinated. This brings Malaysia closer to achieving its 80% nationwide herd immunity target by early December. The Health Ministry also announced that Covid-19 will be treated as an endemic and that the country will move away from the current total containment measures, paving the way for more economic sectors to be reopened. BNM has revised their 2021 GDP forecast from 6.5-7.5% to 3-4% after taking into account the earlier restrictions.

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On the regional front, market participants will be monitoring the spread of the Delta variant and the roll-out of the Covid-19 vaccination and distribution programmes. Investors will also continue to follow closely the progress of re-opening in the US and Europe as well as the outcome of the US Federal Reserve's Federal Open Market Committee meetings on 21-22 Sep. Domestically, key events taking place include the Monetary Policy Committee meeting on 9th September (market participants are not expecting any changes to the Overnight Policy Rate), vote of confidence for the Prime Minister when Parliament reconvenes on 13th September and the tabling of the 12th Malaysia Plan on the 27th September. We maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

## Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%
<b>HLAVBF- Gross</b>	5.4%	11.9%	21.4%	3.2%	1.1%	-0.1%	23.6%	-15.7%	12.5%	13.4%
<b>HLAVBF - Net</b>	3.6%	9.6%	18.3%	1.5%	-0.4%	-1.6%	20.3%	-15.9%	10.1%	10.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

## 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.

## HLA Venture Blue Chip Fund (HLAVBCF)

### Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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 Venture Blue Chip 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 Dana Putra (HLAVDP)

August 2021

## 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

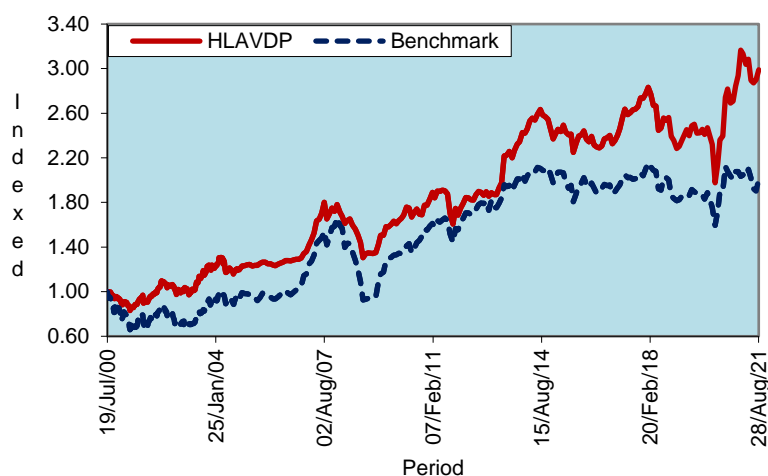
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

<b>Unit Price (30/8/2021)</b>	: RM2.9890
<b>Fund Size (30/8/2021)</b>	: RM142.0 mil
<b>Fund Management Fee (effective as at 01/01/2019)</b>	: 1.34% p.a. (capped at 1.40%)
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 19 Jul 2000
<b>Benchmark</b>	: FBM EmasShariah Index (KL Shariah Index)
<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.

## Historical Performance

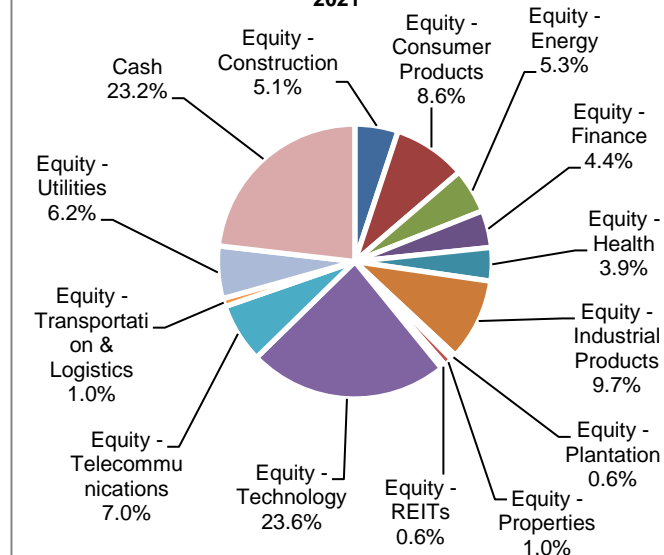


	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	1.78%	3.07%	6.12%	17.89%	26.17%	75.86%	198.90%
Benchmark*	-3.11%	5.82%	-3.16%	-0.44%	2.57%	32.77%	101.35%
Relative	4.88%	-2.75%	9.29%	18.33%	23.59%	43.10%	97.55%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

**Asset & Sector Allocation of HLAVDP as at 30 August 2021**



## Top 5 Holdings for HLAVDP as at 30 Aug 2021

	%
1. INARI	5.0
2. UWC	4.2
3. TENAGA	4.1
4. TM	4.0
5. MYEG	3.9
Total Top 5	21.2

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# HLA Venture Dana Putra (HLAVDP)

## Market Review, Outlook & Strategy

In August, Asia continued to underperform the developed markets in the US and Europe. The selloff in Chinese stocks continued to deepen with the MSCI China dipping by >7% in mid-August. This was following the Chinese government's new economic agenda to focus on strengthening its regulatory grip over key sectors such as technology and healthcare. President Xi Jinping's rhetoric about "common prosperity" further reinforced the Communist Party's commitment to close the widening wealth gap among the population which soured market sentiment further. Globally, while key economic indicators are still holding, there are now downside risks with the recent surge in the Delta variant. The recent full FDA approval for the Pfizer-BioNTech Covid-19 vaccine raised hopes of the pace of vaccination being increased further. Fed Chair Powell's recent Jackson Hole speech also did not deliver any taper surprises where he acknowledged that tapering conditions (including progress toward full employment) could be met by the end of this year and the pace of any tapering is likely to be slow. He also indicated that if the Fed were to reduce asset purchases, it would not necessarily signal short-term interest rate hikes were in the pipeline.

On the domestic front, August was another eventful month. We saw the resignation of Tan Sri Mahiaddin Yassin and the appointment of Dato' Sri Ismail Sabri as the 9<sup>th</sup> Prime Minister of Malaysia after securing 114 Parliamentary seats with a leaner new cabinet. These developments have alleviated some of the political uncertainties in the near term. The pace of vaccination continued to see positive trajectory with close to 50% of the total population having been fully vaccinated. This brings Malaysia closer to achieving its 80% nationwide herd immunity target by early December. The Health Ministry also announced that Covid-19 will be treated as an endemic and that the country will move away from the current total containment measures, paving the way for more economic sectors to be reopened. BNM has revised their 2021 GDP forecast from 6.5-7.5% to 3-4% after taking into account the earlier restrictions.

The average daily trading volumes and values continued to fall mom to their lowest levels since Apr 2020. Average daily trading volumes fell 17% mom to 4.2b units while average daily trading values fell 11% mom to RM2.7b in Aug. Foreign investors turned net buyers of RM1b of Malaysian equities in Aug 2021 after close to 24 consecutive months of net selling. Local institutional investors, on the other hand, were the largest net sellers in August to the tune of RM1.5b. The best performing sectors in August were the plantation and transport sectors, while the worst performing sectors were the healthcare and REITs. For the month, FBMKLCI outperformed the broader market with a gain of 7.1% mom to 1,601.38pts. The FBM Shariah was up by 5.8% mom, FBMSC appreciated by 3.4% mom and FBM Emas increased by 6% mom.

On the regional front, market participants will be monitoring the spread of the Delta variant and the roll-out of the Covid-19 vaccination and distribution programmes. Investors will also continue to follow closely the progress of re-opening in the US and Europe as well as the outcome of the US Federal Reserve's Federal Open Market Committee meetings on 21-22 Sep. Domestically, key events taking place include the Monetary Policy Committee meeting on 9<sup>th</sup> September (market participants are not expecting any changes to the Overnight Policy Rate), vote of confidence for the Prime Minister when Parliament reconvenes on 13<sup>th</sup> September and the tabling of the 12<sup>th</sup> Malaysia Plan on the 27<sup>th</sup> September. We maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

## Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	2.4%	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%
<b>HLAVDP- Gross</b>	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%
<b>HLAVDP - Net</b>	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

## 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.

## Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## HLA Venture Dana Putra (HLAVDP)

### 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 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)

August 2021

## 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.

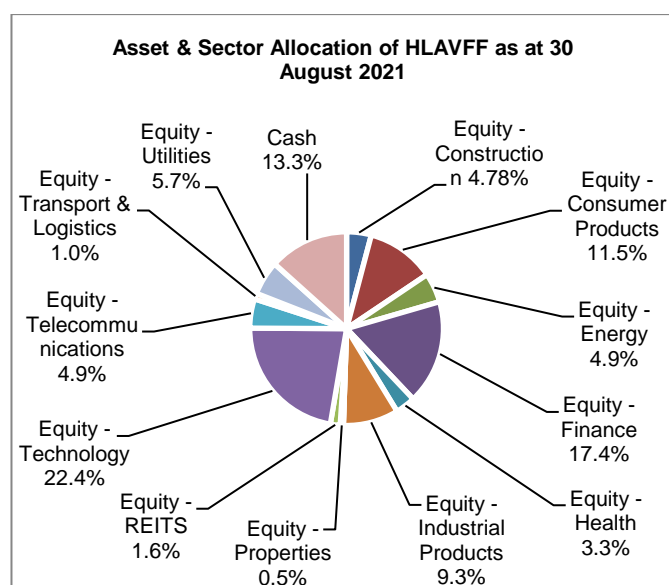
### 4. Target Market

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

Unit Price (30/8/2021)	: RM1.1031
Fund Size (30/8/2021)	: RM142.1 mil
Fund Management Fee (effective as at 01/01/2019)	: 1.31% p.a. (capped at 1.48%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 06 April 2009
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

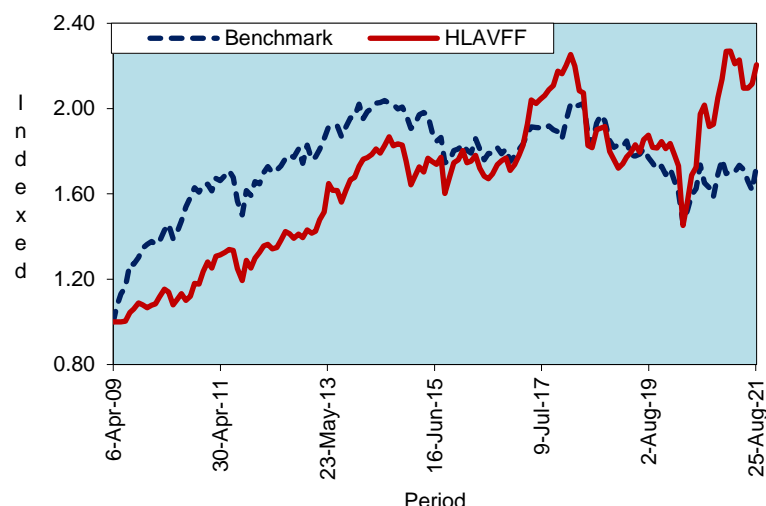
*The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent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



## Top 5 Holdings for HLAVFF as at 30 Aug 2021

	%
1. CIMB	5.6
2. MAYBANK	5.6
3. INARI	4.7
4. UWC	4.2
5. TENAGA	4.1
Total Top 5	24.2

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVFF	3.20%	4.27%	9.45%	15.63%	26.98%	76.58%	120.62%
Benchmark*	-1.59%	7.14%	4.99%	-12.00%	-4.57%	10.65%	73.35%
Relative	4.79%	-2.87%	4.45%	27.62%	31.55%	65.93%	47.27%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Venture Flexi Fund (HLAVFF)

## Market Review, Outlook & Strategy

In August, Asia continued to underperform the developed markets in the US and Europe. The selloff in Chinese stocks continued to deepen with the MSCI China dipping by >7% in mid-August. This was following the Chinese government's new economic agenda to focus on strengthening its regulatory grip over key sectors such as technology and healthcare. President Xi Jinping's rhetoric about "common prosperity" further reinforced the Communist Party's commitment to close the widening wealth gap among the population which soured market sentiment further. Globally, while key economic indicators are still holding, there are now downside risks with the recent surge in the Delta variant. The recent full FDA approval for the Pfizer-BioNTech Covid-19 vaccine raised hopes of the pace of vaccination being increased further. Fed Chair Powell's recent Jackson Hole speech also did not deliver any taper surprises where he acknowledged that tapering conditions (including progress toward full employment) could be met by the end of this year and the pace of any tapering is likely to be slow. He also indicated that if the Fed were to reduce asset purchases, it would not necessarily signal short-term interest rate hikes were in the pipeline.

On the domestic front, August was another eventful month. We saw the resignation of Tan Sri Mahiaddin Yassin and the appointment of Dato' Sri Ismail Sabri as the 9<sup>th</sup> Prime Minister of Malaysia after securing 114 Parliamentary seats with a leaner new cabinet. These developments have alleviated some of the political uncertainties in the near term. The pace of vaccination continued to see positive trajectory with close to 50% of the total population having been fully vaccinated. This brings Malaysia closer to achieving its 80% nationwide herd immunity target by early December. The Health Ministry also announced that Covid-19 will be treated as an endemic and that the country will move away from the current total containment measures, paving the way for more economic sectors to be reopened. BNM has revised their 2021 GDP forecast from 6.5-7.5% to 3-4% after taking into account the earlier restrictions.

The average daily trading volumes and values continued to fall mom to their lowest levels since Apr 2020. Average daily trading volumes fell 17% mom to 4.2b units while average daily trading values fell 11% mom to RM2.7b in Aug. Foreign investors turned net buyers of RM1b of Malaysian equities in Aug 2021 after close to 24 consecutive months of net selling. Local institutional investors, on the other hand, were the largest net sellers in August to the tune of RM1.5b. The best performing sectors in August were the plantation and transport sectors, while the worst performing sectors were the healthcare and REITs. For the month, FBMKLCI outperformed the broader market with a gain of 7.1% mom to 1,601.38pts. The FBM Shariah was up by 5.8% mom, FBMSC appreciated by 3.4% mom and FBM Emas increased by 6% mom.

On the regional front, market participants will be monitoring the spread of the Delta variant and the roll-out of the Covid-19 vaccination and distribution programmes. Investors will also continue to follow closely the progress of re-opening in the US and Europe as well as the outcome of the US Federal Reserve's Federal Open Market Committee meetings on 21-22 Sep. Domestically, key events taking place include the Monetary Policy Committee meeting on 9<sup>th</sup> September (market participants are not expecting any changes to the Overnight Policy Rate), vote of confidence for the Prime Minister when Parliament reconvenes on 13<sup>th</sup> September and the tabling of the 12<sup>th</sup> Malaysia Plan on the 27<sup>th</sup> September. We maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

## Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%
<b>HLAVFF- Gross</b>	7.0%	12.7%	24.1%	-3.9%	12.2%	-2.4%	30.6%	-22.2%	8.8%	19.4%
<b>HLAVFF - Net</b>	5.1%	10.2%	20.8%	-5.0%	9.8%	-3.7%	26.7%	-21.9%	6.7%	16.4%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

The fund was only launched on 6 April 2009. The actual investment returns are calculated based on unit price from 6 April 2009 to 31 December 2009.

## 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.



## HLA Venture Flexi Fund (HLAVFF)

### Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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 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.

**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 Value Fund (HLAVF)

August 2021

## 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 Value Fund, formerly known as 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 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.

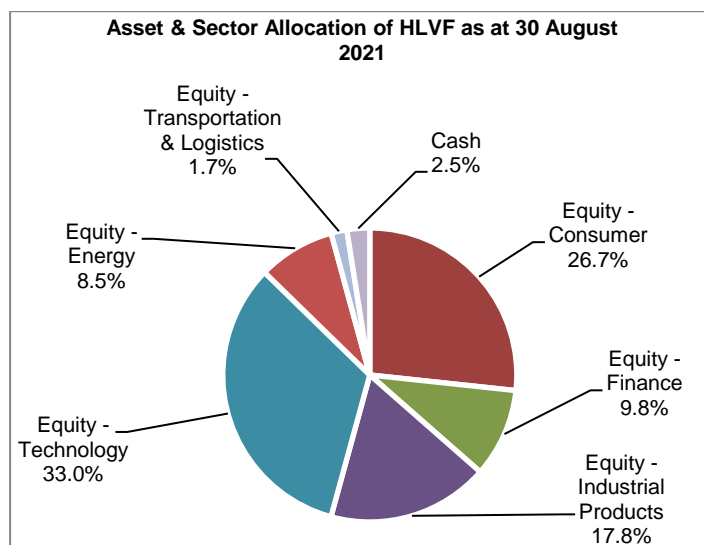
### 5. Target Market

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 (30/8/2021)	: RM1.8865
Fund Size (30/8/2021)	: RM233.7 mil
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

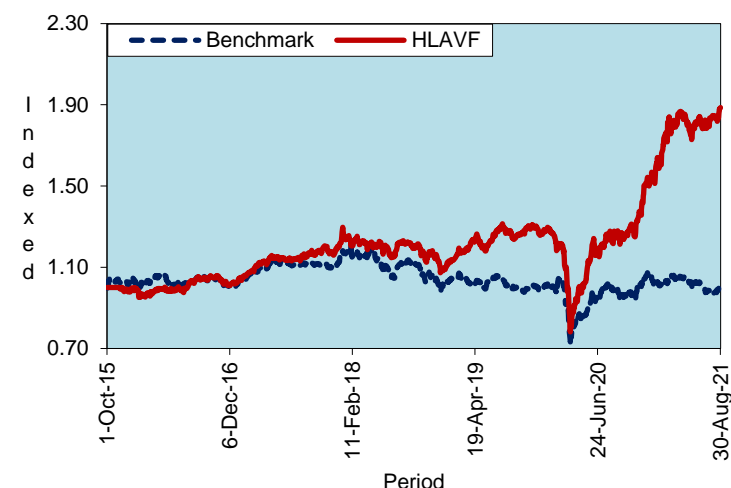
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLAVF as at 30 August 2021

	%
1. D&O Green Technologies Berhad	9.9
2. Press Metal Aluminium Holdings Berhad	9.3
3. PETRONAS Chemicals Group Berhad	8.5
4. Inari Amertron Berhad	6.9
5. Malaysian Pacific Industries Berhad	6.5
Total Top 5	41.1

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLVF	20.76%	2.86%	49.63%	54.97%	80.68%	88.65%
Benchmark*	-1.14%	5.96%	4.89%	-8.58%	-1.32%	3.15%
Relative	21.90%	-3.10%	44.74%	63.56%	82.00%	85.50%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

## HLA Value Fund (HLAVF)

### Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI rose 7.1% to close at 1,601 points. The broader market underperformed as the FTSE BM EMAS Index rose 6.0% to close at 11,628 points. Small caps underperformed as the FTSE BM Small Cap Index rose 3.4% to close at 15,946 points.

Market sentiment improved as more parts of the local economy started to reopen and political uncertainty eased off upon the appointment of a new Prime Minister.

On the corporate front, Axiata Group Berhad and its subsidiary PT XL Axiata Tbk entered into a non-binding sheet for the proposed acquisition of Indonesia's PT Link Net Tbk. CTOS Digital Berhad announced that it increased its stake in Thailand's Business Online Public Company Limited as part of its efforts to expand its exposure in the country's business decision-making solutions market.

The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.

### Actual Annual Investment Returns for the Past Six (6) Calendar Years

Year	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	4.6%	-2.8%	12.9%	-11.1%	-1.6%	3.9%
<b>HLVF- Gross</b>	-0.1%	4.7%	22.2%	-9.3%	20.0%	25.3%
<b>HLVF - Net</b>	-0.4%	2.8%	19.0%	-10.0%	17.0%	21.8%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past six (6) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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.

- 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.
- 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.
- 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.
- 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.
- 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:

- Country Risk**  
The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.
- 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## HLA Value Fund (HLAVF)

### 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 Value Fund, formerly known as 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	1.7%	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%	21.8%

Source: Hong Leong Asset Management

Note: With effect from 27 March 2020, Hong Leong Penny Stock Fund has been renamed to Hong Leong Value Fund.

### 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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### 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 Dividend Growth Fund (HLDGF)

August 2021

## Fund Features

### 1. Investment Objective

The objective of the fund is to provide investors with return that is potentially higher than prevailing fixed deposit rates. At the same time, the fund also attempts to attain Medium-to-Long term capital appreciation.

### 2. Investment Strategy & Approach

HLDGF will principally feed into third party collective investment schemes that meet the fund's objective. HLDGF may also invest directly in a diversified portfolio of domestic and/or foreign assets including equities, equity-related securities, deposits or any other financial instruments that offer potential capital appreciation.

At inception, the fund will invest by feeding into Hong Leong Dividend Fund ("Target Fund"), with the option to increase the number of funds or replace the Target Fund in future. The Target Fund will invest primarily in equity securities of growth companies operating in Malaysia. Generally, companies which have good dividend payout policies and reasonable Medium-to-Long term capital appreciation opportunities will be selected. At the same time, the Target Fund will invest in fixed income securities with good credit quality yield enhancement opportunities.

### 3. Asset Allocation

The indicative asset allocation for Target Fund is to invest a minimum of 70% of its NAV in equities and maximum 30% of its NAV in fixed income securities.

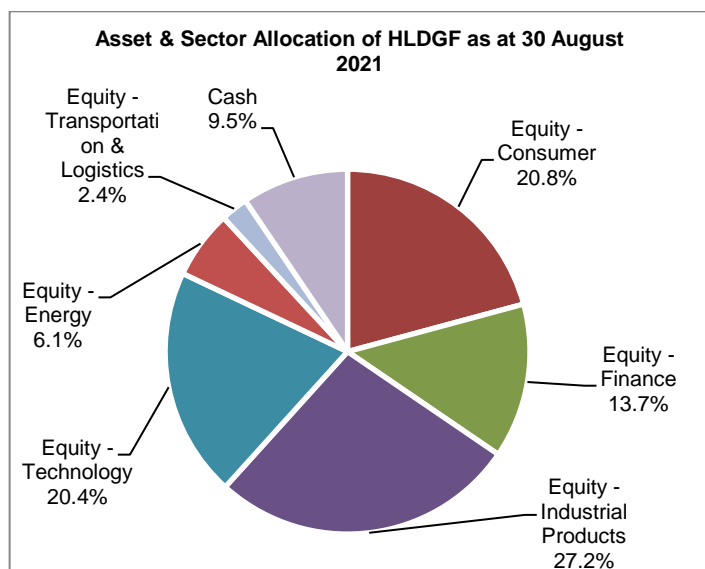
### 4. Target Market

This fund is suitable for investors looking for investments with potential for Medium-to-Long Term capital appreciation through primarily investing in dividend stocks which have or can potentially have attractive dividend yields.

## Fund Details

Unit Price 30/8/21	: RM 1.0389
Fund Size 30/8/21	: RM 2.0 mil
Fund Management Fee	: 1.45% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 2 July 2021
Benchmark	: 70% FTSE Bursa Malaysia KLCI Index (FMB KLCI) & 30% 12-month KLIBOR
Frequency of Unit Valuation	: Daily

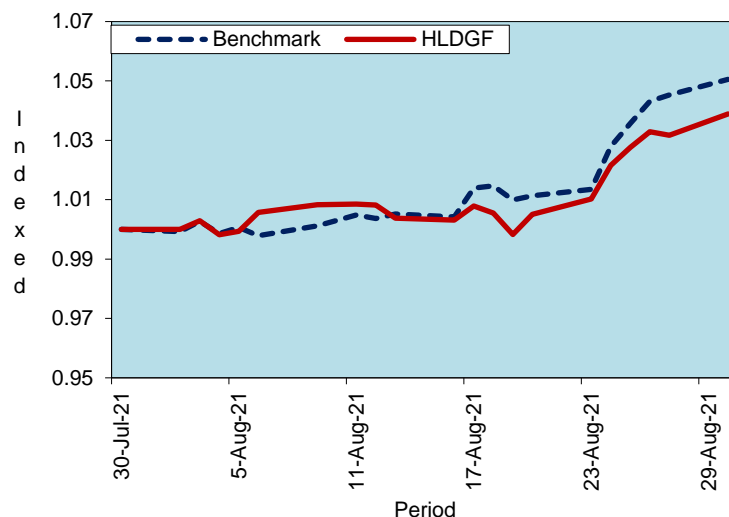
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLDGF as at 30/8/2021

	%
1. D&O Green Technologies Berhad	9.4
2. Press Metal Aluminium Holdings Berhad	8.4
3. PETRONAS Chemicals Group Berhad	6.1
4. CIMB Group Holdings Berhad	5.0
5. Hiap Teck Venture Berhad	4.8
Total Top 5	33.7

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLDGF	-	3.89%	-	-	-	3.89%
Benchmark*	-	5.06%	-	-	-	5.06%
Relative	-	-1.17%	-	-	-	-1.17%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI rose 7.1% to close at 1,601 points. The broader market underperformed as the FTSE BM EMAS Index rose 6.0% to close at 11,628 points. Small caps underperformed as the FTSE BM Small Cap Index rose 3.4% to close at 15,946 points.

Market sentiment improved as more parts of the local economy started to reopen and political uncertainty eased off upon the appointment of a new Prime Minister.

On the corporate front, Axiata Group Berhad and its subsidiary PT XL Axiata Tbk entered into a non-binding sheet for the proposed acquisition of Indonesia's PT Link Net Tbk. CTOS Digital Berhad announced that it increased its stake in Thailand's Business Online Public Company Limited as part of its efforts to expand its exposure in the country's business decision-making solutions market.

The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.



# HLA Dividend Growth Fund (HLDGF)

## 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

Defined as the ease with which a security can be sold at or near its fair value. This risk occurs in thinly traded or illiquid securities. Should the fund need to sell a relatively large amount of such securities, such action itself may significantly depress the selling price.

### 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

Concentration risk occurs when a portfolio is overweight on a particular security, sector or asset class. A feeder fund invests mainly into another collective investment scheme (CIS). The fund's risk is increased as any adverse effect on the CIS will inevitably affect the fund. However, by virtue of the CIS investing in a diversified portfolio of equities as well as dynamic asset allocation strategy between equities and cash, the concentration risk is mitigated. The value of the fund is therefore dependent solely on the performance of the CIS's portfolio of investments

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

### 6. Country Risk

The foreign investments made by the fund are subjected to risks specific to the country in which it invests. Such risks include changes in a country's economic fundamentals, social and political stability, currency movements, foreign investment policies and etc. The risk may be mitigated by closely monitoring the developments in the countries in order to identify any changes that potentially occur immediately.

### 7. Currency Risk

This risk applies to foreign investment, in which the investment may rise or fall due to fluctuation in the foreign currencies. Adverse movements in currencies exchange rates can result in a loss to the investment. To mitigate the risk, the fund should limit its investments in the number of countries so that specific country risk is minimised.

## Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	3.66%	13.06%	9.17%	-0.13%	9.54%	7.27%	23.51%	-6.24%	13.63%	27.08%

Source: Hong Leong Asset Management

## HLA Dividend Growth Fund (HLDGF)

### 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 Dividend Growth 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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### Disclaimer:

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# Hong Leong SMART Invest Fund (HLSIF)

August 2021

## 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 Value Fund, formerly known as 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 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.

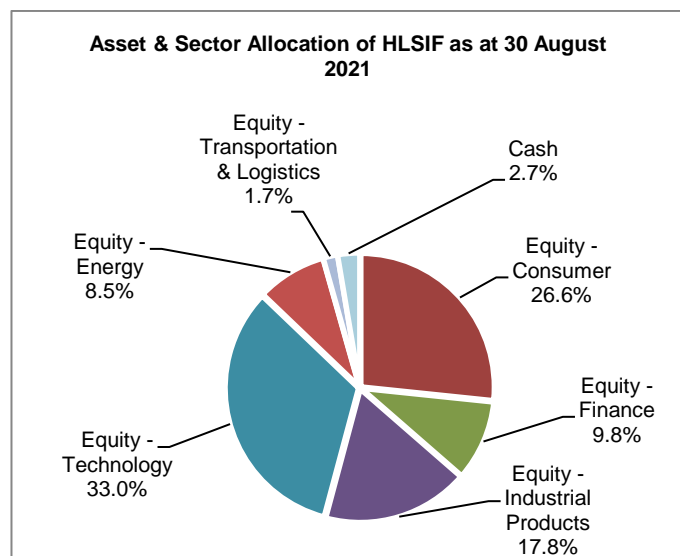
### 4. Target Market

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 (30/8/2021)	: RM1.5656
Fund Size (30/8/2021)	: RM644.3 mil
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

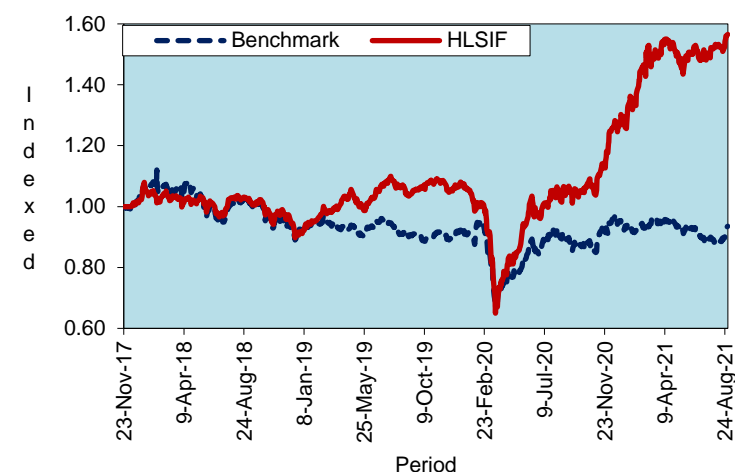
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLSIF as at 30 Aug 2021

	%
1. D&O Green Technologies Berhad	9.9
2. Press Metal Aluminium Holdings Berhad	9.2
3. PETRONAS Chemicals Group Berhad	8.5
4. Inari Amertron Berhad	6.9
5. Genting Berhad	6.5
Total Top 5	41.1

## Historical Performance



	YTD	1 month	3 months	1 year	2 years	Since Inception
HLSIF	20.68%	2.85%	5.76%	48.96%	50.02%	56.56%
Benchmark*	-1.14%	5.96%	1.15%	4.89%	2.46%	-6.47%
Relative	21.82%	-3.11%	4.61%	44.07%	47.56%	63.03%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI rose 7.1% to close at 1,601 points. The broader market underperformed as the FTSE BM EMAS Index rose 6.0% to close at 11,628 points. Small caps underperformed as the FTSE BM Small Cap Index rose 3.4% to close at 15,946 points.

Market sentiment improved as more parts of the local economy started to reopen and political uncertainty eased off upon the appointment of a new Prime Minister.

On the corporate front, Axiata Group Berhad and its subsidiary PT XL Axiata Tbk entered into a non-binding sheet for the proposed acquisition of Indonesia's PT Link Net Tbk. CTOS Digital Berhad announced that it increased its stake in Thailand's Business Online Public Company Limited as part of its efforts to expand its exposure in the country's business decision-making solutions market.

The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.

# Hong Leong SMART Invest Fund (HLSIF)

## Actual Annual Investment Returns for the Past Four (4) Calendar Years

Year	2017	2018	2019	2020
<b>Benchmark</b>	12.9%	-11.1%	-1.57%	3.9%
<b>HLSIF- Gross</b>	2.5%	-9.4%	19.4%	25.0%
<b>HLSIF - Net</b>	2.2%	-10.2%	16.4%	21.5%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past four (4) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

### 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.

## Hong Leong SMART Invest Fund (HLSIF)

### 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 Value Fund, formerly known as 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	1.7%	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%	21.8%

Source: Hong Leong Asset Management

Note: With effect from 27 March 2020, Hong Leong Penny Stock Fund has been renamed to Hong Leong Value Fund.

### 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.

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# Hong Leong SMART Growth Fund (HLSGF)

August 2021

## 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

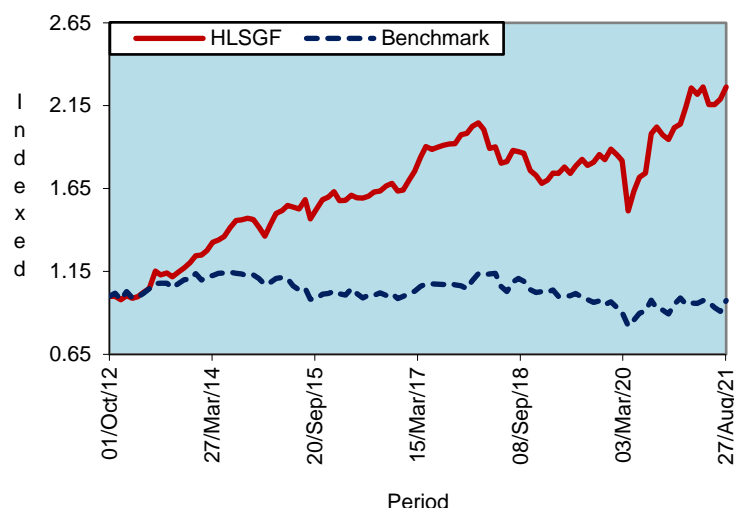
Unit Price (30/8/2021)	: RM2.2629
Fund Size (30/8/2021)	: RM234.1 mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 Oct 2012
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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 Aug 2021

	%
1. GREATECH TECHNOLOGY BHD	8.9
2. FRONTKEN CORPORATION BERHAD	8.4
3. REVENUE GROUP BHD	3.6
4. HONG LEONG FINANCIAL GROUP BHD	3.4
5. SUNWAY BERHAD	3.3
Total Top 5	27.5

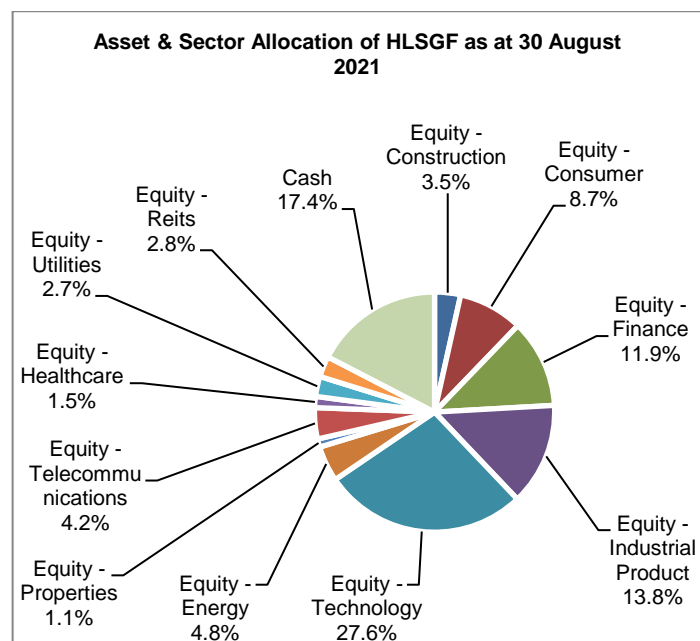
## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	10.94%	3.36%	11.89%	20.78%	38.39%	126.29%
Benchmark*	-1.59%	7.14%	4.99%	-12.00%	-4.57%	-2.55%
Relative	12.53%	-3.79%	6.90%	32.78%	42.96%	128.84%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**



**Hong Leong Assurance Berhad** 198201014849 (94613-X)

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# Hong Leong SMART Growth Fund (HLSGF)

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

US markets continued to reach new highs again in August with the S&P500 posting a near 3% rise for the month. This came with Fed Chair Jerome Powell signalling no rush for tightening of monetary policy. The Fed stated that while the US economy has progressed on important targets, in particular inflation which it still believes will be transitional, aggressive tapering could derail progress at a sensitive time. The FED chair also reiterated a desire to see further progress in the labour market. Jerome's comments were broadly perceived as dovish which had boosted sentiments and overshadowed concerns over the Covid-19 Delta variant and Hurricane Ida. Over in the political scene, the Senate had passed a USD1 trillion bipartisan infrastructure bill which will be spread over five years. The bill is now moved to the House of Representatives for approval.

On the virus front, the Covid-19 Delta variant continued to spread with daily cases surging across the world. In the US, hospitalisations have increased sharply, raising concerns that the link between infections and hospitalisations has not been as effectively broken there due to lower vaccination take-up. Over in Europe and the UK, vaccination programmes have led to hospitalisations not rising as fast as the previous wave. Data out of the UK and Israel also suggests that antibody protection from the vaccines wanes after six months, although protection against severe disease, and crucially hospitalisation, still remains high. In response, a number of countries have announced booster programmes to deliver third doses to their populations.

The FBMKLCI and FBM100 rose 7.1% 6.2% respectively due to foreign buying on optimism that political concerns will subside following the appointment of Dato' Sri Ismail Sabri as the 9th Prime Minister of Malaysia on 21st August. A new cabinet was appointed comprising of 31 ministers and 38 deputy ministers along with four senior ministers and deputy premierships post empty. More economic activities, including those of in the retail sector and other non-essential activities, were allowed in states under Phases 1 and 2 of National Recovery Plan (NRP) where half of adults are fully vaccinated. Foreign investors turned net buyers in August to the tune of +RM1.05 billion after being persistent net sellers for 18 months.

On commodities, Brent crude prices fell 4.4% to USD\$73/barrel while CPO prices declined by 1.1% to RM4,254/ton.

While the global economy continues on its recovery path led by developed markets, the risk of a significant pickup in inflation and Covid-19 flareups in some parts of the world could create some volatility and risk of downgrades to growth. Nonetheless, accommodative monetary policies by global central banks and strong fiscal stimulus are overall supportive for global equities. We remain buyers on market weakness

We maintain a barbell investment strategy, focusing on recovery/re-opening and structural growth themes. For recovery themes, we focus on cyclical sectors such as consumer discretionary (retail and leisure), industrials and materials. For structural growth themes, we prefer sectors such as technology, electronics manufacturing services (EMS) and renewable energy.

## Actual Annual Investment Returns for the Past Nine (9) Calendar Years

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	2.8%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%
<b>HLSGF- Gross</b>	3.3%	27.8%	11.8%	23.1%	2.3%	27.1%	-16.8%	15.0%	10.3%
<b>HLSGF - Net</b>	1.6%	24.1%	9.3%	19.8%	0.6%	23.5%	-17.0%	12.3%	8.0%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past nine (9) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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.

# Hong Leong SMART Growth Fund (HLSGF)

## Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

## 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.

## 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	19.1%	14.1%	26.4%	9.3%	20.9%	-0.1%	25.8%	-18.1%	13.5%	8.9%

## 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.

**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 Global Fund (HLAVGLF)

August 2021

## 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

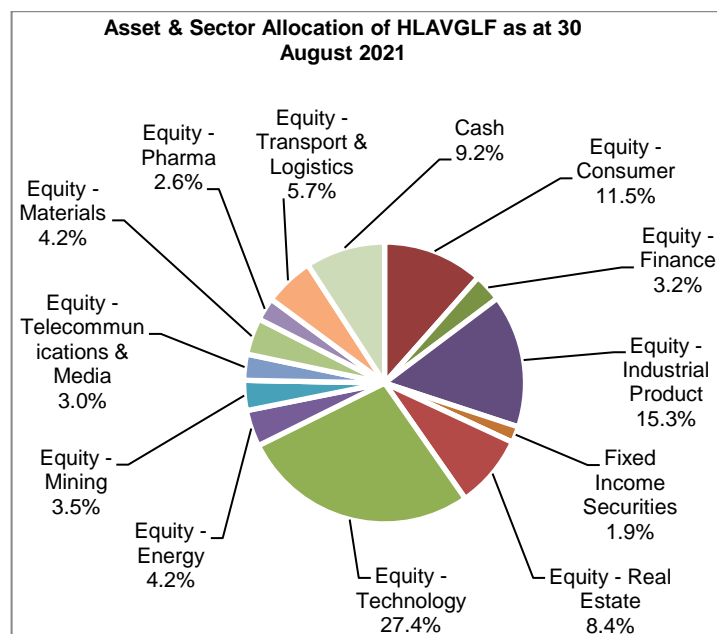
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (30/8/2021)	:RM1.8383
Fund Size (30/8/2021)	:RM41.2 mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
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.

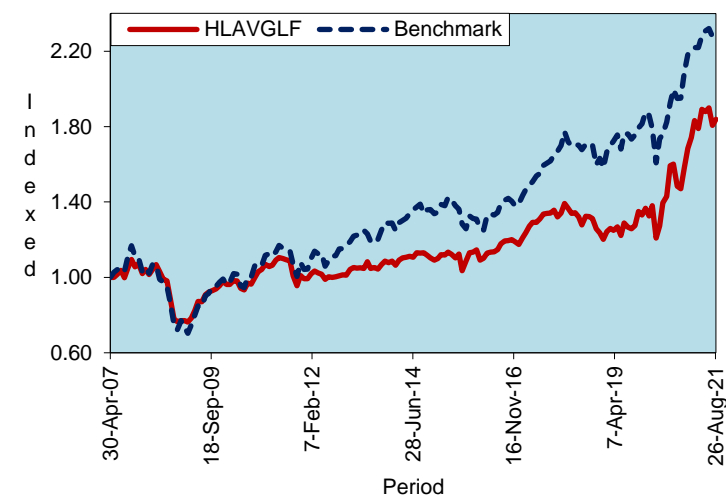
Asset Allocation for HLAVGLF as at 30 August 2021	%
Hong Leong Asia-Pacific Dividend Fund	67.99
Hong Leong Strategic Fund	31.68
Cash	0.33
Total	100.0



## Top 5 Holdings for HLAVGLF as at 30 August 2021

	%
1. D&O Green Technologies Berhad	4.5
2. Shimao Services Holdings Limited	4.2
3. Ganfeng Lithium Company Limited	4.0
4. L'Occitane International S.A	4.0
5. Inari Amertron Berhad	3.9
Total Top 5	20.6

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	9.11%	1.77%	14.80%	39.06%	54.01%	82.24%	83.83%
Benchmark*	5.66%	1.17%	15.45%	34.52%	63.52%	115.42%	130.48%
Relative	3.46%	0.60%	-0.64%	4.55%	-9.51%	-33.17%	-46.65%

\*Source: Bloomberg, RAM Quantshop

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Venture Global Fund (HLAVGLF)

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

### Equity Review

**Global** – US market edged higher during the month as the US Federal Reserve's (Fed) dovish monetary stance underpinned the positive market sentiment. This is despite the rising number of COVID-19 cases and hospitalization as the Delta variant continues to spread in the US. The Dow Jones Industrial Average Index rose 1.2% and the broader S&P 500 Index rose 2.9%. The Euro Stoxx Index rose 2.6% and the FTSE 100 Index rose 1.2%.

**Asia Pacific** – Regional markets rebounded during the month as value started to emerge following the market correction in the previous month. The rapid manner in which the COVID-19 outbreak was put under control in China also gave investor sentiment a boost. In the region, Philippines and India were the best performing markets while Singapore and Korea were the laggards.

**Malaysia** – The main index staged a substantial rebound during the month as the economy gradually reopens while the country appears to be in the advance stage of the vaccine rollout. The appointment of a new Prime Minister (PM) has also removed much of the political uncertainty. The FTSE BM KLCI rose 7.1% to close at 1,601 points. The broader market underperformed as the FTSE BM EMAS Index rose 6.0% to close at 11,628 points. Small caps underperformed as the FTSE BM Small Cap Index rose 3.4% to close at 15,946 points.

### Outlook & Strategy

**Global** - Economic data continues to be strong. Although the recent data from parts of the developed economies appears to indicate that the rate of growth has peaked, the economic indicators still imply an elevated level of economic activity and economic outlook. Apart from concerns about the recent global outbreak of the Delta virus which most likely has some impact on economic activity, the current economic recovery appears to be intact.

**Asia Pacific** - The recent economic data coming from China have started to reflect the impact of lockdowns and movement controls that were implemented as part of the government's effort to contain the COVID-19 outbreak. As the measures have successfully bring the number of COVID-19 cases down, China has started to reopen the economy again and we would expect future economic data to improve.

**Malaysia** – The outlook for local equities is positive as the economy starts to reopen and political uncertainty has abated following the appointment of a new Prime Minister. We prefer to be invested in selected export stocks and selected domestic-centric stocks that may benefit from the local economic recovery

### Fixed Income Review and Outlook

Malaysia's gross exports increased at a slower pace by 5% year-on-year in July (June +27.2%) underestimating market consensus (+9.9%). July's export growth also marked the smallest gain in eight months as favourable base effects waned amid prolonged COVID-19 containment measures.

As the Malaysian government begins to ease restrictions for business operations and social activities based on the progress of the vaccination rate, this step will augur well for the country's economic recovery into the Monetary Policy Committee's decision to keep existing monetary policy accommodative. last quarter of the year. Bank Negara Malaysia (BNM) stressed that its latest gross domestic product (GDP) and inflation outlook downgrade has been factored into the Monetary Policy Committee's decision to keep existing monetary policy accommodative.

On portfolio positioning, we are maintaining a defensive portfolio duration strategy ahead of the asset purchase taper by the Fed. We expect BNM to continue to maintain the Overnight Policy Rate (OPR) at 1.75% for the rest of the year despite concerns over the growth of the economy.

### Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	-6.5%	14.0%	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%	16.2%
<b>HLAVGLF- Gross</b>	-5.8%	6.8%	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%	26.7%
<b>HLAVGLF - Net</b>	-7.1%	5.0%	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%	13.7%	23.3%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

### 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.



# HLA Venture Global Fund (HLAVGLF)

## Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	-15.0%	15.2%	-4.8%	-1.0%	6.5%	1.8%	19.2%	-13.3%	24.9%	50.7%

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	-0.7%	4.9%	14.5%	-0.7%	4.3%	4.8%	10.9%	-10.3%	2.2%	-13.4%

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

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.

**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 Managed Fund (HLAVMF)

August 2021

## 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.

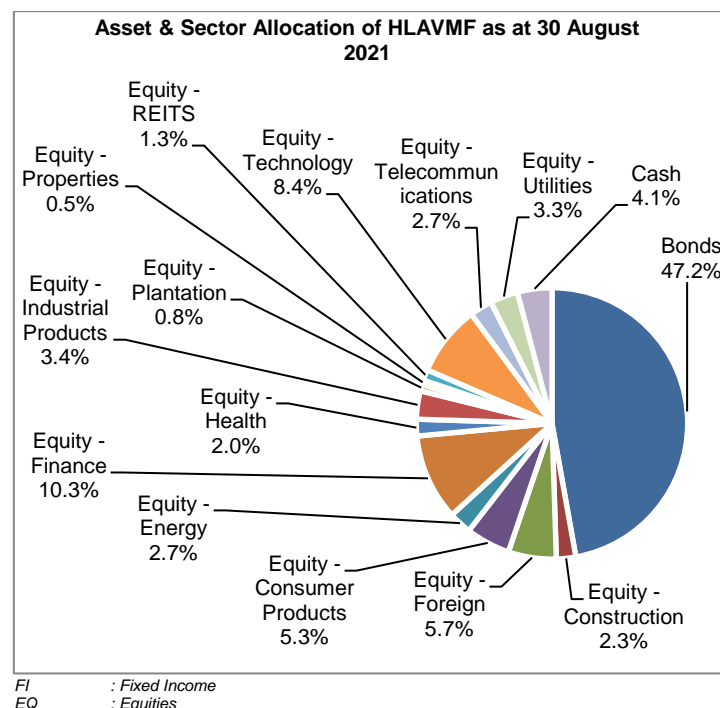
### 4. Target Market

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

## Fund Details

Unit Price (30/8/2021)	:RM2.4059
Fund Size (30/8/2021)	:RM316.5 mil
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

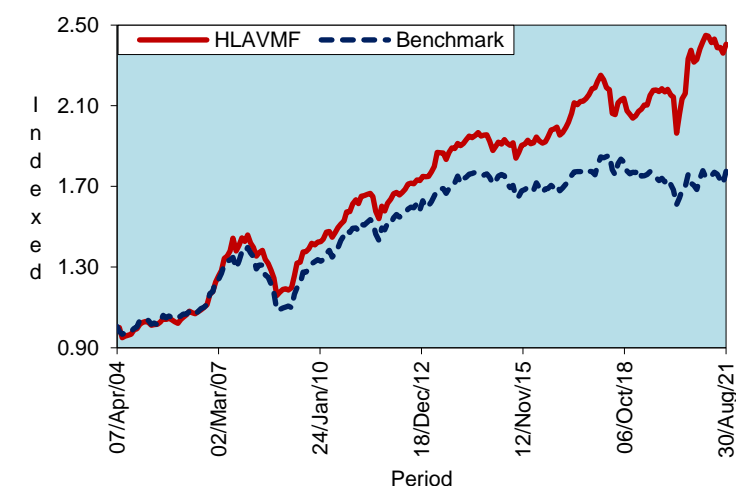
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 5 Holdings for HLAVMF as at 30 Aug 2021

		%
1.	MALAYSIA GOV SECURITIES	FI 6.2
2.	CIMB	EQ 3.8
3.	MAYBANK	EQ 3.6
4.	MALAYSIA INVESTMENT ISSUE 1	FI 3.3
5.	INARI	EQ 3.3
Total Top 5		20.0

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	-0.50%	1.88%	1.27%	13.03%	21.50%	52.65%	140.59%
Benchmark*	-0.23%	3.61%	3.44%	-3.28%	4.04%	21.16%	76.62%
Relative	-0.26%	-1.73%	-2.17%	16.30%	17.46%	31.49%	63.97%

\*Source: Bloomberg, Maybank

**Notice: Past performance of the fund is not an indication of its future performance**

**Hong Leong Assurance Berhad** 198201014849 (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

# HLA Venture Managed Fund (HLAVMF)

## Market Review, Outlook & Strategy - Equities Market

In August, Asia continued to underperform the developed markets in the US and Europe. The selloff in Chinese stocks continued to deepen with the MSCI China dipping by >7% in mid-August. This was following the Chinese government's new economic agenda to focus on strengthening its regulatory grip over key sectors such as technology and healthcare. President Xi Jinping's rhetoric about "common prosperity" further reinforced the Communist Party's commitment to close the widening wealth gap among the population which soured market sentiment further. Globally, while key economic indicators are still holding, there are now downside risks with the recent surge in the Delta variant. The recent full FDA approval for the Pfizer-BioNTech Covid-19 vaccine raised hopes of the pace of vaccination being increased further. Fed Chair Powell's recent Jackson Hole speech also did not deliver any taper surprises where he acknowledged that tapering conditions (including progress toward full employment) could be met by the end of this year and the pace of any tapering is likely to be slow. He also indicated that if the Fed were to reduce asset purchases, it would not necessarily signal short-term interest rate hikes were in the pipeline.

On the domestic front, August was another eventful month. We saw the resignation of Tan Sri Mahiaddin Yassin and the appointment of Dato' Sri Ismail Sabri as the 9<sup>th</sup> Prime Minister of Malaysia after securing 114 Parliamentary seats with a leaner new cabinet. These developments have alleviated some of the political uncertainties in the near term. The pace of vaccination continued to see positive trajectory with close to 50% of the total population having been fully vaccinated. This brings Malaysia closer to achieving its 80% nationwide herd immunity target by early December. The Health Ministry also announced that Covid-19 will be treated as an endemic and that the country will move away from the current total containment measures, paving the way for more economic sectors to be reopened. BNM has revised their 2021 GDP forecast from 6.5-7.5% to 3-4% after taking into account the earlier restrictions.

The average daily trading volumes and values continued to fall mom to their lowest levels since Apr 2020. Average daily trading volumes fell 17% mom to 4.2b units while average daily trading values fell 11% mom to RM2.7b in Aug. Foreign investors turned net buyers of RM1b of Malaysian equities in Aug 2021 after close to 24 consecutive months of net selling. Local institutional investors, on the other hand, were the largest net sellers in August to the tune of RM1.5b. The best performing sectors in August were the plantation and transport sectors, while the worst performing sectors were the healthcare and REITs. For the month, FBKLCI outperformed the broader market with a gain of 7.1% mom to 1,601.38pts. The FBM Shariah was up by 5.8% mom, FBMSC appreciated by 3.4% mom and FBM Emas increased by 6% mom.

On the regional front, market participants will be monitoring the spread of the Delta variant and the roll-out of the Covid-19 vaccination and distribution programmes. Investors will also continue to follow closely the progress of re-opening in the US and Europe as well as the outcome of the US Federal Reserve's Federal Open Market Committee meetings on 21-22 Sep. Domestically, key events taking place include the Monetary Policy Committee meeting on 9<sup>th</sup> September (market participants are not expecting any changes to the Overnight Policy Rate), vote of confidence for the Prime Minister when Parliament reconvenes on 13<sup>th</sup> September and the tabling of the 12<sup>th</sup> Malaysia Plan on the 27<sup>th</sup> September. We maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

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

U.S. Treasury ("UST") paired gains in August following the robust U.S. nonfarm payrolls which raises the possibility of the Fed bringing forward its QE Taper announcement if the next jobs report remains strong. However, during the annual economic symposium at Jackson Hole, Federal Reserve Chair Jerome Powell gave no new hints on when the U.S. central bank is likely to begin paring bond purchases, leading investors to assume a taper is unlikely until later in the year. All in all, yields rose 1 to 9bps MoM across the curve with 10-year UST closing the month at 1.31%.

Local government bond (MGS and GII) yields have edged up in line with higher UST yields. Selling was centered around 3- to 10-year parts of the curve. Yields were generally 3 to 8bps higher in August with relatively thin volume. Apart from higher UST yields, sentiment was also fuelled by the confluence of events happening locally, from both the economic and political aspects. On the economic front, Malaysia's 2Q2021 GDP growth came in at 16.1% (1Q: -0.5%), largely due to favourable base effects. On a QoQ basis, the economy contracted by 2% after 1Q's encouraging 2.7% expansion, mainly due to the imposition of mobility restrictions in May and June. However, with restrictions extended into 3Q, the government lowered its full-year growth forecast to 3-4% from 6-7.5%. On the political front, Dato' Sri Ismail Sabri Yaakob was appointed as the ninth Prime Minister ("PM") subsequent to the resignation of former PM Tan Sri Muhyiddin Yassin and the entire Cabinet (on 16 Aug) after failing to get the opposition on board for a bipartisan vote of confidence.

In the corporate bonds segment, the government guaranteed ("GG") curves were marked higher similar to that of government bonds move. However, movement on rated-credit curves lagged and shifted lower in the month of August. Some prominent new issuances during the month were Prasarana (RM2.5 billion, GG), Malayan Banking Bhd (RM3 billion, AA1), Cagamas Bhd (RM610 million, AAA) and SME Development Bank (RM500 million, AAA).

Generally, market is still wary over the Delta variant situation as well as taper talk. Minutes from the Fed's July meeting released on 19 August showed that majority of the bank's policy-setting committee are expecting the Fed to start trimming its bond-buying program later this year. On the other hand, the spread of the Delta variant could slow job recovery. As such, we expect UST to trade rangebound ahead of FOMC meeting on 22 September.

The government bond market in Malaysia is expected to react in a cautious mood amidst the political uncertainty coupled with the rise in covid-19 cases. For time being, fresh elections are ruled out due to the pandemic situation. Furthermore, the next general election is not due until May 2023. So, the next hurdle will be the tabling of motion of confidence in the new PM when Parliament reconvenes on 6 September. Nonetheless, we do not expect the political changes to derail current economic policies, recovery plans, and vaccination progress. Also, most economic and social sectors are expected to reopen gradually. Along with gradual normalization of economic activities and positive spillover from external demand, this will pave the way for a rebound in GDP growth. As such, we remain cautious on local bond market amid the rise in global yields due to better risk appetite.

## Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	2.9%	7.0%	7.3%	-2.6%	-1.3%	-0.8%	6.6%	-1.9%	-1.8%	2.3%
<b>HLAVMF - Gross</b>	1.6%	10.3%	11.4%	-0.7%	4.3%	3.4%	15.4%	-7.6%	9.0%	13.1%
<b>HLAVMF - Net</b>	0.3%	8.3%	9.3%	-1.9%	2.7%	2.0%	12.9%	-8.3%	7.0%	10.8%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

## HLA Venture Managed Fund (HLAVMF)

### 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

### 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)

August 2021

## 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

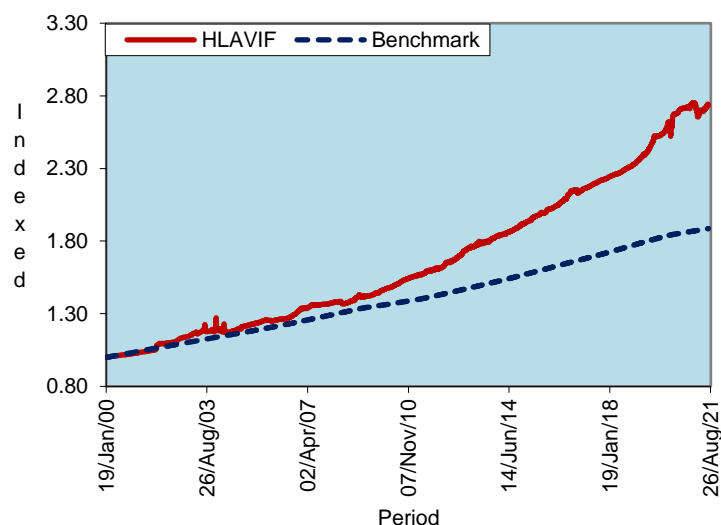
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (30/8/2021)	:RM2.7372
Fund Size (30/8/2021)	:RM452.7 mil
Fund Management Fee	: 0.50% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Bond
Fund Inception	:19 Jan 2000
Benchmark	:3-month Fixed Deposit Interest Rates
Frequency of Unit Valuation	: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.

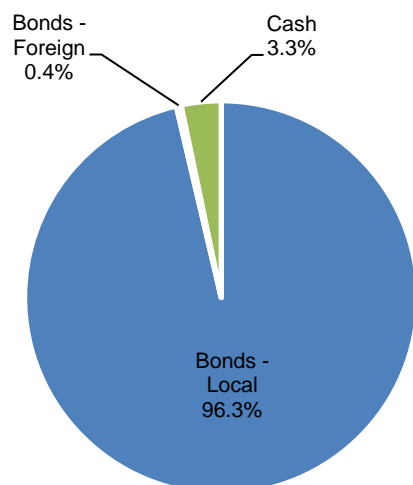
## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVIF	-0.40%	0.20%	0.91%	18.92%	27.74%	71.62%	173.72%
Benchmark*	1.13%	0.14%	1.72%	7.39%	14.16%	33.33%	88.89%
Relative	-1.53%	0.06%	-0.81%	11.53%	13.58%	38.29%	84.83%

**Notice: Past performance of the fund is not an indication of its future performance.**

Asset Allocation of HLAVIF as at 30 August 2021



## Top 5 Holdings for HLAVIF as at 30 August 2021

	%
1. M'SIAN GOVERNMENT SECURITIES 0	13.4
2. M'SIAN GOVERNMENT SECURITIES 1	13.1
3. MALAYSIA INVESTMENT ISSUE 3	11.4
4. M'SIAN GOVERNMENT SECURITIES 1	10.5
5. MALAYSIA INVESTMENT ISSUE 1	9.0
Total Top 5	57.5



# HLA Venture Income Fund (HLAVIF)

## Market Review

U.S. Treasury ("UST") paired gains in August following the robust U.S. nonfarm payrolls which raises the possibility of the Fed bringing forward its QE Taper announcement if the next jobs report remains strong. However, during the annual economic symposium at Jackson Hole, Federal Reserve Chair Jerome Powell gave no new hints on when the U.S. central bank is likely to begin paring bond purchases, leading investors to assume a taper is unlikely until later in the year. All in all, yields rose 1 to 9bps MoM across the curve with 10-year UST closing the month at 1.31%.

Local government bond (MGS and GII) yields have edged up in line with higher UST yields. Selling was centered around 3- to 10-year parts of the curve. Yields were generally 3 to 8bps higher in August with relatively thin volume. Apart from higher UST yields, sentiment was also fuelled by the confluence of events happening locally, from both the economic and political aspects. On the economic front, Malaysia's 2Q2021 GDP growth came in at 16.1% (1Q: -0.5%), largely due to favourable base effects. On a QoQ basis, the economy contracted by 2% after 1Q's encouraging 2.7% expansion, mainly due to the imposition of mobility restrictions in May and June. However, with restrictions extended into 3Q, the government lowered its full-year growth forecast to 3-4% from 6-7.5%. On the political front, Dato' Sri Ismail Sabri Yaakob was appointed as the ninth Prime Minister ("PM") subsequent to the resignation of former PM Tan Sri Muhyiddin Yassin and the entire Cabinet (on 16 Aug) after failing to get the opposition on board for a bipartisan vote of confidence.

In the corporate bonds segment, the government guaranteed ("GG") curves were marked higher similar to that of government bonds move. However, movement on rated-credit curves lagged and shifted lower in the month of August. Some prominent new issuances during the month were Prasarana (RM2.5 billion, GG), Malayan Banking Bhd (RM3 billion, AA1), Cagamas Bhd (RM610 million, AAA) and SME Development Bank (RM500 million, AAA).

## Market Outlook & Strategy

Generally, market is still wary over the Delta variant situation as well as taper talk. Minutes from the Fed's July meeting released on 19 August showed that majority of the bank's policy-setting committee are expecting the Fed to start trimming its bond-buying program later this year. On the other hand, the spread of the Delta variant could slow job recovery. As such, we expect UST to trade rangebound ahead of FOMC meeting on 22 September.

The government bond market in Malaysia is expected to react in a cautious mood amidst the political uncertainty coupled with the rise in covid-19 cases. For time being, fresh elections are ruled out due to the pandemic situation. Furthermore, the next general election is not due until May 2023. So, the next hurdle will be the tabling of motion of confidence in the new PM when Parliament reconvenes on 6 September. Nonetheless, we do not expect the political changes to derail current economic policies, recovery plans, and vaccination progress. Also, most economic and social sectors are expected to reopen gradually. Along with gradual normalization of economic activities and positive spillover from external demand, this will pave the way for a rebound in GDP growth. As such, we remain cautious on local bond market amid the rise in global yields due to better risk appetite.

## Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	2.8%	3.1%	3.1%	3.2%	3.2%	3.1%	3.0%	3.3%	3.0%	1.5%
<b>HLAVIF- Gross</b>	4.8%	10.0%	5.4%	5.8%	6.5%	6.9%	5.3%	5.6%	10.2%	9.0%
<b>HLAVIF - Net</b>	3.9%	8.7%	4.5%	4.8%	5.5%	5.8%	4.4%	4.6%	8.9%	7.8%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

## 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.

- 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.
- 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.
- 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.
- 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.
- Country Risk**  
The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.
- 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate



## HLA Venture Income Fund (HLAVIF)

### 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 Venture Income 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 Dana Suria (HLADS)

August 2021

## 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

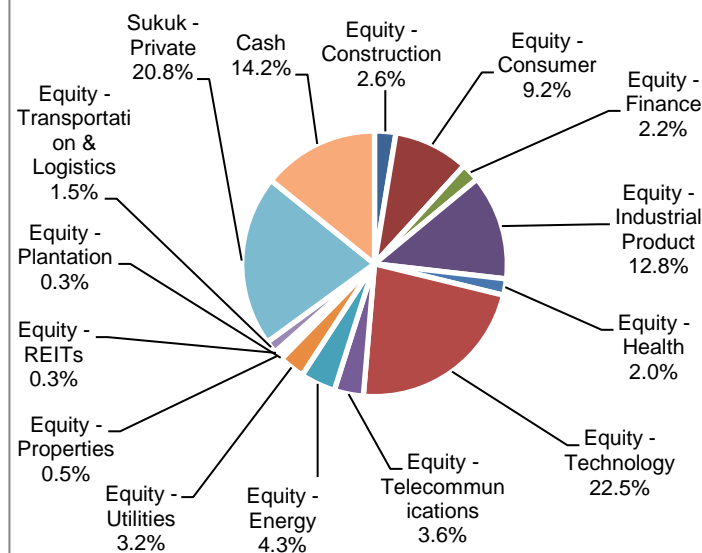
This fund is suitable for investors who have moderate risk-reward temperament and are looking for returns from Shariah-compliant investments in a medium-to-long term investment horizon.

## Fund Details

Unit Price (30/8/2021)	:RM1.5355
Fund Size (30/8/2021)	:RM10.1 mil
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	: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. With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.

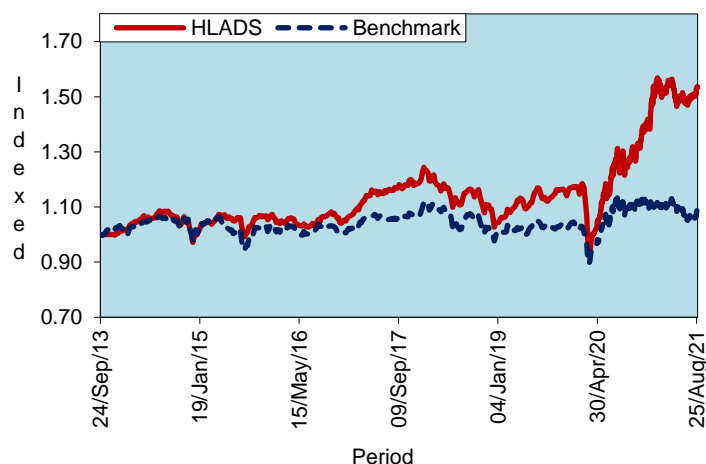
**Asset & Sector Allocation of HLDSF as at 30 August 2021**



**Top 5 Holdings for HLADS as at 30 August 2021**

		%
1.	Government Investment Issue 2024	Sukuk 5.4
2.	D&O Green Technologies Berhad	Equity 4.0
3.	Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA)	Sukuk 3.6
4.	Government Investment Issue 2023	Sukuk 3.3
5.	Inari Amertron Berhad	Equity 2.5
Total Top 5		18.8

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLADS	8.64%	2.78%	18.77%	32.03%	44.68%	53.55%
Benchmark*	-1.72%	3.78%	-1.57%	2.02%	6.23%	9.36%
Relative	10.35%	-1.01%	20.35%	30.01%	38.45%	44.19%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Dana Suria (HLADS)

## Market Review, Outlook & Strategy

In August, Asia continued to underperform the developed markets in the US and Europe. The selloff in Chinese stocks continued to deepen with the MSCI China dipping by >7% in mid-August. This was following the Chinese government's new economic agenda to focus on strengthening its regulatory grip over key sectors such as technology and healthcare. President Xi Jinping's rhetoric about "common prosperity" further reinforced the Communist Party's commitment to close the widening wealth gap among the population which soured market sentiment further. Globally, while key economic indicators are still holding, there are now downside risks with the recent surge in the Delta variant. The recent full FDA approval for the Pfizer-BioNTech Covid-19 vaccine raised hopes of the pace of vaccination being increased further. Fed Chair Powell's recent Jackson Hole speech also did not deliver any taper surprises where he acknowledged that tapering conditions (including progress toward full employment) could be met by the end of this year and the pace of any tapering is likely to be slow. He also indicated that if the Fed were to reduce asset purchases, it would not necessarily signal short-term interest rate hikes were in the pipeline.

On the domestic front, August was another eventful month. We saw the resignation of Tan Sri Mahiaddin Yassin and the appointment of Dato' Sri Ismail Sabri as the 9<sup>th</sup> Prime Minister of Malaysia after securing 114 Parliamentary seats with a leaner new cabinet. These developments have alleviated some of the political uncertainties in the near term. The pace of vaccination continued to see positive trajectory with close to 50% of the total population having been fully vaccinated. This brings Malaysia closer to achieving its 80% nationwide herd immunity target by early December. The Health Ministry also announced that Covid-19 will be treated as an endemic and that the country will move away from the current total containment measures, paving the way for more economic sectors to be reopened. BNM has revised their 2021 GDP forecast from 6.5-7.5% to 3-4% after taking into account the earlier restrictions.

The average daily trading volumes and values continued to fall mom to their lowest levels since Apr 2020. Average daily trading volumes fell 17% mom to 4.2b units while average daily trading values fell 11% mom to RM2.7b in Aug. Foreign investors turned net buyers of RM1b of Malaysian equities in Aug 2021 after close to 24 consecutive months of net selling. Local institutional investors, on the other hand, were the largest net sellers in August to the tune of RM1.5b. The best performing sectors in August were the plantation and transport sectors, while the worst performing sectors were the healthcare and REITs. For the month, FBMKLCI outperformed the broader market with a gain of 7.1% mom to 1,601.38pts. The FBM Shariah was up by 5.8% mom, FBMSC appreciated by 3.4% mom and FBM Emas increased by 6% mom.

On the regional front, market participants will be monitoring the spread of the Delta variant and the roll-out of the Covid-19 vaccination and distribution programmes. Investors will also continue to follow closely the progress of re-opening in the US and Europe as well as the outcome of the US Federal Reserve's Federal Open Market Committee meetings on 21-22 Sep. Domestically, key events taking place include the Monetary Policy Committee meeting on 9<sup>th</sup> September (market participants are not expecting any changes to the Overnight Policy Rate), vote of confidence for the Prime Minister when Parliament reconvenes on 13<sup>th</sup> September and the tabling of the 12<sup>th</sup> Malaysia Plan on the 27<sup>th</sup> September. We maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

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

U.S. Treasury ("UST") paired gains in August following the robust U.S. nonfarm payrolls which raises the possibility of the Fed bringing forward its QE Taper announcement if the next jobs report remains strong. However, during the annual economic symposium at Jackson Hole, Federal Reserve Chair Jerome Powell gave no new hints on when the U.S. central bank is likely to begin paring bond purchases, leading investors to assume a taper is unlikely until later in the year. All in all, yields rose 1 to 9bps MoM across the curve with 10-year UST closing the month at 1.31%.

Local government bond (MGS and GII) yields have edged up in line with higher UST yields. Selling was centered around 3- to 10-year parts of the curve. Yields were generally 3 to 8bps higher in August with relatively thin volume. Apart from higher UST yields, sentiment was also fuelled by the confluence of events happening locally, from both the economic and political aspects. On the economic front, Malaysia's 2Q2021 GDP growth came in at 16.1% (1Q: -0.5%), largely due to favourable base effects. On a QoQ basis, the economy contracted by 2% after 1Q's encouraging 2.7% expansion, mainly due to the imposition of mobility restrictions in May and June. However, with restrictions extended into 3Q, the government lowered its full-year growth forecast to 3-4% from 6-7.5%. On the political front, Dato' Sri Ismail Sabri Yaakob was appointed as the ninth Prime Minister ("PM") subsequent to the resignation of former PM Tan Sri Muhyiddin Yassin and the entire Cabinet (on 16 Aug) after failing to get the opposition on board for a bipartisan vote of confidence.

In the corporate bonds segment, the government guaranteed ("GG") curves were marked higher similar to that of government bonds move. However, movement on rated-credit curves lagged and shifted lower in the month of August. Some prominent new issuances during the month were Prasarana (RM2.5 billion, GG), Malayan Banking Bhd (RM3 billion, AA1), Cagamas Bhd (RM610 million, AAA) and SME Development Bank (RM500 million, AAA).

Generally, market is still wary over the Delta variant situation as well as taper talk. Minutes from the Fed's July meeting released on 19 August showed that majority of the bank's policy-setting committee are expecting the Fed to start trimming its bond-buying program later this year. On the other hand, the spread of the Delta variant could slow job recovery. As such, we expect UST to trade rangebound ahead of FOMC meeting on 22 September.

The government bond market in Malaysia is expected to react in a cautious mood amidst the political uncertainty coupled with the rise in covid-19 cases. For time being, fresh elections are ruled out due to the pandemic situation. Furthermore, the next general election is not due until May 2023. So, the next hurdle will be the tabling of motion of confidence in the new PM when Parliament reconvenes on 6 September. Nonetheless, we do not expect the political changes to derail current economic policies, recovery plans, and vaccination progress. Also, most economic and social sectors are expected to reopen gradually. Along with gradual normalization of economic activities and positive spillover from external demand, this will pave the way for a rebound in GDP growth. As such, we remain cautious on local bond market amid the rise in global yields due to better risk appetite.

## Actual Annual Investment Returns for the Past Eight (8) Calendar Years

Year	2013	2014	2015	2016	2017	2018	2019	2020
Benchmark	3.3%	-1.4%	2.2%	0.4%	7.5%	-7.5%	4.3%	6.7%
HLADS - Gross	2.7%	1.5%	7.4%	-0.6%	17.0%	-12.6%	14.5%	24.1%
HLADS - Net	1.2%	0.1%	5.5%	-1.9%	14.3%	-12.9%	12.0%	20.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past eight (8) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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.

## HLA Dana Suria (HLADS)

### 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

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

### 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	2.8%	6.4%	7.0%	0.1%	9.1%	-1.2%	13.1%	-11.1%	17.8%	28.5%

Source: Hong Leong Asset Management Berhad

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%

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.

## HLA Dana Suria (HLADS)

### 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.

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### Disclaimer:

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# HLA Secure Fund (HLASF)

August 2021

## 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.

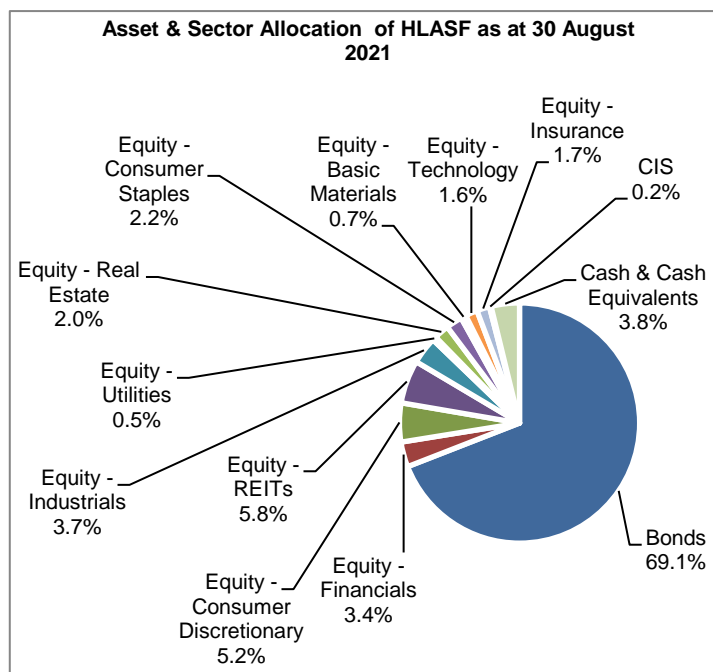
## Fund Details

Unit Price (30/8/2021)	:RM1.5373
Fund Size (30/8/2021)	:RM23.6 mil
Fund Management Fee	:1.00% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
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 :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.

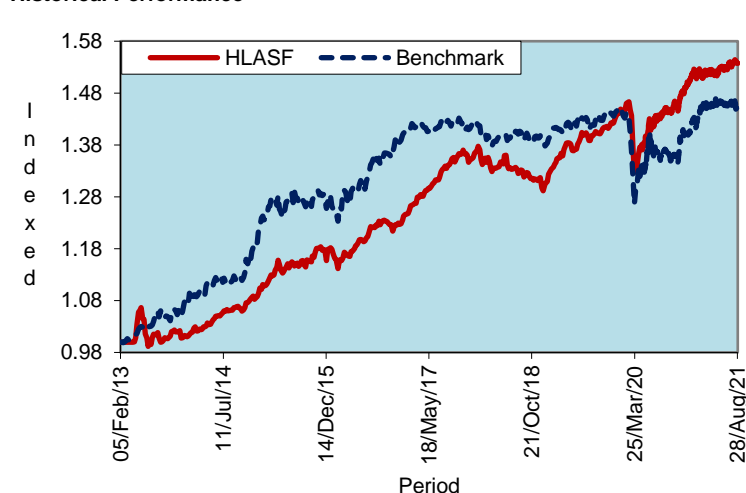
With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.



## Top 5 Holdings for HLASF as at 30 Aug 2021

		%
1.	MGS (22.05.2040)	FI 2.5
2.	Weichai Int HK Energy Grp Co	FI 1.8
3.	Lafarge Cement Sdn Bhd	FI 1.7
4.	AIA Group Ltd	Equity 1.7
5.	Taiwan Semiconductor Manufacturing	Equity 1.6
Total Top 5		9.3

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	2.17%	0.42%	5.97%	15.41%	25.58%	53.73%
Benchmark*	3.35%	-0.48%	5.72%	3.22%	7.39%	44.95%
Relative	-1.19%	0.90%	0.25%	12.19%	18.18%	8.78%

\*Source: AffinHwang

**Notice: Past performance of the fund is not an indication of its future performance.**

**Hong Leong Assurance Berhad** 198201014849 (94613-X)

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## HLA Secure Fund (HLASF)

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

Global equities advanced in August despite taper talks by the US Federal Reserve. The S&P 500 rose 3.0% in the month as Fed Chair Jerome Powell indicated at the Jackson Hole summit that the central bank is likely to begin tapering before the end of the year. However, he soothed market fears by asserting that the Fed will remain accommodative and not rush to raise rates, as there is still “much ground to cover” before the economy hits full employment.

Bond yields ended higher with the US 10 year Treasury yield climbing 13 bps to close at 1.31% in August. Whilst bond yields are expected to trend higher, markets are unlikely to see a similar taper tantrum event like that in 2013, as it has been widely priced-in. This is also supported by a lower US Treasury issuance pipeline next year following a strong fiscal stimulus in 2021.

In Asia, the broader MSCI Asia ex-Japan index was barely unchanged at 0.5% as regulatory headwinds continue to batter North Asian markets. China passed a major data protection law setting out tougher rules on how companies collect and handle their users’ information. The new data privacy laws are set to come into effect on 1 September. Share price of luxury stocks and retailers in China also fell as investors started panic selling on concerns that ultra-wealthy individuals may be targeted. This comes on the back of a recent policy meeting chaired by President Xi Jinping, in which he added that China must pursue “common prosperity” in which wealth is shared by all people. Among those were pledges to adjust excessive income and encourage the wealthy to “give back to society more”.

On the domestic front, the local market bucked regional trend with the KLCI benchmark index gaining 7.2% despite a politically-charged month. Political risks abated slightly with the appointment of Datuk Seri Ismail Sabri Yaakob as the 9th Prime Minister after securing the majority support of 114 MPs. As an outcome largely expected by markets, the appointment provided a lift to sentiment by resolving the political impasse following the resignation of Tan Sri Muhyiddin Yassin. Despite holding a slim majority, Sabri’s new government is expected to maintain some form of policy continuity. The next Parliament sitting is slated in September which will see Datuk Seri Ismail Sabri face a test of majority support through a vote of confidence. However, the risk of him being ousted is minimal. With political stability expected until the next General Election (GE) due by 2023, the local market could see further support on the back of continued vaccination roll-outs. The gradual reopening of more economic sectors also point to economic growth improving in the coming quarters.

On the local bond market, the MGS 10 Year yield inched 2 bps higher to close the month at 3.20%. During its quarterly GDP briefing, BNM said that Malaysia’s GDP grew 16.1% y-o-y in the 2Q’21, although it contracted 2% on a q-o-q basis. The central bank also revised its full-year GDP growth forecast for Malaysia to between 3% and 4%, from the previous forecast of between 6% and 7.5% for 2021.

### **Actual Annual Investment Returns for the Past Eight (8) Calendar Years**

Year	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	7.2%	10.4%	7.7%	8.2%	2.6%	-2.2%	-0.2%	-3.1%
<b>HLASF - Gross</b>	2.5%	9.2%	10.2%	5.6%	12.4%	-3.0%	12.3%	6.0%
<b>HLASF - Net</b>	1.3%	7.5%	8.4%	4.1%	10.4%	-3.7%	10.4%	4.5%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past eight (8) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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**

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company’s investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

## HLA Secure Fund (HLASF)

### 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.

### 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	5.6%	15.1%	2.9%	6.9%	8.6%	4.1%	10.5%	-4.2%	10.0%	4.7%

Source: Affin Hwang Investment Management

### 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:

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# HLA Cash Fund (HLACF)

August 2021

## 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

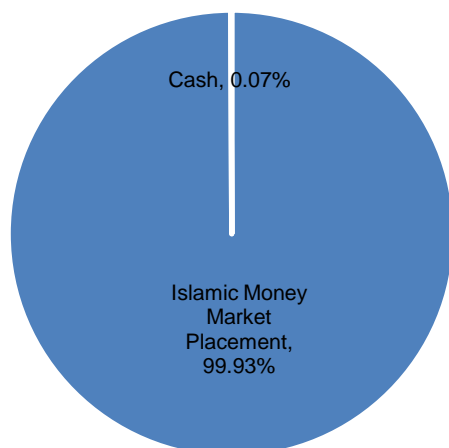
This fund is suitable for investors who are low risk profile.

## Fund Details

Unit Price (30/8/2021)	: RM1.2987
Fund Size (30/8/2021)	: RM28.3 mil
Fund Management Fee	: 0.25% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Money Market Fund
Fund Inception	: 28 Dec 2010
Benchmark	: Overnight Policy Rate
Frequency of Unit Valuation	: Daily

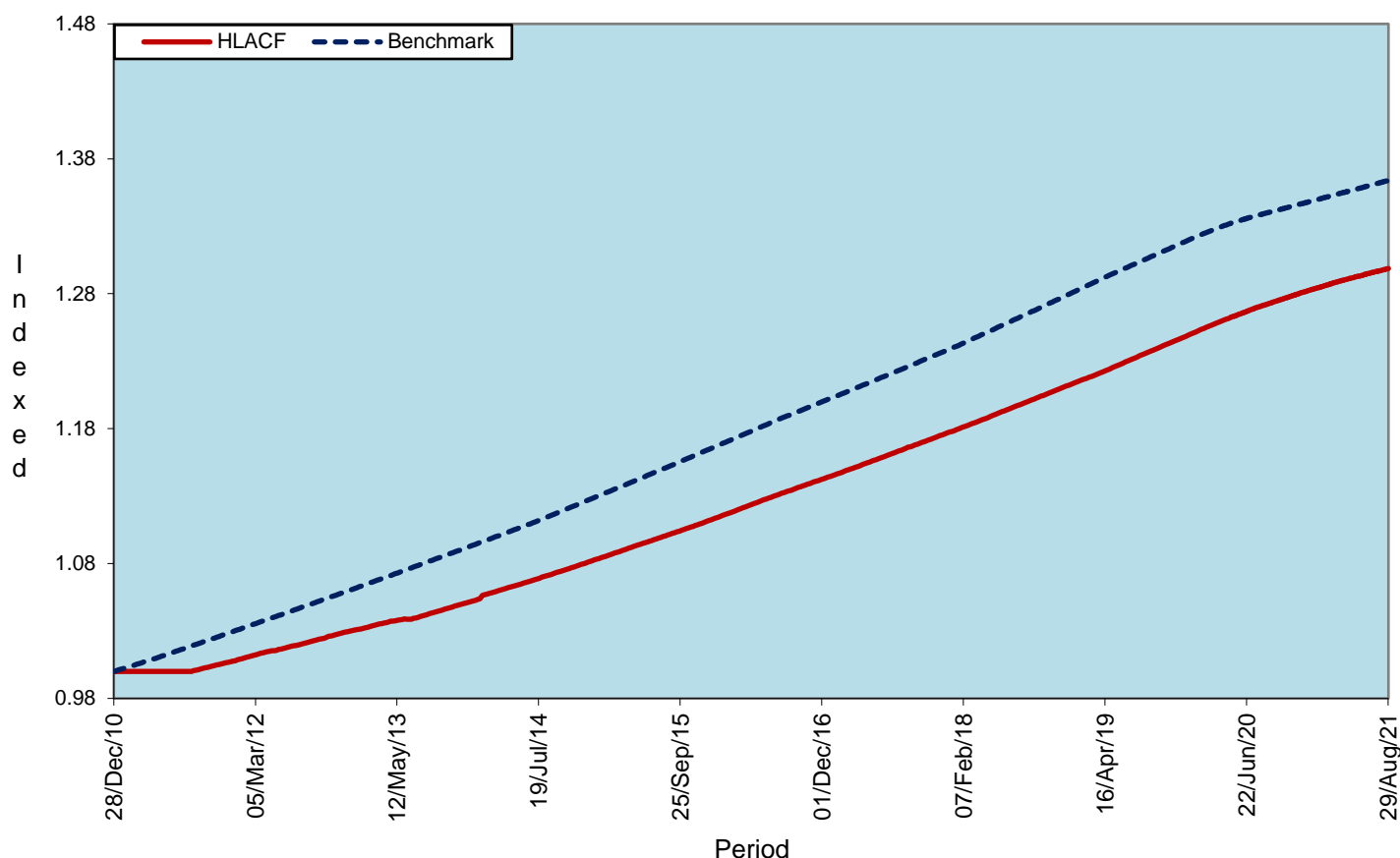
*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.*

**Asset & Sector Allocation of HLACF as at 30 August 2021**



# HLA Cash Fund (HLACF)

## Historical Performance



As of 30/8/21	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLACF	1.26%	0.15%	2.05%	8.18%	14.48%	29.87%
Benchmark*	1.17%	0.15%	1.78%	7.75%	14.56%	36.40%
Relative	0.10%	0.01%	0.28%	0.43%	-0.08%	-6.53%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

### Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Benchmark	3.0%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	3.3%	3.1%	2.2%
HLACF- Gross	1.1%	2.8%	2.6%	3.4%	3.3%	3.4%	3.4%	3.5%	3.6%	3.2%
HLACF - Net	0.8%	2.3%	2.1%	2.9%	2.8%	2.9%	2.9%	3.0%	3.1%	2.7%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

### 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## HLA Cash Fund (HLACF)

### 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 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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# HLA Horizon Funds

August 2021

## 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 @ 24/8/2021	Fund Size 24/8/2021	Guaranteed Unit Price upon Fund Maturity (updated @ 24/8/2021)
HLA Horizon28 Fund	:08/10/2028	RM1.1061	RM6,466,884.57	RM1.00
HLA Horizon38 Fund	:08/10/2038	RM1.1916	RM285,403,405.99	RM1.50
HLA Horizon48 Fund	:08/10/2048	RM1.2343	RM137,478,591.90	RM2.00

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

**Hong Leong Assurance Berhad** 198201014849 (94613-X)

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# HLA Horizon Funds

## Performance Snapshot

Fund	1 Month	1 Year
HLA Horizon28	0.82%	4.66%
HLA Horizon38	0.22%	0.95%
HLA Horizon48	0.15%	-1.51%

## Exposure to MVO Strategy

Fund	Exposure as at 26/8/2021
HLA Horizon28	96.82%
HLA Horizon38	98.91%
HLA Horizon48	149.25%

## Market Review (by Hong Leong Bank Berhad)

As a quick recap, Powell devoted much of his speech to highlighting five reasons why elevated readings on inflation were likely to prove temporary. Many of these reasons, namely the narrowness of the inflation pressures thus far, inflation prints beginning to moderate, and longer-term inflation expectations remaining anchored, have been mainstays in terms of our views on inflation.

The biggest takeaway to us from the Fed Chair's message at Jackson Hole was his relatively more emphatic defense of the transitory inflation narrative. To the extent that the same can be read as unwinding some of the hawkishness from the June FOMC, we see it opening a window for better risk sentiment, and some dollar weakness, into September. A risk regime with steeper curves and better equities is typically supportive of Asian FX.

The Asia region seems mostly in a better position to handle the Fed taper today than it was in 2013, with the offshore ownership of bonds having declined, and in many places close to the lowest end of the range over this period.

Following the spring re-openings, euro-area labour markets have recovered strongly and more than expected. In the Big 4 economies, employment at the start of the summer was only 1% below pre-pandemic levels (i.e. 1m jobs). The euro-area official unemployment rate was only 0.3pp above its December 2019 lows of 7.4%.

Gains of MVO Strategy (per unit)	HLA Horizon28	HLA Horizon38	HLA Horizon48
Previous actual executed profit taking at -	N/A	N/A	N/A
Basket Value (as of 26-August-21)	-1.43%	-1.98%	-2.65%
Basket Value (as of 29-July-21)	-1.59%	-2.15%	-2.88%

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 26 August 2021

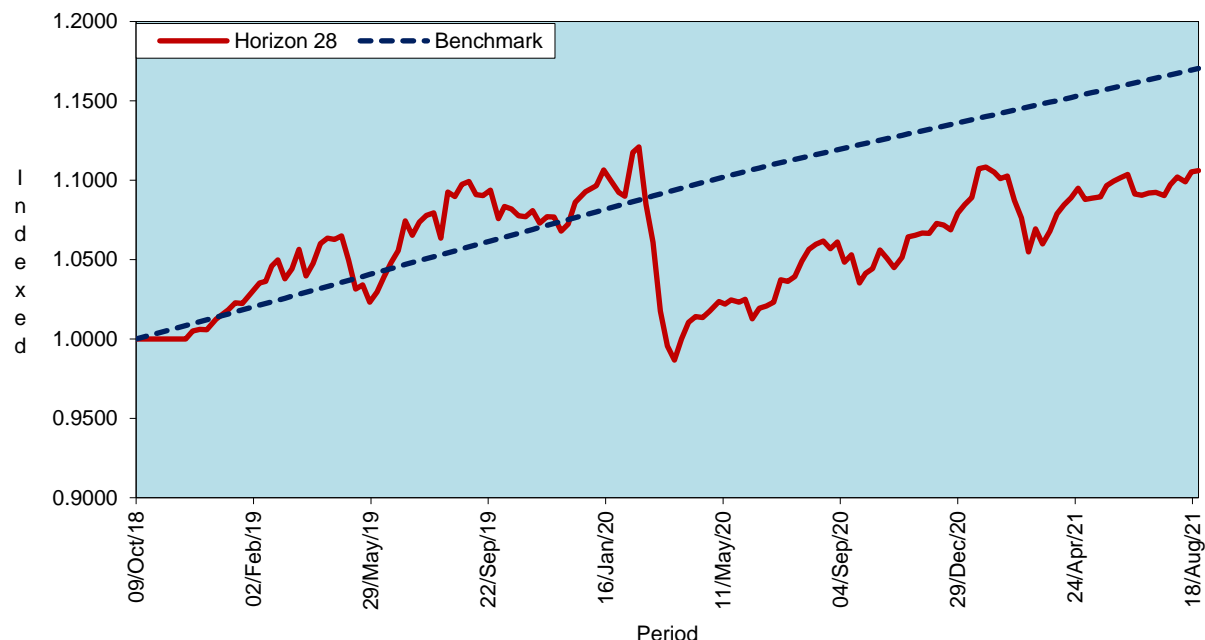
Indices	Bloomberg Ticker	Weightage (%)	Monthly Performance
iShares MSCI EM Index Fund	EEM US Equity	0.00%	-2.19%
S&P 500 Index	SPX Index	35.00%	1.15%
Euro Stoxx 50 Index	SX5E Index	21.82%	0.22%
Hang Seng China Enterprises Index	HSCEI Index	0.00%	-5.20%
Gold	GOLDLNAM Index	15.88%	-1.96%
Templeton Global Bond Fund	FTGBFAC LX Equity	0.00%	-1.00%
PIMCO Funds – Total Return Bond Fund	PTRBDFE ID Equity	27.30%	-0.37%
DB Fed Funds Effective Rate TR Index	DBMMFED1 Index	0.00%	0.01%
<b>Total</b>		<b>100.00%</b>	

# HLA Horizon Funds

## Historical Performance

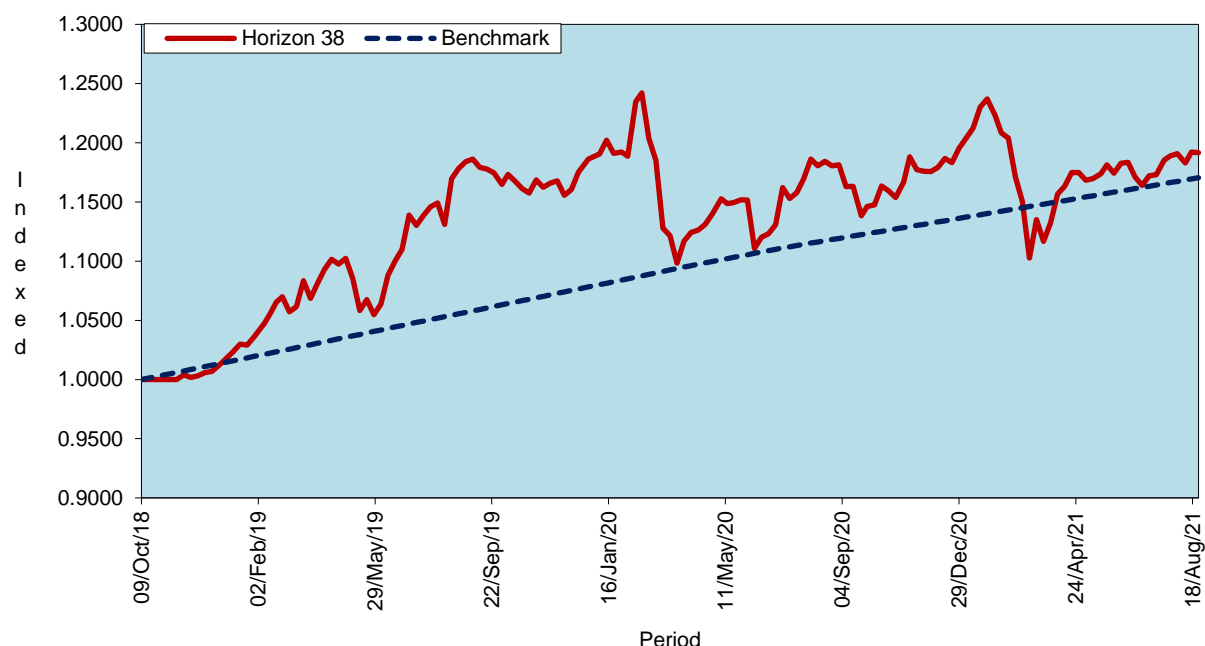
HLA Horizon28 Fund						
As of 24/8/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon28	2.48%	0.82%	4.66%	-	-	10.61%
KLIBOR+2.65% p.a.*	3.02%	0.35%	4.67%	-	-	17.05%
Performance vs Benchmark	-0.54%	0.47%	-0.02%	-	-	-6.44%

**Notice: Past performance of the fund is not an indication of its future performance.**



HLA Horizon38 Fund						
As of 24/8/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon38	-0.31%	0.22%	0.95%	-	-	19.16%
KLIBOR+2.65% p.a.*	3.02%	0.35%	4.67%	-	-	17.05%
Performance vs Benchmark	-3.33%	-0.13%	-3.72%	-	-	2.11%

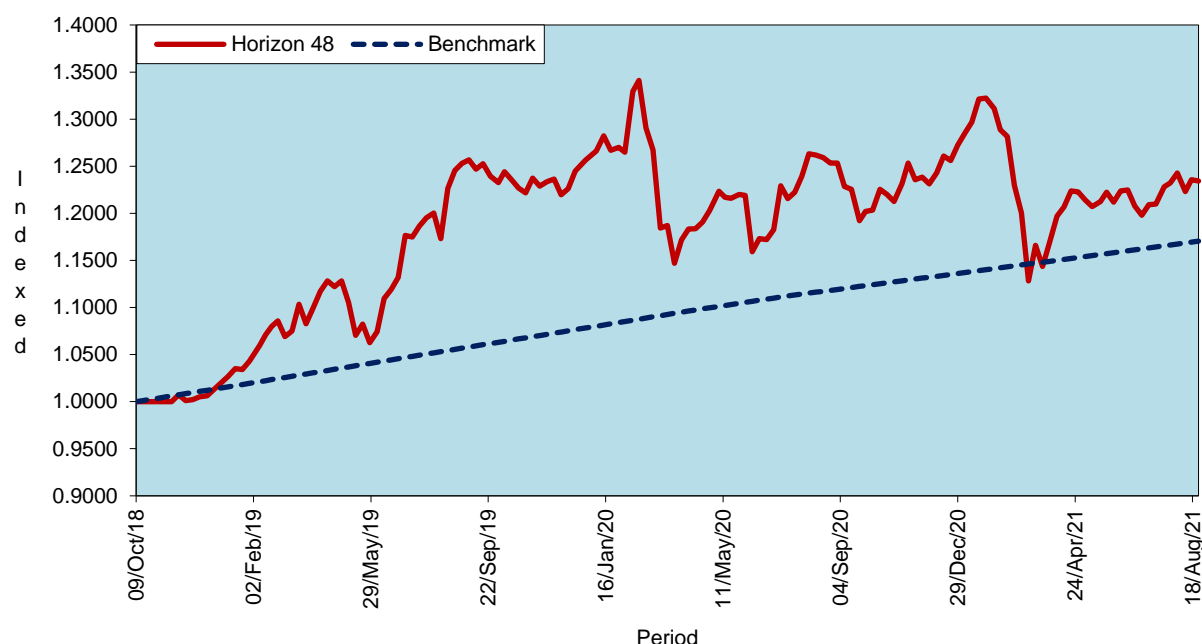
**Notice: Past performance of the fund is not an indication of its future performance.**



## HLA Horizon Funds

HLA Horizon48 Fund						
As of 24/8/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon48	-2.99%	0.15%	-1.51%	-	-	23.43%
KLIBOR+2.65% p.a.*	3.02%	0.35%	4.67%	-	-	17.05%
Performance vs Benchmark	-6.02%	-0.20%	-6.18%	-	-	6.38%

**Notice: Past performance of the fund is not an indication of its future performance.**



\*Source: Bloomberg

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

Year	2018	2019	2020
<b>Benchmark</b>	6.4%	6.4%	5.4%
<b>HLA HORIZON28 – Gross</b>	1.7%	10.0%	0.1%
<b>HLA HORIZON28 – Net</b>	1.3%	7.9%	-1.2%
<b>HLA HORIZON38 – Gross</b>	1.8%	19.9%	2.2%
<b>HLA HORIZON38 – Net</b>	1.3%	17.1%	0.8%
<b>HLA HORIZON48 – Gross</b>	1.9%	27.3%	2.8%
<b>HLA HORIZON48 – Net</b>	1.5%	23.8%	1.3%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

The fund was only launched on 9 October 2018. The actual investment returns are calculated based on unit price from 9 October 2018 to 31 December 2018.

### 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. Deleveraging 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.

## HLA Horizon Funds

### 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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

August 2021

## 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 HLA EverGreen 2028 Fund HLA EverGreen 2030 Fund HLA EverGreen 2035 Fund	:	0%*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 ceased to charge the Fund Management Fee for HLA EverGreen 2023, HLA EverGreen 2025, HLA EverGreen 2028, HLA EverGreen 2030 and HLA EverGreen 2035 with effect from 22 Jan 2016, 5 Jul 2016, 16 Jan 2019, 7 May 2019 and 14 Aug 2019 respectively.

## Other Details

Fund Name	Unit Price (24/8/2021)	Fund Size (24/8/2021)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM1.1641	RM24.57 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM1.1303	RM10.68 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM1.0590	RM18.20 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM1.0152	RM54.20 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8591	RM861.68 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)

2Q2021 GDP expanded 16.1% year-on-year (YoY) as domestic demand improved and exports remained robust as well as due to the low base effect of MCO 1.0 in 2Q2020. However, the GDP growth fell short of rating agency Fitch Solutions' expectations, subsequently downgrading Malaysia's 2021 GDP growth to 0% from its earlier estimate of 4.9% as herd immunity is not expected to be achieved in 2021 and expenditures across all segments except government consumption are to remain stagnant or to contract slightly compared to 2020. Bank Negara Malaysia also revised its 2021 GDP forecast downwards to 3%-4% from 6%-7.5% due to the reimposition of Movement Control Order. Consumer Price Index eased in July, gaining 2.2% YoY due to the normalization of the low base effect and steep electricity bill discounts but declined 0.6% month-on-month (MoM) as the latest MCO3.0 suppressed demand and economic activities. Similarly, the imposition of lockdowns saw July 2021 exports rising only by 5% YoY and fell 4.1% MoM resulting in the trade surplus narrowing to RM13.7bn. The decline was led by a fall in manufactured, electric and electronic, and rubber product exports. In the maiden PreBudget Statement issued by the Ministry of Finance, Budget 2022 is slated to encompass a pro-growth and inclusive agenda, focusing on 3 objectives, namely protecting and driving recovery of lives and livelihoods, rebuilding national resilience and catalyzing reforms. Budget 2022 is to be tabled in Parliament on 29 October 2021. Both the short and long term interest rates increased in the month of August. (Source:CGS-CIMB Research, The Edge Markets)

Note: With effect from 14 August 2019, the fund no longer has any exposure to the CIMB EverGreen Index. Moving forward, the unit price of the fund is expected to behave like a synthetic zero coupon bond portfolio. As such, the performance of fund is no longer dependent on the index but instead on the movement of MYR interest rates.

## 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%	0.00%	0.00%
Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index	Not Applicable				
Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in July 2020	0.00%	0.00%	0.00%	0.00%	0.00%

With effect from 14 August 2019, the fund no longer has any exposure to the CIMB EverGreen Index. Moving forward, the unit price of the fund is expected to behave like a synthetic zero coupon bond portfolio. As such, the performance of fund is no longer dependent on the index but instead on the movement of MYR interest rates.

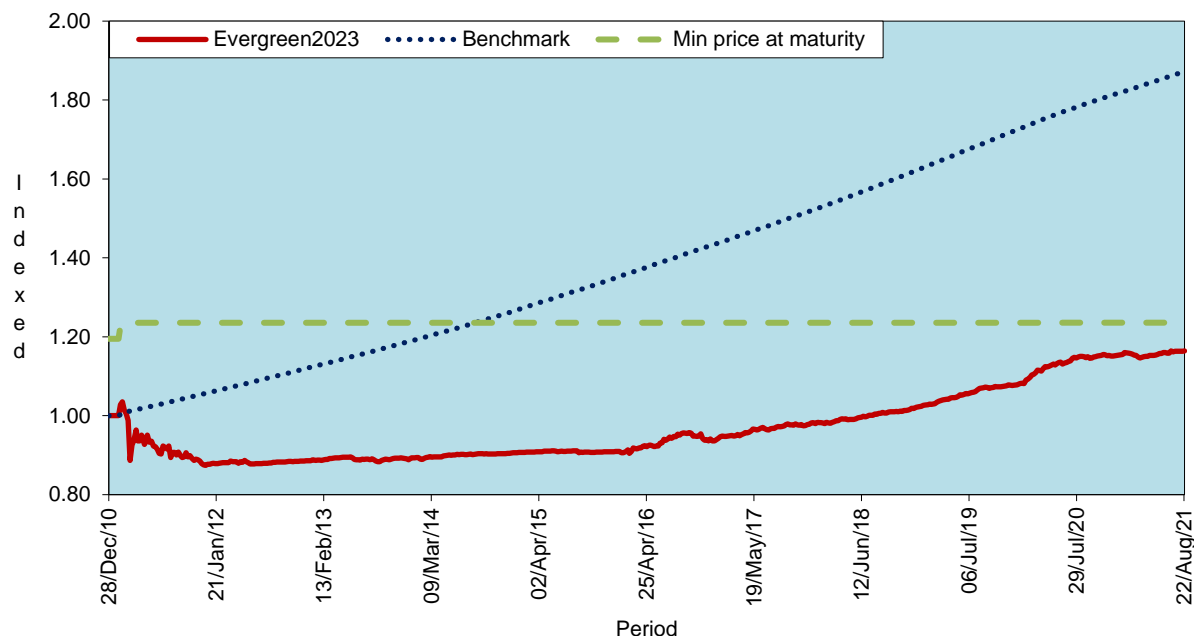


# HLA EverGreen Funds

## Historical Performance

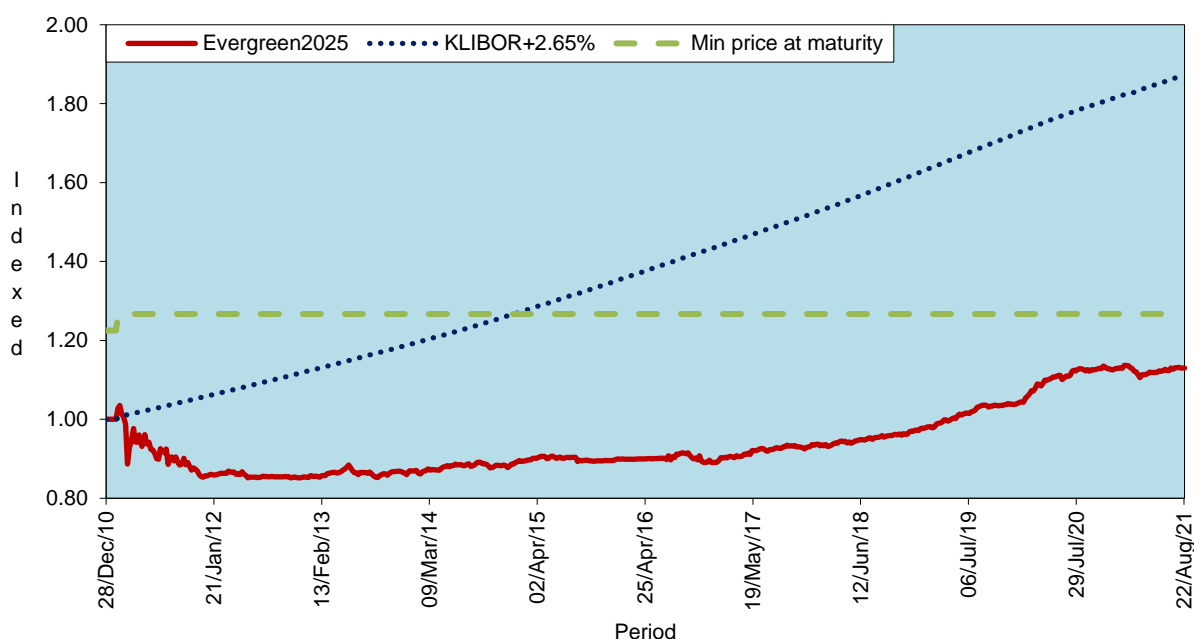
HLA EverGreen 2023 Fund							
As of 24/8/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2023	0.94%	0.09%	1.27%	15.45%	21.92%	29.23%	16.41%
KLIBOR+2.65% p.a.*	3.02%	0.35%	4.70%	17.92%	33.15%	80.24%	87.26%
Performance vs Benchmark	-2.09%	-0.26%	-3.43%	-2.47%	-11.23%	-51.01%	-70.85%

**Notice: Past performance of the fund is not an indication of its future performance.**



HLA EverGreen 2025 Fund							
As of 24/8/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2025	0.12%	-0.08%	0.35%	17.90%	23.77%	26.35%	13.03%
KLIBOR+2.65% p.a.*	3.02%	0.35%	4.70%	17.92%	33.15%	80.24%	87.26%
Performance vs Benchmark	-2.91%	-0.43%	-4.35%	-0.02%	-9.38%	-53.89%	-74.23%

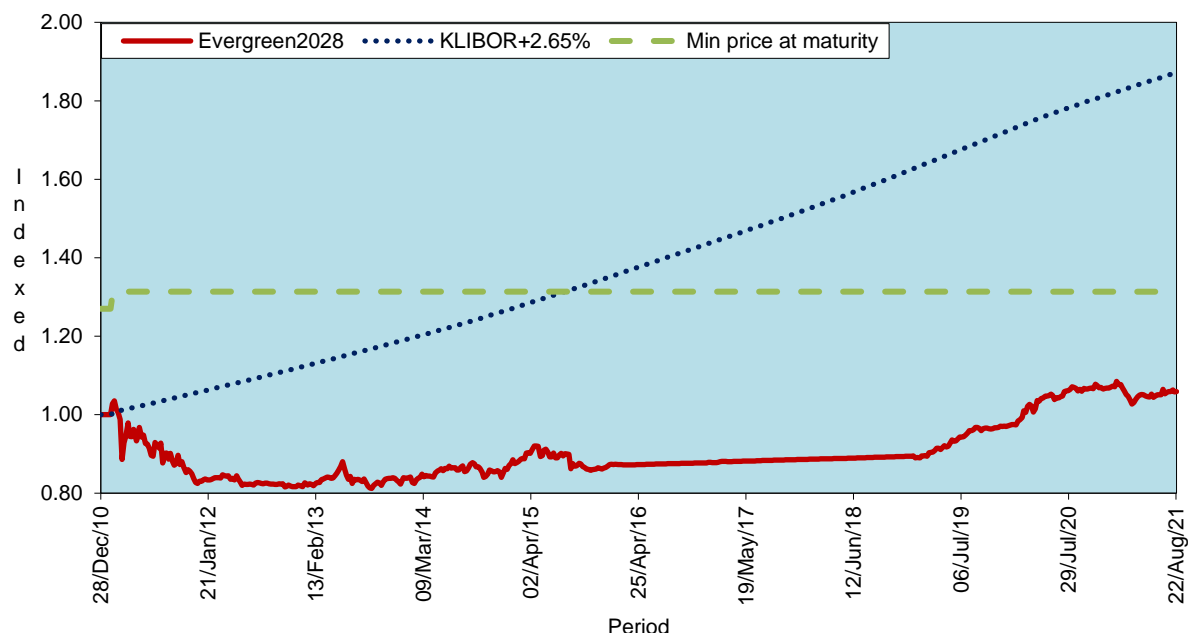
**Notice: Past performance of the fund is not an indication of its future performance.**



## HLA EverGreen Funds

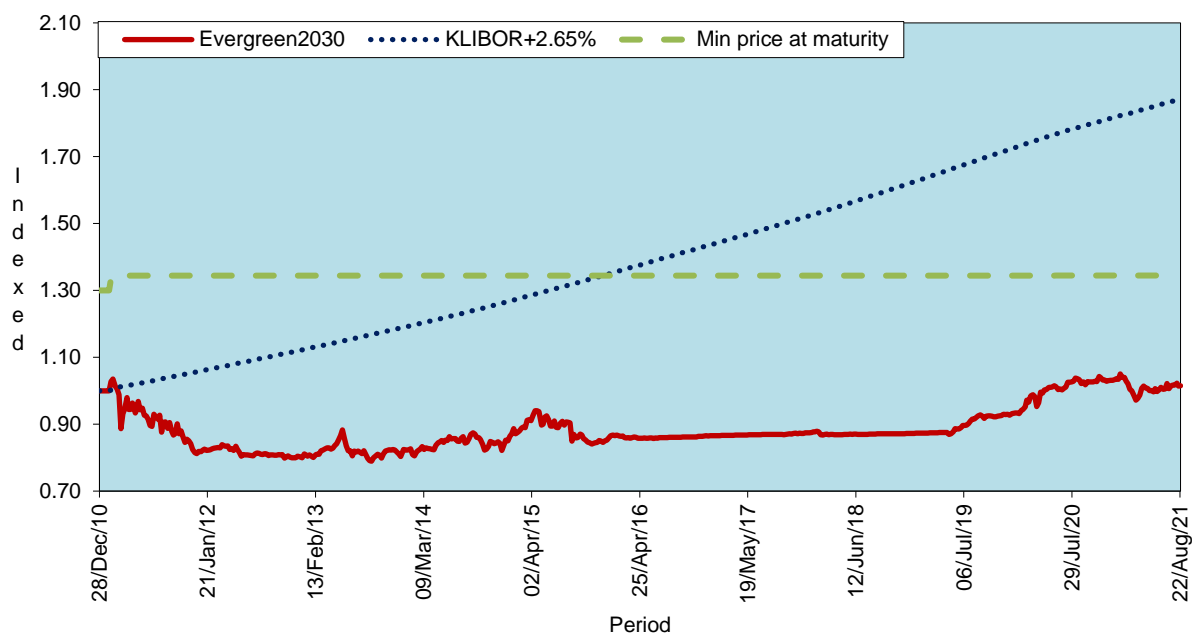
HLA EverGreen 2028 Fund							
As of 24/8/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2028	-1.04%	-0.01%	-0.79%	18.82%	20.99%	19.39%	5.90%
KLIBOR+2.65% p.a.*	3.02%	0.35%	4.70%	17.92%	33.15%	80.24%	87.26%
Performance vs Benchmark	-4.06%	-0.36%	-5.48%	0.90%	-12.16%	-60.85%	-81.36%

**Notice: Past performance of the fund is not an indication of its future performance.**



HLA EverGreen 2030 Fund							
As of 24/8/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2030	-1.71%	-0.15%	-1.70%	16.53%	17.94%	14.41%	1.52%
KLIBOR+2.65% p.a.*	3.02%	0.35%	4.70%	17.92%	33.15%	80.24%	87.26%
Performance vs Benchmark	-4.74%	-0.50%	-6.40%	-1.39%	-15.21%	-65.82%	-85.74%

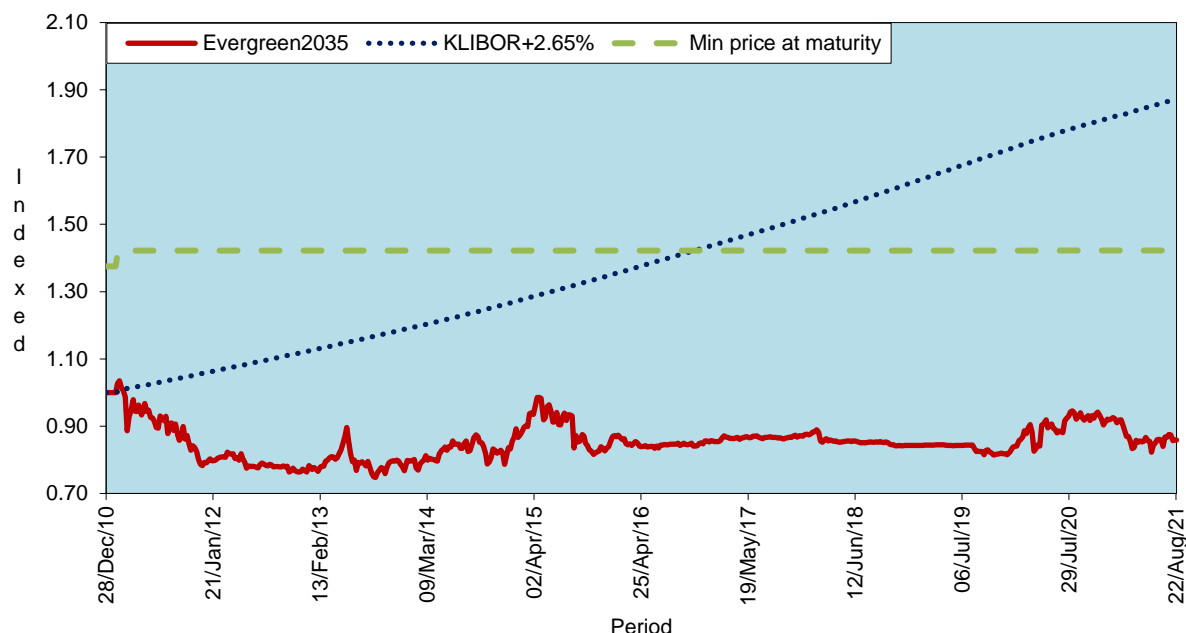
**Notice: Past performance of the fund is not an indication of its future performance.**



## HLA EverGreen Funds

HLA EverGreen 2035 Fund							
As of 24/8/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2035	-6.84%	-1.84%	-6.69%	0.67%	1.45%	-3.17%	-14.09%
KLIBOR+2.65% p.a.*	3.02%	0.35%	4.70%	17.92%	33.15%	80.24%	87.26%
Performance vs Benchmark	-9.86%	-2.19%	-11.39%	-17.25%	-31.70%	-83.41%	-101.35%

**Notice: Past performance of the fund is not an indication of its future performance.**



\*Source: Bloomberg

### Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	5.9%	6.1%	6.0%	6.3%	6.5%	6.5%	6.2%	6.4%	6.4%	5.4%
<b>HLA EVERGREEN 2023 – Gross</b>	-11.0%	2.5%	2.4%	3.0%	1.7%	4.7%	6.5%	6.0%	6.1%	7.5%
<b>HLA EVERGREEN 2023 – Net</b>	-12.3%	1.0%	0.9%	1.4%	0.3%	3.0%	4.7%	4.2%	5.6%	6.9%
<b>HLA EVERGREEN 2025 – Gross</b>	-13.0%	0.9%	3.6%	3.6%	2.5%	0.8%	6.7%	5.9%	7.4%	9.4%
<b>HLA EVERGREEN 2025 – Net</b>	-14.3%	-0.5%	2.0%	2.0%	1.0%	-0.6%	4.9%	4.1%	6.8%	8.6%
<b>HLA EVERGREEN 2028 – Gross</b>	-15.7%	-0.3%	4.5%	4.5%	1.7%	2.9%	2.5%	2.4%	9.6%	10.9%
<b>HLA EVERGREEN 2028 – Net</b>	-17.0%	-1.6%	2.8%	2.8%	0.3%	1.4%	1.0%	0.9%	8.7%	10.1%
<b>HLA EVERGREEN 2030 – Gross</b>	-16.9%	-1.0%	4.8%	5.1%	1.4%	3.0%	2.6%	1.2%	7.9%	11.8%
<b>HLA EVERGREEN 2030 – Net</b>	-18.2%	-2.3%	3.1%	3.4%	0.0%	1.5%	1.1%	-0.2%	6.8%	10.8%
<b>HLA EVERGREEN 2035 – Gross</b>	-19.5%	-2.2%	6.4%	6.5%	1.9%	3.2%	4.1%	-2.5%	-1.6%	13.0%
<b>HLA EVERGREEN 2035 – Net</b>	-20.8%	-3.5%	4.6%	4.7%	0.4%	1.6%	2.4%	-3.6%	-2.2%	11.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) 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.

**Notice: Past performance of the fund is not an indication of its future performance.**

### 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.

- 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.
- 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.
- 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.
- 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.
- 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

### 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:
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- 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

Not applicable

*Note: With effect from 14 August 2019, the fund no longer has any exposure to the CIMB EverGreen Index. Moving forward, the unit price of the fund is expected to behave like a synthetic zero coupon bond portfolio. As such, the performance of fund is no longer dependent on the index but instead on the movement of MYR interest rates.*

### Performance of CIMB EverGreen Index Against Other Indices

Not applicable

*Note: With effect from 14 August 2019, the fund no longer has any exposure to the CIMB EverGreen Index. Moving forward, the unit price of the fund is expected to behave like a synthetic zero coupon bond portfolio. As such, the performance of fund is no longer dependent on the index but instead on the movement of MYR interest rates.*

### 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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## HLA EverGreen Funds

### **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.

# Fund Risk Type & Customer Risk Appetite

