

# Monthly Fund Fact Sheet

## — Jan 2021





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# HLA Venture Growth Fund (HLAVGF)

Jan 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

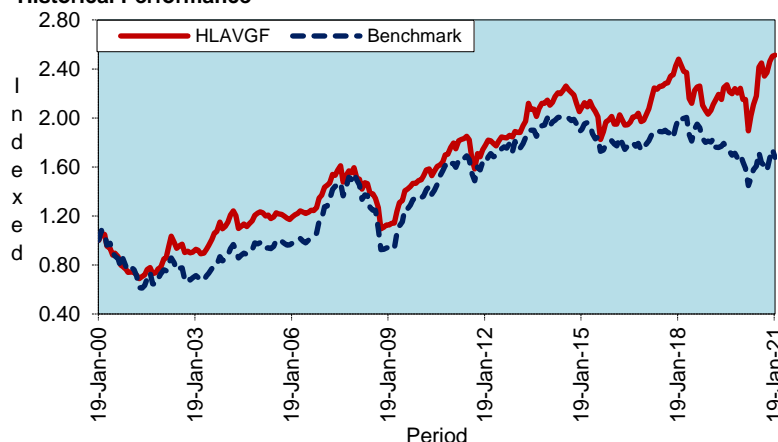
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (29/1/2021)	:RM2.5126
Fund Size (29/1/2021)	:RM432.3 mil
Fund Management Fee (effective as at 01/06/2020)	: 1.47% 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

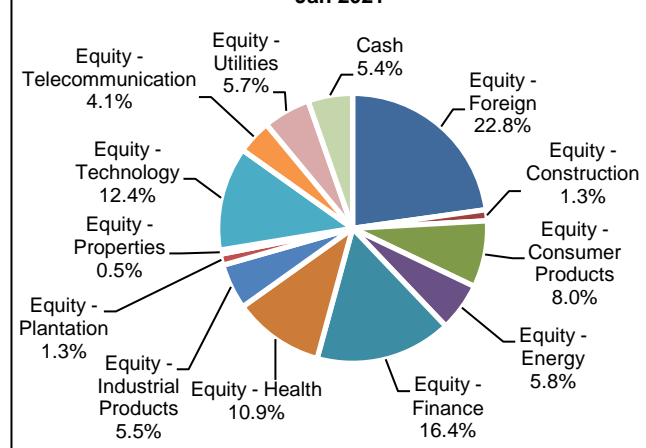


	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	0.38%	0.38%	16.81%	1.37%	28.82%	40.00%	151.26%
Benchmark*	-3.74%	-3.74%	2.31%	-16.17%	-6.08%	3.06%	67.82%
Relative	4.11%	4.11%	14.50%	17.54%	34.90%	36.94%	83.44%

\*Source: Bloomberg

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

**Asset & Sector Allocation of HLAVGF as at 29 Jan 2021**



## Top 5 Holdings for HLAVGF as at 29 Jan 2021

	%
1. TOPGLOV	7.5
2. TENCENT	7.4
3. MAYBANK	6.1
4. CIMB	5.8
5. ALIBABA	5.4
<b>Total Top 5</b>	<b>32.2</b>



# HLA Venture Growth Fund (HLAVGF)

## Market Review, Outlook & Strategy

Global equities ended the month of January lower despite the initial gains as sentiment was dragged towards the end of the month with concerns over expensive valuations, the rising number of Covid-19 cases and the slow inoculations of vaccines globally. However, investors should be able to take comfort from better-than-expected US 4Q20 earnings driven by IT and Banks. Macro wise, US GDP declined by 3.5% in 2020 (the first decline since the global financial crisis) and consensus now expects the US economy to grow between 4-5% in 2021. The US Fed has also kept its monetary policy on hold at its January meeting with no changes to its forward guidance on interest rates and asset purchases as well as indicating that rising inflation would not be a concern for now. Policies are expected to remain accommodative with an expected growth acceleration later this year. During the month, we also saw the tug of war between individuals and professional investors. Retail frenzies drove up the share prices of the likes of GameStop Corp and AMC Entertainment Holdings Inc while some of Wall Street's titan hedge funds had to lick their wounds following a series of short-squeeze events. The ruckus has also caused some hedge funds to change their shorting strategy to avoid the limelight. Volatility will continue to be high as trading sentiment has become more emotional with retailers ganging up on the hedgies.

The FBM KLCI was unfortunately the second worst performing market in Asean after Philippines. At the start of the year, we saw the resumption of regulated short selling on Bursa and the glove counters bore the brunt of sell-down during the first four trading days of the year. Sentiment was further spooked with rising Covid-19 cases and rumours of the reimposition of MCO. This materialised on 13th January beginning with 6 states but the situation has since deteriorated with cases hitting above 5k per day that has resulted in the whole country (except Sarawak) being placed under MCO. However, the economic losses per day under MCO 2.0 is around 40% less than the earlier MCO as more businesses are allowed to operate in some form. The Yang Di-Pertuan Agong also assented to the PM's request to declare a State of Emergency to suspend all political activities until 1st Aug, thereby giving some stability on the political front. On the vaccine side, Malaysia has so far signed agreements equivalent to ~81% of the population to be inoculated with various vaccine manufacturers, but immunisation will likely span over several phases beginning with front-liners from March, elderly/those with co-morbidities from May and the rest from August 2021.

Foreign and local institutions were net sellers of banks and rotated partially into healthcare stocks. Local retailers maintained their bullish stance on the market, net purchasing close to RM600m worth of stocks across most sectors except for healthcare (RM-195m) and technology (-RM19m). The FBMKLCI underperformed the broader market in the first trading month of 2021 with a larger decline. The KLCI declined by 3.7% mom to 1,566.40 pts. FBM Shariah Index, FBM Emas and FBM Small Cap indices were down by 2.2% mom, 3.4% mom and 2.5% mom respectively. KLTEC Index saw a +17.6% mom gain in January following the record-breaking capex plan commitments by large global foundries.

Regionally, investors will be following closely the roll-out of the vaccination programme in the developed world particularly in the US as well as prospects of another fiscal stimulus amounting to US\$1.9 trillion by newly-elected President Joe Biden. Domestically, the current high daily Covid-19 cases is straining the healthcare system to a breaking point. There could potentially be more cases involving foreign workers who are yet to be reported as only c.15% of the 1.7m foreign workers have done the mandatory Covid-19 screening since 1 Dec 20. Nevertheless, the government has reassured that it will not implement a total lockdown even under the worst-case scenario. With the current state of emergency lasting until Aug 21, this provides some sort of political stability until then. We will continue to be invested in both Covid-19 and recovery beneficiaries, skewing more towards the recovery theme.

In the near term, the focus will center on the infection rate of Covid-19 and the MCO which was recently extended to 18 February from the initial 26 January. Additionally, eyes will also be S&P rating which has Malaysia's sovereign on a negative outlook. The timeline, progress and efficacy of the nation's vaccine programme will also exert considerable influence over yield movement. Over the near term, yield could be driven further down on renewed talks of OPR cuts in March as prolonged lock down may impact economic data and recovery pace which has been reiterated by BNM as rate decision factors. We will closely monitor the economic data releases and should strategically take profit when the sovereign market rally.

## 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.



## HLA Venture Growth Fund (HLAVGF)

### 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 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)

Jan 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

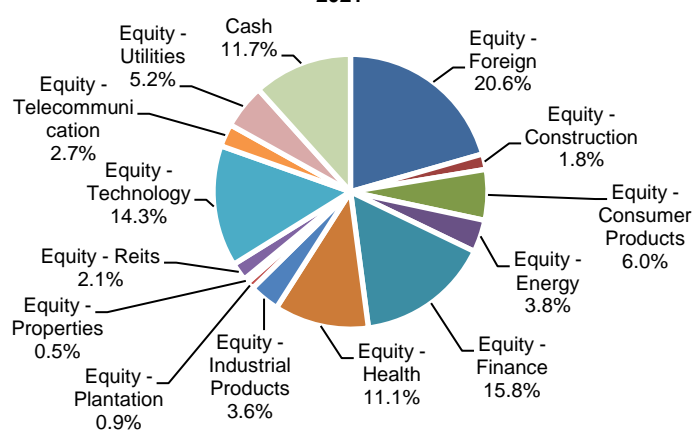
This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

## Fund Details

Unit Price (29/1/2021)	: RM2.8366
Fund Size (29/1/2021)	: RM437.4 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.

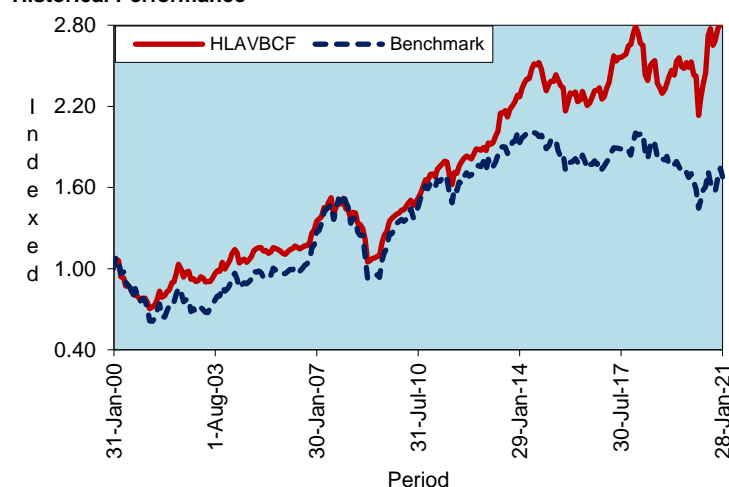
**Asset & Sector Allocation of HLAVBCF as at 29 Jan 2021**



**Top 5 Holdings for HLAVBCF as at 29 Jan 2021**

	%
1. TOPGLOV	7.1
2. TENCENT	5.2
3. TENAGA	4.7
4. MAYBANK	4.7
5. ALIBABA	4.5
<b>Total Top 5</b>	<b>26.1</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVBCF	1.14%	1.14%	16.71%	1.62%	26.94%	66.94%	183.66%
Benchmark*	-3.74%	-3.74%	2.31%	-16.17%	-6.08%	3.06%	67.82%
Relative	4.88%	4.88%	14.40%	17.79%	33.02%	63.88%	115.84%

\*Source: Bloomberg

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# HLA Venture Blue Chip Fund (HLAVBCF)

## Market Review, Outlook & Strategy

Global equities ended the month of January lower despite the initial gains as sentiment was dragged towards the end of the month with concerns over expensive valuations, the rising number of Covid-19 cases and the slow inoculations of vaccines globally. However, investors should be able to take comfort from better-than-expected US 4Q20 earnings driven by IT and Banks. Macro wise, US GDP declined by 3.5% in 2020 (the first decline since the global financial crisis) and consensus now expects the US economy to grow between 4-5% in 2021. The US Fed has also kept its monetary policy on hold at its January meeting with no changes to its forward guidance on interest rates and asset purchases as well as indicating that rising inflation would not be a concern for now. Policies are expected to remain accommodative with an expected growth acceleration later this year. During the month, we also saw the tug of war between individuals and professional investors. Retail frenzies drove up the share prices of the likes of GameStop Corp and AMC Entertainment Holdings Inc while some of Wall Street's titan hedge funds had to lick their wounds following a series of short-squeeze events. The ruckus has also caused some hedge funds to change their shorting strategy to avoid the limelight. Volatility will continue to be high as trading sentiment has become more emotional with retailers ganging up on the hedgies.

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In the near term, the focus will center on the infection rate of Covid-19 and the MCO which was recently extended to 18 February from the initial 26 January. Additionally, eyes will also be S&P rating which has Malaysia's sovereign on a negative outlook. The timeline, progress and efficacy of the nation's vaccine programme will also exert considerable influence over yield movement. Over the near term, yield could be driven further down on renewed talks of OPR cuts in March as prolonged lock down may impact economic data and recovery pace which has been reiterated by BNM as rate decision factors. We will closely monitor the economic data releases and should strategically take profit when the sovereign market rally.

## 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.



## HLA Venture Blue Chip Fund (HLAVBCF)

### 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:

- 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.

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### Disclaimer:

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



# HLA Venture Dana Putra (HLAVDP)

Jan 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

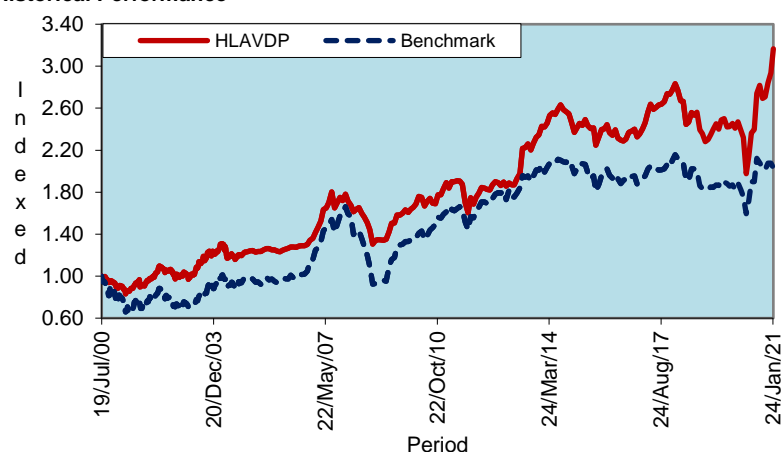
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

Unit Price (29/1/2021)	: RM3.1660
Fund Size (29/1/2021)	: RM134.8 mil
Fund Management Fee (effective as at 01/06/2020)	: 1.40% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

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

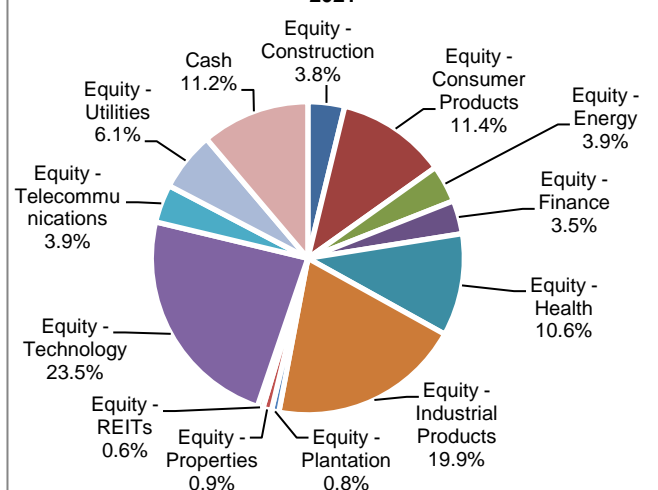


	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	7.80%	7.80%	32.42%	11.75%	33.79%	67.55%	216.60%
Benchmark*	-2.19%	-2.19%	11.41%	-5.76%	3.62%	26.07%	103.25%
Relative	10.00%	10.00%	21.01%	17.51%	30.17%	41.48%	113.35%

Source: Bloomberg

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

## Asset & Sector Allocation of HLAVDP as at 29 Jan 2021



## Top 5 Holdings for HLAVDP as at 29 Jan 2021

	%
1. SCIB	8.6
2. TOPGLOV	7.1
3. UWC	4.6
4. MYEG	4.2
5. TENAGA	3.9
<b>Total Top 5</b>	<b>28.4</b>



# HLA Venture Dana Putra (HLAVDP)

## Market Review, Outlook & Strategy

Global equities ended the month of January lower despite the initial gains as sentiment was dragged towards the end of the month with concerns over expensive valuations, the rising number of Covid-19 cases and the slow inoculations of vaccines globally. However, investors should be able to take comfort from better-than-expected US 4Q20 earnings driven by IT and Banks. Macro wise, US GDP declined by 3.5% in 2020 (the first decline since the global financial crisis) and consensus now expects the US economy to grow between 4-5% in 2021. The US Fed has also kept its monetary policy on hold at its January meeting with no changes to its forward guidance on interest rates and asset purchases as well as indicating that rising inflation would not be a concern for now. Policies are expected to remain accommodative with an expected growth acceleration later this year. During the month, we also saw the tug of war between individuals and professional investors. Retail frenzies drove up the share prices of the likes of GameStop Corp and AMC Entertainment Holdings Inc while some of Wall Street's titan hedge funds had to lick their wounds following a series of short-squeeze events. The ruckus has also caused some hedge funds to change their shorting strategy to avoid the limelight. Volatility will continue to be high as trading sentiment has become more emotional with retailers ganging up on the hedgies.

The FBM KLCI was unfortunately the second worst performing market in Asean after Philippines. At the start of the year, we saw the resumption of regulated short selling on Bursa and the glove counters bore the brunt of sell-down during the first four trading days of the year. Sentiment was further spooked with rising Covid-19 cases and rumours of the reimposition of MCO. This materialised on 13th January beginning with 6 states but the situation has since deteriorated with cases hitting above 5k per day that has resulted in the whole country (except Sarawak) being placed under MCO. However, the economic losses per day under MCO 2.0 is around 40% less than the earlier MCO as more businesses are allowed to operate in some form. The Yang Di-Pertuan Agong also assented to the PM's request to declare a State of Emergency to suspend all political activities until 1st Aug, thereby giving some stability on the political front. On the vaccine side, Malaysia has so far signed agreements equivalent to ~81% of the population to be inoculated with various vaccine manufacturers, but immunisation will likely span over several phases beginning with front-liners from March, elderly/those with co-morbidities from May and the rest from August 2021.

Foreign and local institutions were net sellers of banks and rotated partially into healthcare stocks. Local retailers maintained their bullish stance on the market, net purchasing close to RM600m worth of stocks across most sectors except for healthcare (RM-195m) and technology (-RM19m). The FBMKLCI underperformed the broader market in the first trading month of 2021 with a larger decline. The KLCI declined by 3.7% mom to 1,566.40 pts. FBM Shariah Index, FBM Emas and FBM Small Cap indices were down by 2.2% mom, 3.4% mom and 2.5% mom respectively. KLTEC Index saw a +17.6% mom gain in January following the record-breaking capex plan commitments by large global foundries.

Regionally, investors will be following closely the roll-out of the vaccination programme in the developed world particularly in the US as well as prospects of another fiscal stimulus amounting to US\$1.9 trillion by newly-elected President Joe Biden. Domestically, the current high daily Covid-19 cases is straining the healthcare system to a breaking point. There could potentially be more cases involving foreign workers who are yet to be reported as only c.15% of the 1.7m foreign workers have done the mandatory Covid-19 screening since 1 Dec 20. Nevertheless, the government has reassured that it will not implement a total lockdown even under the worst-case scenario. With the current state of emergency lasting until Aug 21, this provides some sort of political stability until then. We will continue to be invested in both Covid-19 and recovery beneficiaries, skewing more towards the recovery theme.

In the near term, the focus will center on the infection rate of Covid-19 and the MCO which was recently extended to 18 February from the initial 26 January. Additionally, eyes will also be S&P rating which has Malaysia's sovereign on a negative outlook. The timeline, progress and efficacy of the nation's vaccine programme will also exert considerable influence over yield movement. Over the near term, yield could be driven further down on renewed talks of OPR cuts in March as prolonged lock down may impact economic data and recovery pace which has been reiterated by BNM as rate decision factors. We will closely monitor the economic data releases and should strategically take profit when the sovereign market rally.

## 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

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## HLA Venture Dana Putra (HLAVDP)

- 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 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)

Jan 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.

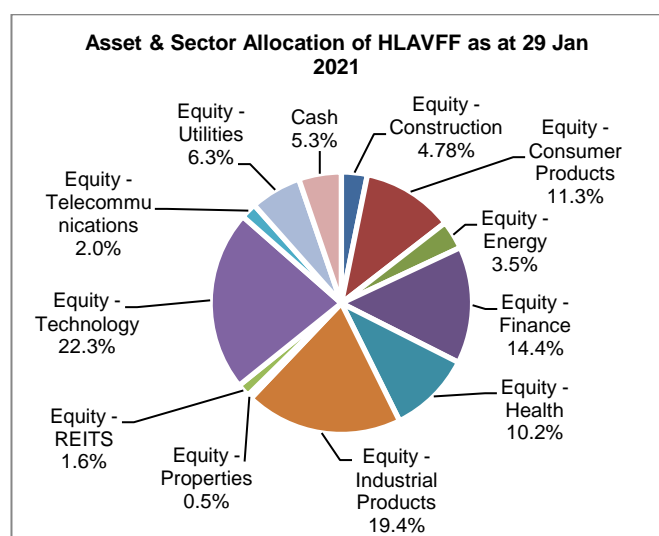
### 4. Target Market

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 (29/1/2021)	: RM1.1344
Fund Size (29/1/2021)	: RM131.9 mil
Fund Management Fee (effective as at 01/08/2020)	: 1.46% 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

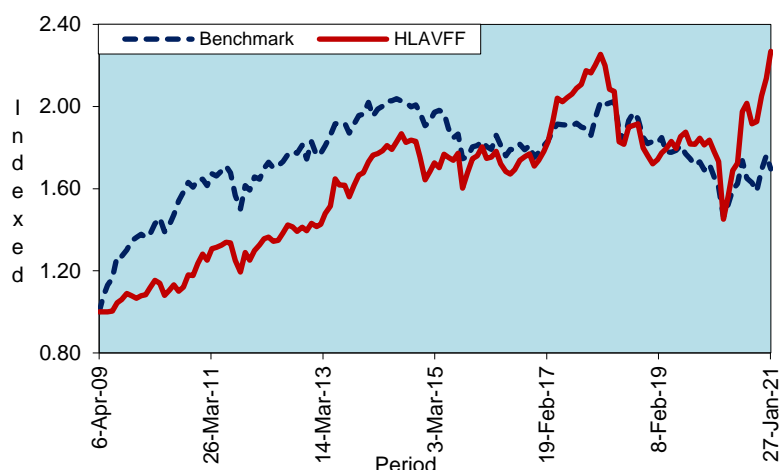
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 5 Holdings for HLAVFF as at 29 Jan 2021

	%
1. TOPGLOV	7.0
2. MAYBANK	4.9
3. UWC	4.8
4. CIMB	4.2
5. TENAGA	4.1
<b>Total Top 5</b>	<b>25.0</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVFF	6.13%	6.13%	27.42%	0.67%	29.88%	77.11%	126.88%
Benchmark*	-3.74%	-3.74%	2.31%	-16.17%	-6.08%	3.06%	69.57%
Relative	9.86%	9.86%	25.11%	16.84%	35.96%	74.05%	57.31%

\*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

Global equities ended the month of January lower despite the initial gains as sentiment was dragged towards the end of the month with concerns over expensive valuations, the rising number of Covid-19 cases and the slow inoculations of vaccines globally. However, investors should be able to take comfort from better-than-expected US 4Q20 earnings driven by IT and Banks. Macro wise, US GDP declined by 3.5% in 2020 (the first decline since the global financial crisis) and consensus now expects the US economy to grow between 4-5% in 2021. The US Fed has also kept its monetary policy on hold at its January meeting with no changes to its forward guidance on interest rates and asset purchases as well as indicating that rising inflation would not be a concern for now. Policies are expected to remain accommodative with an expected growth acceleration later this year. During the month, we also saw the tug of war between individuals and professional investors. Retail frenzies drove up the share prices of the likes of GameStop Corp and AMC Entertainment Holdings Inc while some of Wall Street's titan hedge funds had to lick their wounds following a series of short-squeeze events. The ruckus has also caused some hedge funds to change their shorting strategy to avoid the limelight. Volatility will continue to be high as trading sentiment has become more emotional with retailers ganging up on the hedgies.

The FBM KLCI was unfortunately the second worst performing market in Asean after Philippines. At the start of the year, we saw the resumption of regulated short selling on Bursa and the glove counters bore the brunt of sell-down during the first four trading days of the year. Sentiment was further spooked with rising Covid-19 cases and rumours of the reimposition of MCO. This materialised on 13th January beginning with 6 states but the situation has since deteriorated with cases hitting above 5k per day that has resulted in the whole country (except Sarawak) being placed under MCO. However, the economic losses per day under MCO 2.0 is around 40% less than the earlier MCO as more businesses are allowed to operate in some form. The Yang Di-Pertuan Agong also assented to the PM's request to declare a State of Emergency to suspend all political activities until 1st Aug, thereby giving some stability on the political front. On the vaccine side, Malaysia has so far signed agreements equivalent to ~81% of the population to be inoculated with various vaccine manufacturers, but immunisation will likely span over several phases beginning with front-liners from March, elderly/those with co-morbidities from May and the rest from August 2021.

Foreign and local institutions were net sellers of banks and rotated partially into healthcare stocks. Local retailers maintained their bullish stance on the market, net purchasing close to RM600m worth of stocks across most sectors except for healthcare (RM-195m) and technology (-RM19m). The FBMKLCI underperformed the broader market in the first trading month of 2021 with a larger decline. The KLCI declined by 3.7% mom to 1,566.40 pts. FBM Shariah Index, FBM Emas and FBM Small Cap indices were down by 2.2% mom, 3.4% mom and 2.5% mom respectively. KLTEC Index saw a +17.6% mom gain in January following the record-breaking capex plan commitments by large global foundries.

Regionally, investors will be following closely the roll-out of the vaccination programme in the developed world particularly in the US as well as prospects of another fiscal stimulus amounting to US\$1.9 trillion by newly-elected President Joe Biden. Domestically, the current high daily Covid-19 cases is straining the healthcare system to a breaking point. There could potentially be more cases involving foreign workers who are yet to be reported as only c.15% of the 1.7m foreign workers have done the mandatory Covid-19 screening since 1 Dec 20. Nevertheless, the government has reassured that it will not implement a total lockdown even under the worst-case scenario. With the current state of emergency lasting until Aug 21, this provides some sort of political stability until then. We will continue to be invested in both Covid-19 and recovery beneficiaries, skewing more towards the recovery theme.

In the near term, the focus will center on the infection rate of Covid-19 and the MCO which was recently extended to 18 February from the initial 26 January. Additionally, eyes will also be S&P rating which has Malaysia's sovereign on a negative outlook. The timeline, progress and efficacy of the nation's vaccine programme will also exert considerable influence over yield movement. Over the near term, yield could be driven further down on renewed talks of OPR cuts in March as prolonged lock down may impact economic data and recovery pace which has been reiterated by BNM as rate decision factors. We will closely monitor the economic data releases and should strategically take profit when the sovereign market rally.

## 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.

- 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.



## 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.

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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 Value Fund (HLVF)

Jan 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

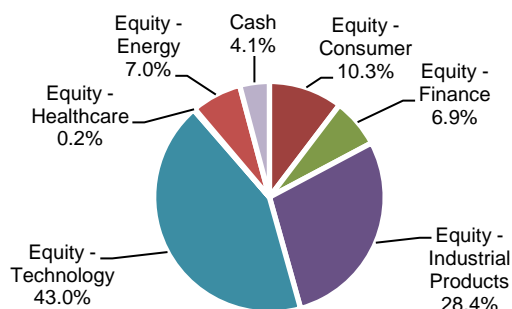
This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

## Fund Details

Unit Price (29/1/2021)	: RM1.6039
Fund Size (29/1/2021)	: RM157.2 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.

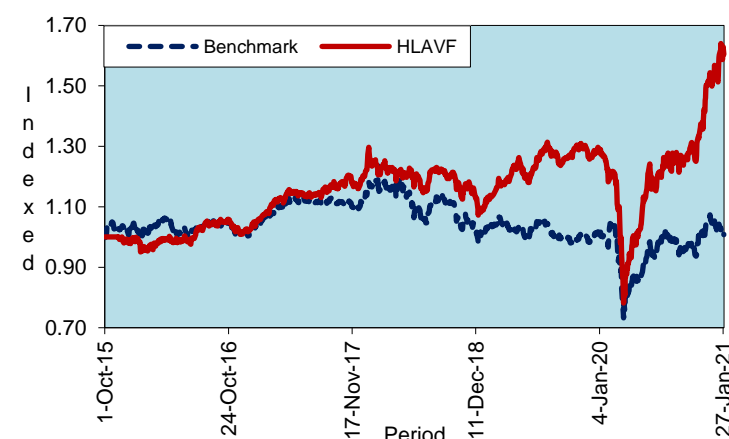
Asset & Sector Allocation of HLVF as at 29 Jan 2021



Top 5 Holdings for HLVF as at 29 Jan 2021

	%
1. PRESS METAL ALUMINIUM HOLDINGS	10.7
2. D&O GREEN TECHNOLOGIES	9.4
3. PETRONAS Chemicals Group Berhad	7.9
4. Inari Amertron Berhad	6.6
5. MYEG Services Berhad	6.6
<b>Total Top 5</b>	<b>41.3</b>

## Historical Performance



	YTD	1 month	1 year	2 years	3 years	Since Inception
HLVF	2.67%	2.67%	35.68%	41.09%	29.40%	60.39%
Benchmark*	-3.38%	-3.38%	4.35%	-2.55%	-15.02%	0.80%
Relative	6.05%	6.05%	31.33%	43.63%	44.42%	59.59%

\*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 declined 3.7% to close at 1,566 points. The broader market outperformed as the FTSE BM EMAS Index declined 3.4% to close at 11,364 points. Small caps outperformed as the FTSE BM Small Cap Index declined 2.5% to close at 15,179 points.

Investor sentiment during the month was adversely affected by the rising number of COVID-19 cases in the country and the implementation of Movement Control order (MCO) 2.0.

On the corporate front, EcoWorld Development Group Berhad aborted the proposed merger with UEM Sunrise Berhad. Duopharma Biotech Berhad entered into an agreement with the Malaysian government to supply 6.4 million doses of Russian-developed 'Sputnik V' COVID-19 vaccine.

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



## HLA Value Fund (HLVF)

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

Year	2015	2016	2017	2018	2019	2020
Benchmark	4.6%	-2.8%	12.9%	-11.1%	-1.6%	3.9%
HLVF- Gross	-0.1%	4.7%	22.2%	-9.3%	20.0%	25.3%
HLVF - Net	-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.

#### 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.

### 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:



## HLA Value Fund (HLVF)

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.

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

### Disclaimer:

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



# Hong Leong SMART Invest Fund (HLSIF)

Jan 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.

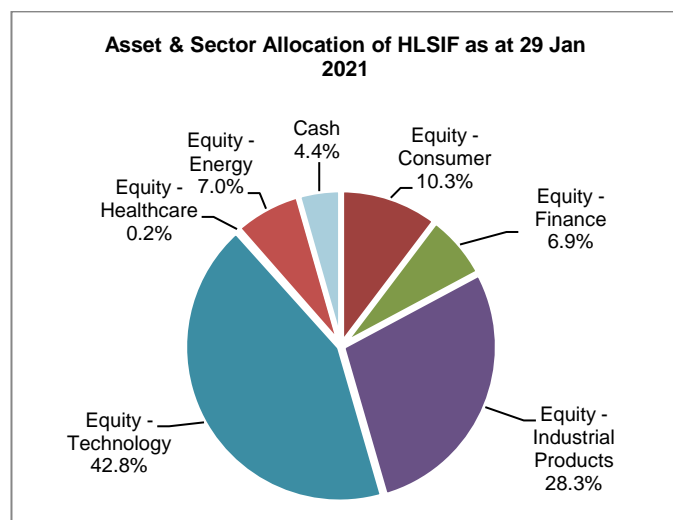
### 4. Target Market

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 (29/1/2021)	: RM1.3323
Fund Size (29/1/2021)	: RM431.0 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

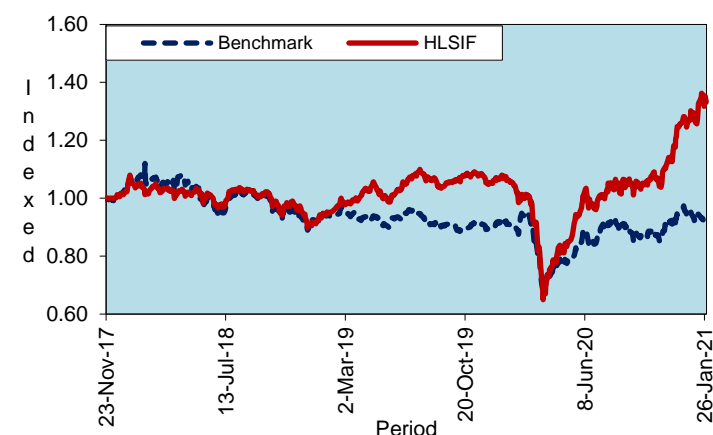
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLSIF as at 29 Jan 2021

	%
1. Press Metal Aluminium Holdings Berhad	10.7
2. D&O Green Technologies Berhad	9.4
3. PETRONAS Chemicals Group Berhad	7.9
4. Inari Amertron Berhad	6.6
5. MYEG Services Berhad	6.6
Total Top 5	41.1

## Historical Performance



	YTD	1 month	3 months	1 year	2 years	Since Inception
HLSIF	2.70%	2.70%	27.93%	35.34%	39.93%	33.23%
Benchmark*	-3.38%	-3.38%	7.07%	4.35%	-2.55%	-8.60%
Relative	6.08%	6.08%	20.86%	30.99%	42.48%	41.83%

\*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 declined 3.7% to close at 1,566 points. The broader market outperformed as the FTSE BM EMAS Index declined 3.4% to close at 11,364 points. Small caps outperformed as the FTSE BM Small Cap Index declined 2.5% to close at 15,179 points.

Investor sentiment during the month was adversely affected by the rising number of COVID-19 cases in the country and the implementation of Movement Control order (MCO) 2.0.

On the corporate front, EcoWorld Development Group Berhad aborted the proposed merger with UEM Sunrise Berhad. Duopharma Biotech Berhad entered into an agreement with the Malaysian government to supply 6.4 million doses of Russian-developed 'Sputnik V' COVID-19 vaccine.

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

### 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.

**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 **Fascimile** 03-7650 1991

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



## Hong Leong SMART Invest Fund (HLSIF)

### 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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### Disclaimer:

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



# Hong Leong SMART Growth Fund (HLSGF)

Jan 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

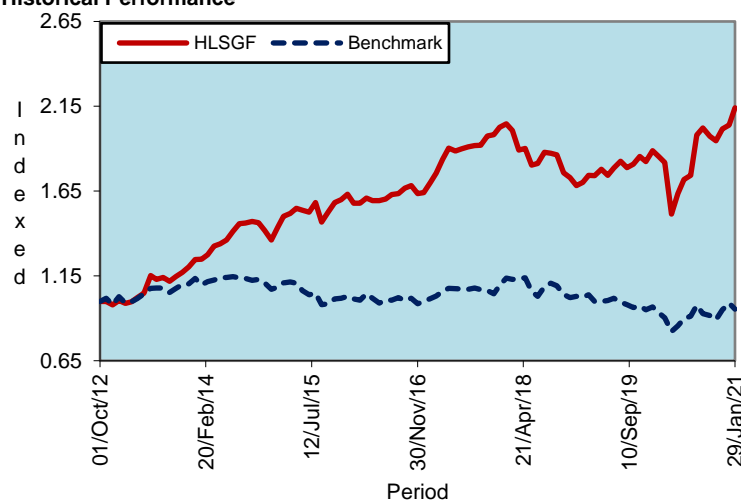
Unit Price (29/1/2021)	: RM2.1411
Fund Size (29/1/2021)	: RM229.9 mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 Oct 2012
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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 29 Jan 2021

	%
1. FRONTKEN CORP BHD	11.3
2. GREATECH TECHNOLOGY BHD	10.9
3. PENTAMASTER CORP BHD	6.2
4. HONG LEONG FINANCIAL GROUP BHD	3.7
5. RHB BANK BHD	3.5
<b>Total Top 5</b>	<b>35.7</b>

## Historical Performance

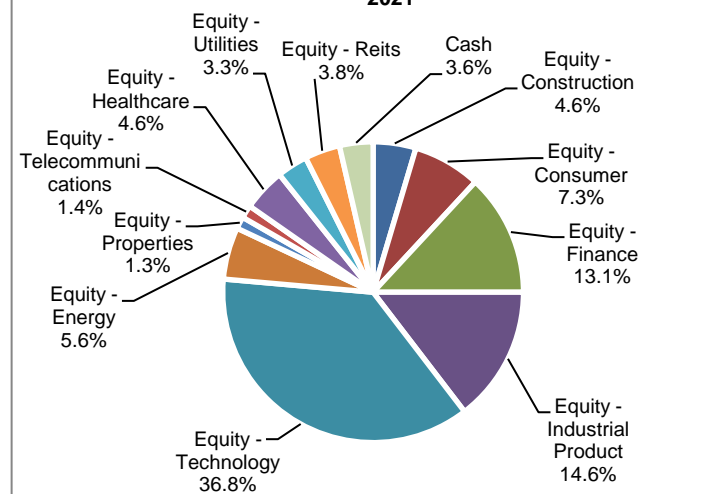


	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	4.97%	4.97%	15.55%	4.66%	35.70%	114.11%
Benchmark*	-3.74%	-3.74%	2.31%	-16.17%	-6.08%	-4.68%
Relative	8.71%	8.71%	13.25%	20.83%	41.78%	118.79%

Source: Bloomberg

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

## Asset & Sector Allocation of HLSGF as at 29 Jan 2021



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

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

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# Hong Leong SMART Growth Fund (HLSGF)

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

December's risk on rally continued into January, bolstered by vaccination rollouts, optimism on the new Biden administration's proposed stimulus plans as well as China's stronger than expected recovery. However, sentiment turned towards the end of the month on vaccine delays, new virus mutations and the economic impact from extended lockdowns. Retail activity in certain US small-cap stocks also triggered a rise in volatility. Meanwhile, central banks led by the US FED reiterated their stance to maintain low-rate policies until a more sustainable recovery is established. The improved global demand outlook fueled further rallies in oil, which also benefitted from Saudi Arabia's plans to cut production this year. Gold trended lower as risk appetite improved.

MSCI Asia ex-Japan rose strongly in January, gaining 4.0% at the closing, outperforming both MSCI ASEAN (-1.9%) and Dow Jones (-2.0%). Outperformers were led by Hong Kong (+3.9%), Korea (+3.6%), Taiwan (+2.8%) and Singapore (+2.1%) while India (-3.1%) and Philippines (-7.4%) lagged. Commodities were mixed as CPO moderated -3.1% to RM3,490 per tonne while crude oil gained +7.9% to end at USD55.9 pbl.

Locally, the market ended its positive streak amidst a rise in the number of new COVID-19 cases, a state of emergency rule, and the beginning of a new round of nationwide lockdown to curb the pandemic. The FBM KLCI fell 3.7%, while the FBM 100, FBM Small Cap and FBM Shariah also declined, closing at -3.5%, -2.5% and -2.2% respectively. In stark contrast to December, all sectors posted negative returns with the exception of technology and healthcare. The underperformers were led by the property, energy and construction sectors. The strong momentum from the local retail segment continued, with a similar level of net buy at RM1.8 billion (versus RM1.7 billion in December) offsetting the net selling in both foreign investors and local institutions.

While short term risks of worsening infections and extended lockdowns may persist, investors should look past the noise in lieu of the upcoming vaccine deliveries which should support the eventual recovery. Hence, cyclical sectors and recovery stocks are likely to outperform. Global policy also remains supportive of the recovery, with ample fiscal stimulus, low interest rates and high levels of monetary injections by global central banks.

Hence, we continue to adopt a barbell strategy in our sector positioning and maintain overweight in the technology sector to ride on secular growth trends. On the other hand, we also favour more cyclical sectors such as consumer discretionary, financials, energy, and commodities to take advantage of the recovery.

## 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.

## 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



# Hong Leong SMART Growth Fund (HLSGF)

## 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.

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## Disclaimer:

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



# HLA Venture Global Fund (HLAVGLF)

Jan 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

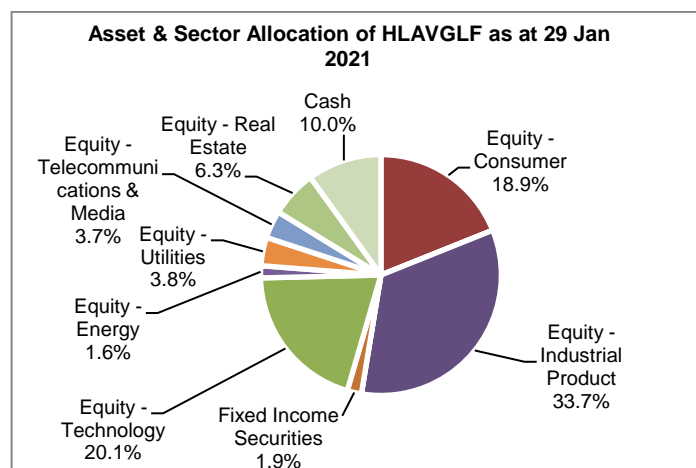
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (29/1/2021)	:RM1.7422
Fund Size (29/1/2021)	:RM38.5 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.

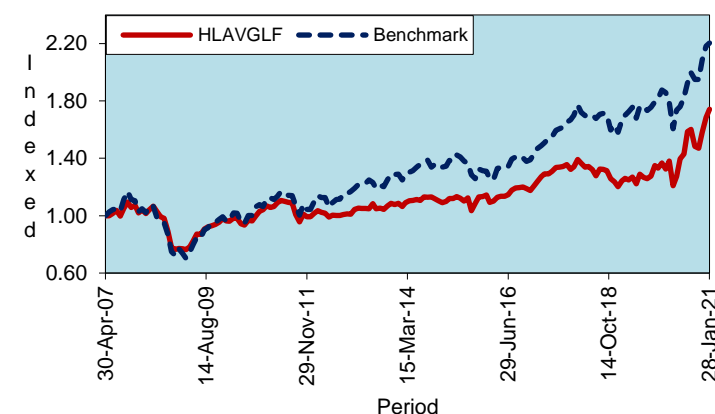
Asset Allocation for HLAVGLF as at 29 Jan 2021	%
Hong Leong Asia-Pacific Dividend Fund	69.5
Hong Leong Strategic Fund	30.1
Cash	0.4
<b>Total</b>	<b>100.0</b>



## Top 5 Holdings for HLAVGLF as at 29 Jan 2021

	%
1. Yihai International Holdings	5.1
2. KWG Living Group Holdings Limited	5.0
3. China Longyuan Power Group Corp Ltd	4.9
4. D&O Green Technologies Bhd	4.8
5. Focus Point Holdings Bhd	4.3
<b>Total Top 5</b>	<b>24.1</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
<b>HLAVGLF</b>	3.41%	3.41%	31.42%	25.19%	59.49%	64.66%	74.22%
<b>Benchmark*</b>	1.05%	1.05%	18.59%	24.39%	75.30%	95.95%	120.43%
<b>Relative</b>	2.36%	2.36%	12.83%	0.80%	-15.81%	-31.29%	-46.21%

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** – Global equities appeared to have taken a breather in January after a spectacular run in the past few months. Concerns about the shortage of vaccines and the GameStop saga dragged most of the major indices into negative territory towards the end of the month. The Dow Jones Industrial Average Index declined 2.0% and the broader S&P 500 Index declined 1.1%. The Euro Stoxx Index declined 2.0% and the FTSE 100 Index declined 0.8%.

**Asia Pacific** – Regional equity markets performed better than global peers, predominantly led by the technology sector. Despite a sharp decline in the last week of the month due to profit taking, regional markets still closed the month in positive territory. In the region, Hong Kong and Korea markets were the leaders while Philippines and Malaysia markets were the laggards.

**Malaysia** – The local market was among the handful of regional markets that posted a negative return for January. Sentiment was adversely affected by the imposition of MCO (Movement Control Order) 2.0 as the number of COVID-19 cases in Malaysia continues to rise. The FTSE BM KLCI declined 3.7% to close at 1,566 points. The broader market outperformed as the FTSE BM EMAS Index declined 3.4% to close at 11,364 points. Small caps outperformed as the FTSE BM Small Cap Index declined 2.5% to close at 15,179 points.

### Outlook & Strategy

**Global** - As the COVID-19 pandemic rages on around the world, the varying impact of the pandemic on different parts of the economy grew more apparent. In the United States (US), the manufacturing leading indicators show an extremely robust outlook and the housing market remains a bright spot. However, the labour market and consumer confidence data are starting to show some weakness due to the adverse impact on human mobility as a consequence of the pandemic.

**Asia Pacific** - The diverging trend between the outlook of the manufacturing and services sector is also apparent in the region.

China's industrial production and export data suggest a resilient manufacturing outlook while the services sector leading indicators show some signs of moderation due to the re-emergence of COVID-19 cases.

**Malaysia** – Although the implementation of MCO 2.0 is expected to dampen investor sentiment, we remain positive on the outlook for the local equities market as most parts of the economy remain open. The Malaysian economy is also expected to benefit from the global economic recovery that is currently underway. We prefer to be invested in selected export stocks.

### Fixed Income Review and Outlook

Malaysian sovereign bonds traded cautiously after Bank Negara Malaysia (BNM) maintained its policy in accommodative. The central bank has guided for policy outlook to be data dependent. BNM also announced the extension of flexibility for banks to use sovereign bonds for Statutory Reserve Requirement compliance from May 2021 until end-2022. Towards the month end, interest in government bonds rose as rise in local COVID-19 infections saw increased odds of an extension of the existing MCO. The 15-year Government Invest Issue (GII) reopening auction drew strong interest with a decent bid-to-cover of 2.1 times. In the corporate space, Danga Capital Berhad (AAA) issued sukuk amounting to RM2 billion.

Local inflation in December improved marginally to -1.4% from -1.7%. During the month, Moody's affirmed Malaysia's sovereign rating at A3 (stable outlook), underpinned by M-term growth prospects that is expected to remain strong and its macroeconomic policymaking institutions will continue to be credible and effective. Whilst we think there is a possibility of further easing by BNM, it will depend on the length of the MCO and how it may affect domestic demand. On portfolio positioning, we look to be defensive in the near term as BNM has guided to maintain its policy rate going forward. We look to reduce duration progressively.

### 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)

Jan 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.

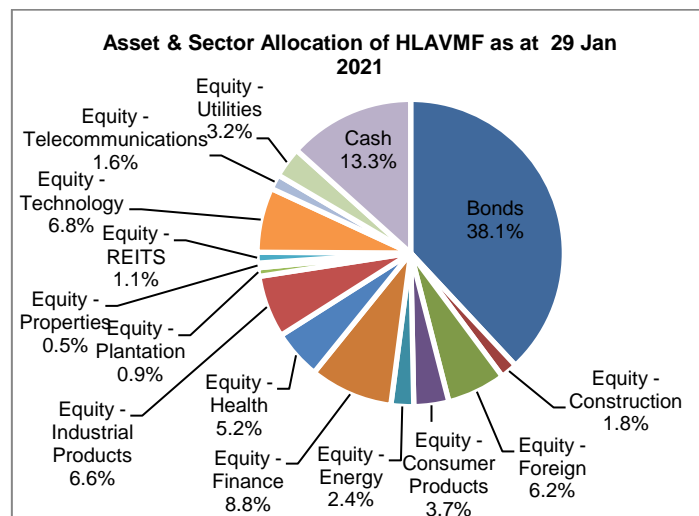
### 4. Target Market

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

## Fund Details

Unit Price (29/1/2021)	:RM2.4491
Fund Size (29/1/2021)	:RM316.4 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.

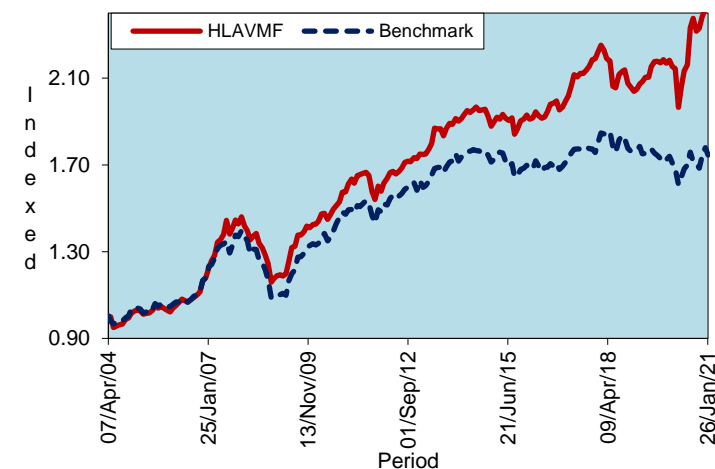


FI : Fixed Income  
EQ : Equities

## Top 5 Holdings for HLAVMF as at 29 Jan 2021

		%
1.	TOPGLOV	EQ 4.1
2.	SCIB	EQ 3.6
3.	MAYBANK	EQ 3.2
4.	M'SIAN GOVERNMENT SECURITIES 1	FI 3.1
5.	CIMB	EQ 2.9
Total Top 5		17.0

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	1.29%	1.29%	13.76%	8.78%	28.16%	49.85%	144.91%
Benchmark*	-1.87%	-1.87%	2.20%	-5.50%	3.54%	16.77%	73.73%
Relative	3.16%	3.16%	11.56%	14.28%	24.62%	33.08%	71.18%

\*Source: Bloomberg, Maybank

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



# HLA Venture Managed Fund (HLAVMF)

## Market Review, Outlook & Strategy - Equities Market

Global equities ended the month of January lower despite the initial gains as sentiment was dragged towards the end of the month with concerns over expensive valuations, the rising number of Covid-19 cases and the slow inoculations of vaccines globally. However, investors should be able to take comfort from better-than-expected US 4Q20 earnings driven by IT and Banks. Macro wise, US GDP declined by 3.5% in 2020 (the first decline since the global financial crisis) and consensus now expects the US economy to grow between 4-5% in 2021. The US Fed has also kept its monetary policy on hold at its January meeting with no changes to its forward guidance on interest rates and asset purchases as well as indicating that rising inflation would not be a concern for now. Policies are expected to remain accommodative with an expected growth acceleration later this year. During the month, we also saw the tug of war between individuals and professional investors. Retail frenzies drove up the share prices of the likes of GameStop Corp and AMC Entertainment Holdings Inc while some of Wall Street's titan hedge funds had to lick their wounds following a series of short-squeeze events. The ruckus has also caused some hedge funds to change their shorting strategy to avoid the limelight. Volatility will continue to be high as trading sentiment has become more emotional with retailers ganging up on the hedgies.

The FBM KLCI was unfortunately the second worst performing market in Asean after Philippines. At the start of the year, we saw the resumption of regulated short selling on Bursa and the glove counters bore the brunt of sell-down during the first four trading days of the year. Sentiment was further spooked with rising Covid-19 cases and rumours of the reimposition of MCO. This materialised on 13th January beginning with 6 states but the situation has since deteriorated with cases hitting above 5k per day that has resulted in the whole country (except Sarawak) being placed under MCO. However, the economic losses per day under MCO 2.0 is around 40% less than the earlier MCO as more businesses are allowed to operate in some form. The Yang Di-Pertuan Agong also assented to the PM's request to declare a State of Emergency to suspend all political activities until 1st Aug, thereby giving some stability on the political front. On the vaccine side, Malaysia has so far signed agreements equivalent to ~81% of the population to be inoculated with various vaccine manufacturers, but immunisation will likely span over several phases beginning with front-liners from March, elderly/those with co-morbidities from May and the rest from August 2021.

Foreign and local institutions were net sellers of banks and rotated partially into healthcare stocks. Local retailers maintained their bullish stance on the market, net purchasing close to RM600m worth of stocks across most sectors except for healthcare (RM-195m) and technology (RM-19m). The FBMKLCI underperformed the broader market in the first trading month of 2021 with a larger decline. The KLCI declined by 3.7% mom to 1,566.40 pts. FBM Shariah Index, FBM Emas and FBM Small Cap indices were down by 2.2% mom, 3.4% mom and 2.5% mom respectively. KLTEC Index saw a +17.6% mom gain in January following the record-breaking capex plan commitments by large global foundries.

Regionally, investors will be following closely the roll-out of the vaccination programme in the developed world particularly in the US as well as prospects of another fiscal stimulus amounting to US\$1.9 trillion by newly-elected President Joe Biden. Domestically, the current high daily Covid-19 cases is straining the healthcare system to a breaking point. There could potentially be more cases involving foreign workers who are yet to be reported as only c.15% of the 1.7m foreign workers have done the mandatory Covid-19 screening since 1 Dec 20. Nevertheless, the government has reassured that it will not implement a total lockdown even under the worst-case scenario. With the current state of emergency lasting until Aug 21, this provides some sort of political stability until then. We will continue to be invested in both Covid-19 and recovery beneficiaries, skewing more towards the recovery theme.

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

The yields of U.S. Treasury ("UST") increased by 6,16 and 19bps respectively for the 5, 10, 30 years tenors in January 2021, driven primarily by optimism over the prospects of economic recovery. Such sentiments were underpinned by positive vaccine developments coupled with the election of Joe Biden and the Democrats taking control of both houses in Congress. Subsequent to his election, the president elect announced a proposed 1.9 trillion USD stimulus to cushion the economic ramifications brought about by the pandemic. The proposal shored up hopes for economic recovery and was reflected in the increase of UST yield. Additionally, the Federal Reserve's vocal stance of maintaining its dovish stance is also attributable to the increase in yields during the month.

On the local front, trading activities for govies market was more robust with RM74.1 billion traded in January 2021 compared with RM40.2 billion recorded in December 2020. On a monthly basis, the yield curve was steeper in January 2021 as the 3- and 5-year MGS yields declined by 3bps while yields for 10-, 15-, and 30-year MGS increased by 5bps, 10 bps and 9bps respectively. The demand for shorter term MGS was anchored on bearish sentiments of overall economic prospects given the continued spike in Covid-19 infections during the month. Additionally, the movement control order (MCO) 2.0 and its potential extension have also pressured prospects of economic recovery in the near term. Long end curve was hit by the expectation of a 25bps cut in OPR in the Jan 20th Monetary Policy Meeting ("MPC") which did not materialize as central bank held rates steady at 1.75%. Over the final week of January 2021, govies yield held steady, supported by Moody's reaffirmation of Malaysia's sovereign rating.

The corporate bond segment saw yields declining month on month across most of the tenors. Interest in the segment was driven primarily by hunts for yield given current low govies yields. In January 2021, Quasi and AAA bonds accounted for 55% of total traded volume, reflecting the demand for more liquid bonds. As of end January 2021, the spread for AAA 10Y bonds against MGS of similar tenor stood at 62bps or tighter by 6bps month on month. On the primary front, some prominent new issuances for the month were Danga Capital (RM2 billion, AAA) and Cagamas Berhad (RM110 million, AAA).

In the near term, the focus will center on the infection rate of Covid-19 and the MCO which was recently extended to 18 February from the initial 26 January. Additionally, eyes will also be S&P rating which has Malaysia's sovereign on a negative outlook. The timeline, progress and efficacy of the nation's vaccine programme will also exert considerable influence over yield movement. Over the near term, yield could be driven further down on renewed talks of OPR cuts in March as prolonged lock down may impact economic data and recovery pace which has been reiterated by BNM as rate decision factors. We will closely monitor the economic data releases and should strategically take profit when the sovereign market rally.

## 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.**

## 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.



## HLA Venture Managed Fund (HLAVMF)

### 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
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- 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.
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- 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.

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### Disclaimer:

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# HLA Venture Income Fund (HLAVIF)

Jan 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

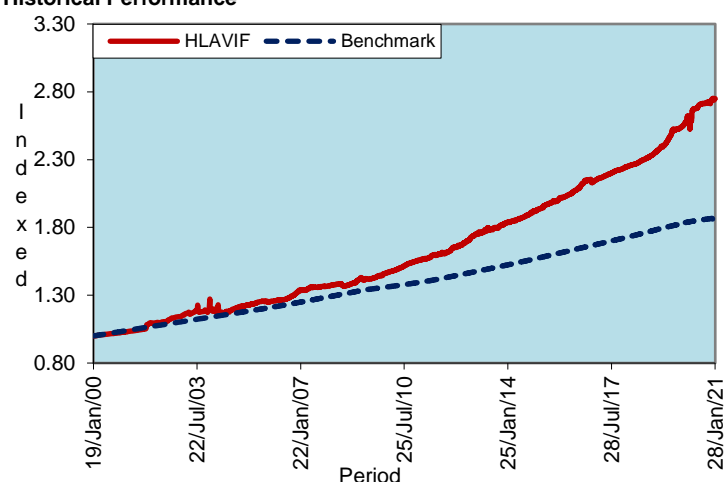
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (29/1/2021)	:RM2.7508
Fund Size (29/1/2021)	:RM391.4 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.

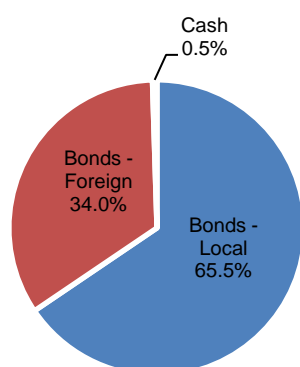
## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVIF	0.09%	0.09%	6.62%	22.38%	35.15%	76.56%	175.08%
Benchmark*	0.14%	0.14%	1.43%	7.86%	14.64%	33.50%	86.24%
Relative	-0.04%	-0.04%	5.19%	14.52%	20.51%	43.06%	88.84%

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

Asset Allocation of HLAVIF as at 29 Jan 2021



## Top 5 Holdings for HLAVIF as at 29 Jan 2021

	%
1. M'SIAN GOVERNMENT SECURITIES 0	16.3
2. MALAYSIA INVESTMENT ISSUE 3	13.6
3. M'SIAN GOVERNMENT SECURITIES 1	12.6
4. MALAYSIA INVESTMENT ISSUE 3	8.3
5. M'SIAN GOVERNMENT SECURITIES 1	5.3
<b>Total Top 5</b>	<b>55.9</b>



# HLA Venture Income Fund (HLAVIF)

## Market Review

The yields of U.S. Treasury ("UST") increased by 6,16 and 19bps respectively for the 5, 10, 30 years tenors in January 2021, driven primarily by optimism over the prospects of economic recovery. Such sentiments were underpinned by positive vaccine developments coupled with the election of Joe Biden and the Democrats taking control of both houses in Congress. Subsequent to his election, the president elect announced a proposed 1.9 trillion USD stimulus to cushion the economic ramifications brought about by the pandemic. The proposal shored up hopes for economic recovery and was reflected in the increase of UST yield. Additionally, the Federal Reserve's vocal stance of maintaining its dovish stance is also attributable to the increase in yields during the month.

On the local front, trading activities for govies market was more robust with RM74.1 billion traded in January 2021 compared with RM40.2 billion recorded in December 2020. On a monthly basis, the yield curve was steeper in January 2021 as the 3- and 5-year MGS yields declined by 3bps while yields for 10-, 15-, and 30-year MGS increased by 5bps, 10 bps and 9bps respectively. The demand for shorter term MGS was anchored on bearish sentiments of overall economic prospects given the continued spike in Covid-19 infections during the month. Additionally, the movement control order (MCO) 2.0 and its potential extension have also pressured prospects of economic recovery in the near term. Long end curve was hit by the expectation of a 25bps cut in OPR in the Jan 20th Monetary Policy Meeting ("MPC") which did not materialize as central bank held rates steady at 1.75%. Over the final week of January 2021, govies yield held steady, supported by Moody's reaffirmation of Malaysia's sovereign rating.

The corporate bond segment saw yields declining month on month across most of the tenors. Interest in the segment was driven primarily by hunts for yield given current low govies yields. In January 2021, Quasi and AAA bonds accounted for 55% of total traded volume, reflecting the demand for more liquid bonds. As of end January 2021, the spread for AAA 10Y bonds against MGS of similar tenor stood at 62bps or tighter by 6bps month on month. On the primary front, some prominent new issuances for the month were Danga Capital (RM2 billion, AAA) and Cagamas Berhad (RM110 million, AAA).

## Market Outlook & Strategy

In the near term, the focus will center on the infection rate of Covid-19 and the MCO which was recently extended to 18 February from the initial 26 January. Additionally, eyes will also be S&P rating which has Malaysia's sovereign on a negative outlook. The timeline, progress and efficacy of the nation's vaccine programme will also exert considerable influence over yield movement. Over the near term, yield could be driven further down on renewed talks of OPR cuts in March as prolonged lock down may impact economic data and recovery pace which has been reiterated by BNM as rate decision factors. We will closely monitor the economic data releases and should strategically take profit when the sovereign market rally.

## 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.

### 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



## HLA Venture Income Fund (HLAVIF)

- (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)

Jan 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.

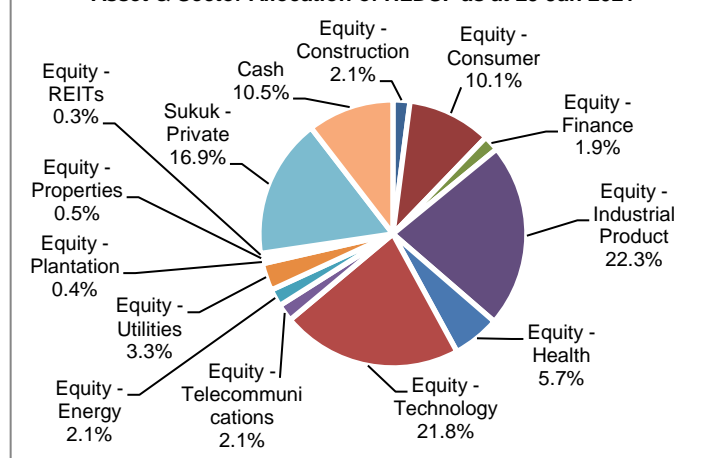
## Fund Details

Unit Price (29/1/2021)	:RM1.5165
Fund Size (29/1/2021)	:RM9.3 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 Emas Shariah 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.

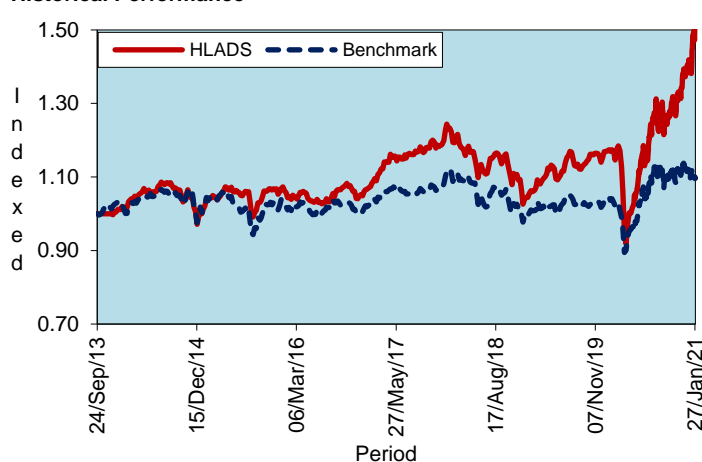
Asset & Sector Allocation of HLDSF as at 29 Jan 2021



Top 5 Holdings for HLADS as at 29 Jan 2021

		%
1.	Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA)	Sukuk 5.0
2.	SCIB	Equity 4.6
3.	Government Investment Issue	Sukuk 4.5
4.	Topglove Corp Berhad	Equity 3.8
5.	Focus Point Holdings Bhd	Equity 3.0
Total Top 5		20.9

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLADS	7.29%	7.29%	29.95%	23.95%	45.29%	51.65%
Benchmark*	-1.40%	-1.40%	6.65%	-1.37%	8.67%	9.77%
Relative	8.70%	8.70%	23.30%	25.32%	36.62%	41.88%

\*Source: Bloomberg

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



## HLA Dana Suria (HLADS)

### Market Review, Outlook & Strategy

Global equities ended the month of January lower despite the initial gains as sentiment was dragged towards the end of the month with concerns over expensive valuations, the rising number of Covid-19 cases and the slow inoculations of vaccines globally. However, investors should be able to take comfort from better-than-expected US 4Q20 earnings driven by IT and Banks. Macro wise, US GDP declined by 3.5% in 2020 (the first decline since the global financial crisis) and consensus now expects the US economy to grow between 4-5% in 2021. The US Fed has also kept its monetary policy on hold at its January meeting with no changes to its forward guidance on interest rates and asset purchases as well as indicating that rising inflation would not be a concern for now. Policies are expected to remain accommodative with an expected growth acceleration later this year. During the month, we also saw the tug of war between individuals and professional investors. Retail frenzies drove up the share prices of the likes of GameStop Corp and AMC Entertainment Holdings Inc while some of Wall Street's titan hedge funds had to lick their wounds following a series of short-squeeze events. The ruckus has also caused some hedge funds to change their shorting strategy to avoid the limelight. Volatility will continue to be high as trading sentiment has become more emotional with retailers ganging up on the hedgies.

The FBM KLCI was unfortunately the second worst performing market in Asean after Philippines. At the start of the year, we saw the resumption of regulated short selling on Bursa and the glove counters bore the brunt of sell-down during the first four trading days of the year. Sentiment was further spooked with rising Covid-19 cases and rumours of the reimposition of MCO. This materialised on 13th January beginning with 6 states but the situation has since deteriorated with cases hitting above 5k per day that has resulted in the whole country (except Sarawak) being placed under MCO. However, the economic losses per day under MCO 2.0 is around 40% less than the earlier MCO as more businesses are allowed to operate in some form. The Yang Di-Pertuan Agong also assented to the PM's request to declare a State of Emergency to suspend all political activities until 1st Aug, thereby giving some stability on the political front. On the vaccine side, Malaysia has so far signed agreements equivalent to ~81% of the population to be inoculated with various vaccine manufacturers, but immunisation will likely span over several phases beginning with front-liners from March, elderly/those with co-morbidities from May and the rest from August 2021.

Foreign and local institutions were net sellers of banks and rotated partially into healthcare stocks. Local retailers maintained their bullish stance on the market, net purchasing close to RM600m worth of stocks across most sectors except for healthcare (RM-195m) and technology (RM-19m). The FBMKLCI underperformed the broader market in the first trading month of 2021 with a larger decline. The KLCI declined by 3.7% mom to 1,566.40 pts. FBM Shariah Index, FBM Emas and FBM Small Cap indices were down by 2.2% mom, 3.4% mom and 2.5% mom respectively. KLTEC Index saw a +17.6% mom gain in January following the record-breaking capex plan commitments by large global foundries.

Regionally, investors will be following closely the roll-out of the vaccination programme in the developed world particularly in the US as well as prospects of another fiscal stimulus amounting to US\$1.9 trillion by newly-elected President Joe Biden. Domestically, the current high daily Covid-19 cases is straining the healthcare system to a breaking point. There could potentially be more cases involving foreign workers who are yet to be reported as only c.15% of the 1.7m foreign workers have done the mandatory Covid-19 screening since 1 Dec 20. Nevertheless, the government has reassured that it will not implement a total lockdown even under the worst-case scenario. With the current state of emergency lasting until Aug 21, this provides some sort of political stability until then. We will continue to be invested in both Covid-19 and recovery beneficiaries, skewing more towards the recovery theme.

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

The yields of U.S. Treasury ("UST") increased by 6,16 and 19bps respectively for the 5, 10, 30 years tenors in January 2021, driven primarily by optimism over the prospects of economic recovery. Such sentiments were underpinned by positive vaccine developments coupled with the election of Joe Biden and the Democrats taking control of both houses in Congress. Subsequent to his election, the president elect announced a proposed 1.9 trillion USD stimulus to cushion the economic ramifications brought about by the pandemic. The proposal shored up hopes for economic recovery and was reflected in the increase of UST yield. Additionally, the Federal Reserve's vocal stance of maintaining its dovish stance is also attributable to the increase in yields during the month.

On the local front, trading activities for govies market was more robust with RM74.1 billion traded in January 2021 compared with RM40.2 billion recorded in December 2020. On a monthly basis, the yield curve was steeper in January 2021 as the 3- and 5-year MGS yields declined by 3bps while yields for 10-, 15-, and 30-year MGS increased by 5bps, 10 bps and 9bps respectively. The demand for shorter term MGS was anchored on bearish sentiments of overall economic prospects given the continued spike in Covid-19 infections during the month. Additionally, the movement control order (MCO) 2.0 and its potential extension have also pressured prospects of economic recovery in the near term. Long end curve was hit by the expectation of a 25bps cut in OPR in the Jan 20th Monetary Policy Meeting ("MPC") which did not materialize as central bank held rates steady at 1.75%. Over the final week of January 2021, govies yield held steady, supported by Moody's reaffirmation of Malaysia's sovereign rating.

The corporate bond segment saw yields declining month on month across most of the tenors. Interest in the segment was driven primarily by hunts for yield given current low govies yields. In January 2021, Quasi and AAA bonds accounted for 55% of total traded volume, reflecting the demand for more liquid bonds. As of end January 2021, the spread for AAA 10Y bonds against MGS of similar tenor stood at 62bps or tighter by 6bps month on month. On the primary front, some prominent new issuances for the month were Danga Capital (RM2 billion, AAA) and Cagamas Berhad (RM110 million, AAA).

In the near term, the focus will center on the infection rate of Covid-19 and the MCO which was recently extended to 18 February from the initial 26 January. Additionally, eyes will also be S&P rating which has Malaysia's sovereign on a negative outlook. The timeline, progress and efficacy of the nation's vaccine programme will also exert considerable influence over yield movement. Over the near term, yield could be driven further down on renewed talks of OPR cuts in March as prolonged lock down may impact economic data and recovery pace which has been reiterated by BNM as rate decision factors. We will closely monitor the economic data releases and should strategically take profit when the sovereign market rally.

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

Year	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	3.3%	-1.4%	2.2%	0.4%	7.5%	-7.5%	4.3%	6.7%
<b>HLADS - Gross</b>	2.7%	1.5%	7.4%	-0.6%	17.0%	-12.6%	14.5%	24.1%
<b>HLADS - Net</b>	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.

### 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.



## HLA Dana Suria (HLADS)

### 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.

### Others

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

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



## HLA Dana Suria (HLADS)

**Disclaimer:**

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



# HLA Secure Fund (HLASF)

Jan 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.

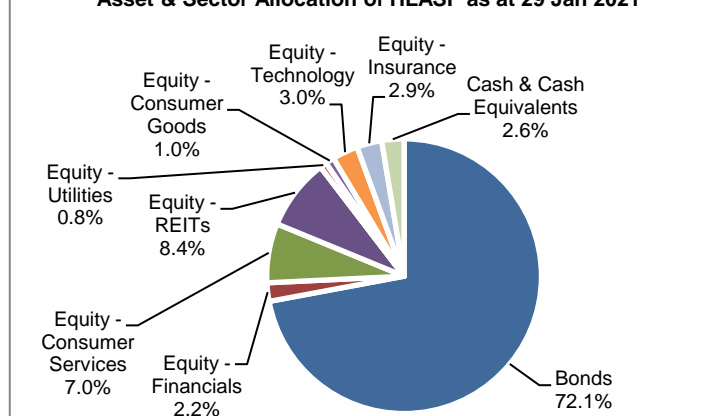
## Fund Details

Unit Price (29/1/2021)	:RM1.5215
Fund Size (29/1/2021)	:RM23.7 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.

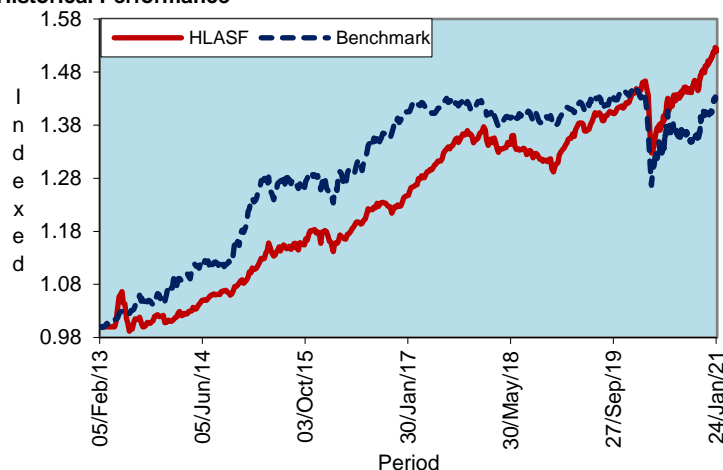
Asset & Sector Allocation of HLASF as at 29 Jan 2021



Top 5 Holdings for HLASF as at 29 Jan 2021

		%
1.	MGS	FI 2.0
2.	Lafarge Cement Sdn Bhd	FI 1.6
3.	Weichai Int HK Energy Grp Co	FI 1.6
4.	TSMC	Equity 1.6
5.	AIA Group Ltd	Equity 1.5
Total Top 5		8.3

Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	1.12%	1.12%	5.39%	11.00%	31.02%	52.15%
Benchmark*	0.75%	0.75%	-1.55%	-0.26%	13.05%	41.31%
Relative	0.36%	0.36%	6.94%	11.26%	17.97%	10.84%

\*Source: AffinHwang

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



# HLA Secure Fund (HLASF)

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

Global equities started on a strong note in 2021 buoyed by continued policy easing and global vaccine roll-outs, before succumbing to some market jitters following the GameStop mania. The S&P 500 closed 0.63% lower as investors' nerves were frayed over the retail frenzy in markets. Asian fared better with the MSCI Asia ex-Japan index up 4.48% in January as the region gains better control over the pandemic and sees gradual recovery in economic activities. GameStop a video game retailer listed in the US was on everyone's radar last month as its share price vaulted to stratospheric highs. Urged on by bullish posts in online forum Reddit, retail traders ganged up to take on hedge funds who were shorting GameStop. Retail investors drove up the share price of GameStop causing a short squeeze which rattled hedge funds. In other news, the Biden administration are working to move ahead with the US\$1.9 trillion COVID-19 relief proposal via a budget reconciliation process; which essentially allows any bill – crafted within a set of strict parameters – to be passed in the Senate with a simple majority of 51 votes, as opposed to the 60 votes needed to overcome any objection to the proposal.

So far, we see the buying frenzy only concentrated on specific stocks and more recently on silver which have bearish bets. However, we've already seen signs of normalisation as the ammunition runs out. Thereafter, prices should settle and revert back to fundamentals. Meanwhile, earnings season has continued to trickle in which have so far beat expectations. In the US, 37.0% of companies in the S&P 500 index have reported results. Out of this, 82.0% of companies have beaten expectations. Similar in Asia, we are seeing upward earnings revisions on an aggregate basis. Looking at fund flows, global equities continued to attract inflows despite the market weakness last week. For the week ending 27 January 2021, global equities drew another US\$23 billion of inflows. On a YTD basis, inflows into global equities have reached US\$80 billion this year.

On the domestic front, the local market stayed weak with the benchmark KLCI closing 3.74% lower as rising COVID-19 cases in the country dampened sentiment. Attempts by local retail investors to drive up the share price of rubber glove stocks being shorted such as Top Glove also sputtered. Drawing inspiration from the GameStop mania, retail investors in the country teamed up to start a new online forum in Reddit called "BursaBets" as well as Telegram chatrooms to replicate the same success on the local bourse. A short squeeze scenario will not be easy to emulate in Malaysia given that short-selling is regulated in the country as well as a low free float of shares that can be shorted. Daily COVID-19 infections reached chilling new highs in the country of over 5,000 cases last week. Government officials have assured that will be no shutdown of economic activities despite rising cases. The movement control order was also recently extended to 18 February.

## 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

## 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:



## HLA Secure Fund (HLASF)

- 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.

**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 Cash Fund (HLACF)

Jan 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

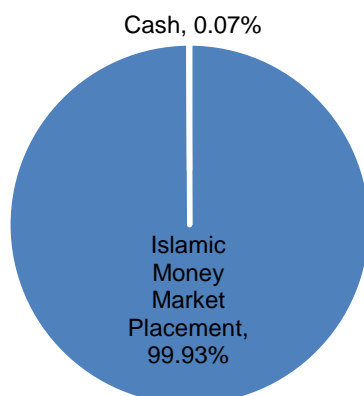
This fund is suitable for investors who are low risk profile.

### Fund Details

Unit Price (29/1/2021)	: RM1.2846
Fund Size (29/1/2021)	: RM30.0 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.

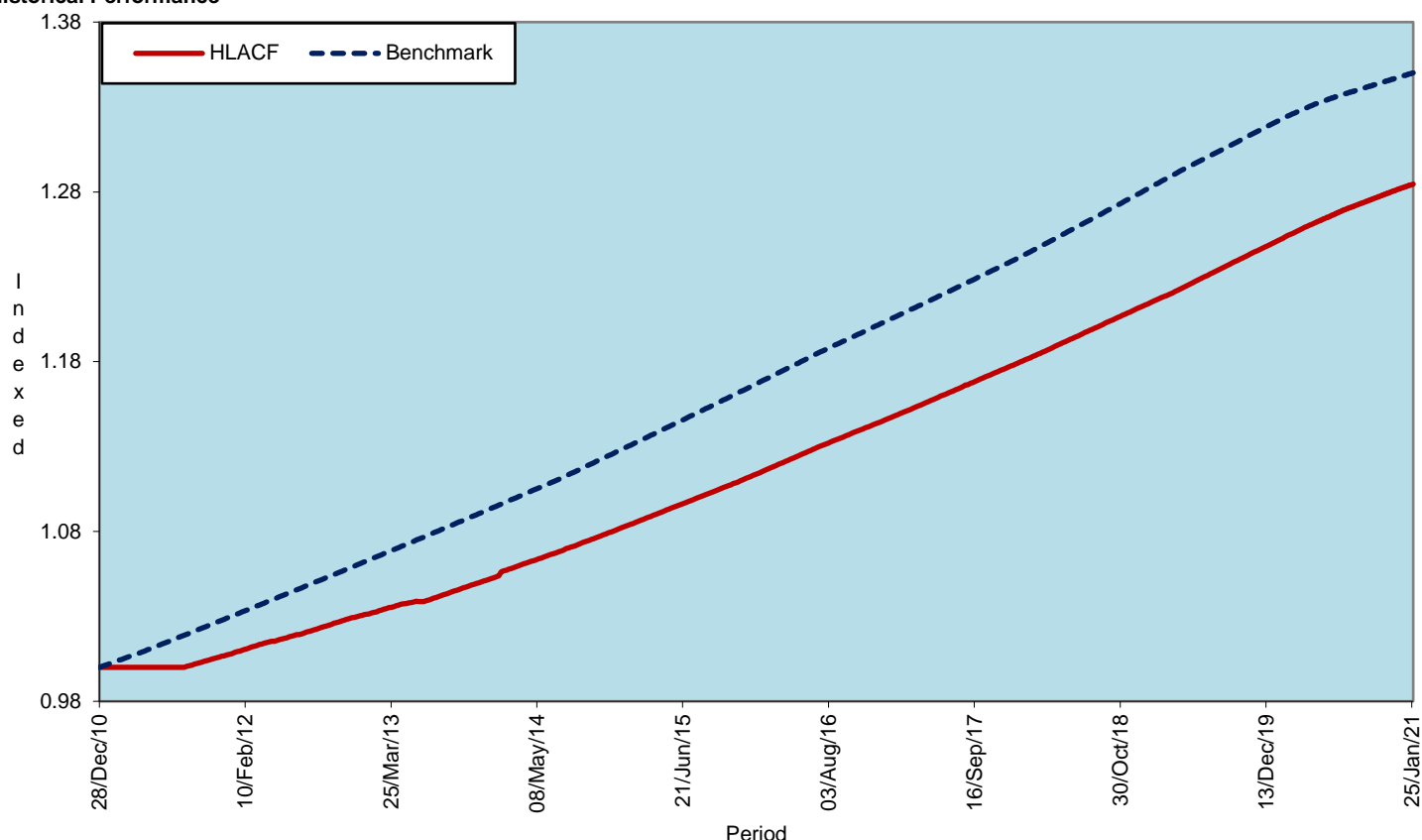
Asset & Sector Allocation of HLACF as at 29 Jan 2021





## HLA Cash Fund (HLACF)

### Historical Performance



As of 29/01/21	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLACF	0.16%	0.16%	2.55%	8.83%	15.22%	28.46%
Benchmark*	0.14%	0.14%	2.03%	8.66%	15.57%	35.01%
Relative	0.02%	0.02%	0.51%	0.16%	-0.35%	-6.55%

\*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 refers 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

### 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.



## HLA Cash Fund (HLACF)

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.

**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 Horizon Funds

Jan 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<sub>t</sub> is the mark-to-market value of MVO per unit

MVO<sub>prevPT</sub> 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 @ 29/1/2021	Fund Size 29/1/2021	Guaranteed Unit Price upon Fund Maturity (updated @ 29/12/2020)
HLA Horizon28 Fund	:08/10/2028	RM1.1082	RM5,701,119.94	RM1.00
HLA Horizon38 Fund	:08/10/2038	RM1.2370	RM228,247,060.78	RM1.50
HLA Horizon48 Fund	:08/10/2048	RM1.3224	RM114,421,034.47	RM2.00

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

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## HLA Horizon Funds

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

### Performance Snapshot

Fund	1 Month	1 Year
HLA Horizon28	2.68%	1.45%
HLA Horizon38	3.49%	3.77%
HLA Horizon48	3.93%	4.12%

### Exposure to MVO Strategy

Fund	Exposure as at 29/1/2021
HLA Horizon28	91.09%
HLA Horizon38	104.82%
HLA Horizon48	139.82%

### Market Review (by Hong Leong Bank Berhad)

As the Biden administration's cabinet is taking shape, we reflect on the past and present views of his appointees. One thing stands out: the US will have an industrial policy, clearly aimed at competing better with China. It is not adopting the Cold War era policies of constructing a bipolar world, divided simply into military foes and friends. Instead, in a complex web of geo-economics, the US seeks to strengthen its economy and security by maintaining its technology lead - and supporting commercialization thereof at home. President Biden is seeking not Cold War but Sputnik redux.

After a strong finish to the year, the performance in EM local markets was somewhat disappointing at the start of the year. The possibility of a larger US fiscal stimulus package and ongoing robust inflows, were not able to offset pressure arising from extended lockdowns across most countries and a rather slow vaccination roll-out.

Bank Negara Malaysia kept its policy settings unchanged, as we'd expected. While suggesting it had lowered its outlook for economic growth this year, and still recognizing downside risks, the central bank described the current policy stance as "appropriate and accommodative". We agree and expect the next move from BNM will be a rate hike in the second quarter of next year.

In the near term, to be sure, the economy will likely struggle to gain momentum. The government re-imposed a Movement Control Order (MCO) in most of the country in response to soaring Covid-19 infections. Even before this announcement, Malaysians had responded to this spike in infections by sharply reducing their mobility. If the MCO is relaxed by the end of February – it's supposed to be withdrawn sooner – the economic impact may be reversed by April. We expect BNM to begin removing stimulus gradually from Q2 next year, returning to neutral perhaps late in 2023.

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 29-Jan-21)	-5.44%	-6.60%	-8.02%
Basket Value (as of 30-Dec-20)	-5.79%	-7.00%	-8.71%

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 29 Jan 2021

Indices	Bloomberg Ticker	Weightage (%)	Monthly Performance
iShares MSCI EM Index Fund	EEM US Equity	20.00%	3.11%
S&P 500 Index	SPX Index	8.77%	-0.48%
Euro Stoxx 50 Index	SX5E Index	2.98%	-3.66%
Hang Seng China Enterprises Index	HSCEI Index	23.36%	5.12%
Gold	GOLDLNAM Index	0.00%	-1.32%
Templeton Global Bond Fund	FTGBFAC LX Equity	27.85%	-0.69%
PIMCO Funds – Total Return Bond Fund	PTRBDFE ID Equity	17.04%	-0.60%
DB Fed Funds Effective Rate TR Index	DBMMFED1 Index	0.00%	0.01%
<b>Total</b>		<b>100.00%</b>	

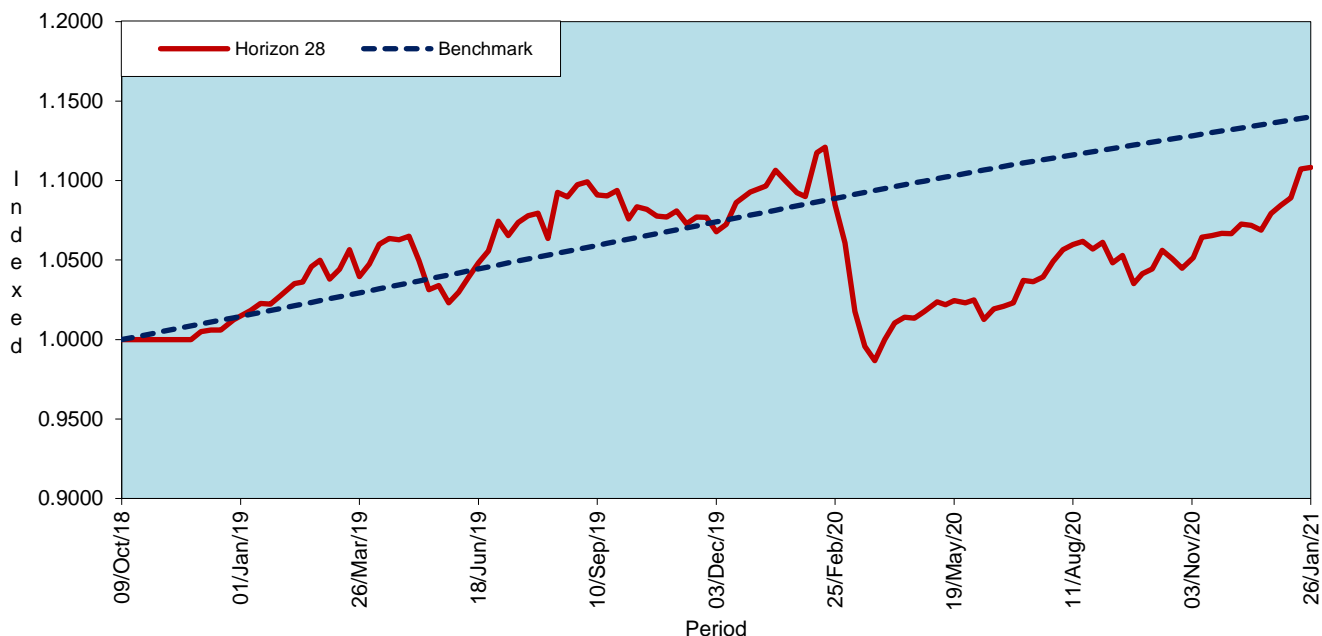


# HLA Horizon Funds

## Historical Performance

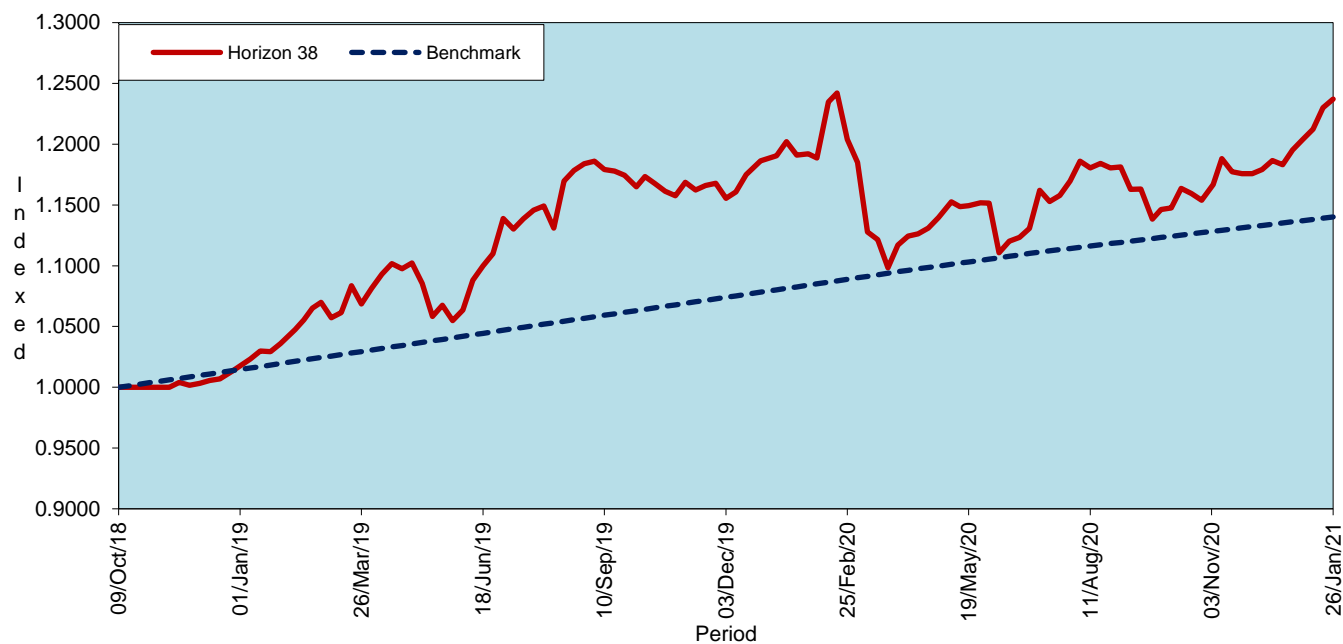
HLA Horizon28 Fund						
As of 29/1/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon28	2.68%	2.68%	1.45%	-	-	10.82%
KLIBOR+2.65% p.a.*	5.37%	0.44%	5.37%	-	-	13.61%
Performance vs Benchmark	-2.69%	2.24%	-3.92%	-	-	-2.79%

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



HLA Horizon38 Fund						
As of 29/1/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon38	3.49%	3.49%	3.77%	0.00%	0.00%	23.70%
KLIBOR+2.65% p.a.*	5.37%	0.44%	5.37%	0.00%	0.00%	13.61%
Performance vs Benchmark	-1.88%	3.05%	-1.60%	0.00%	0.00%	10.09%

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

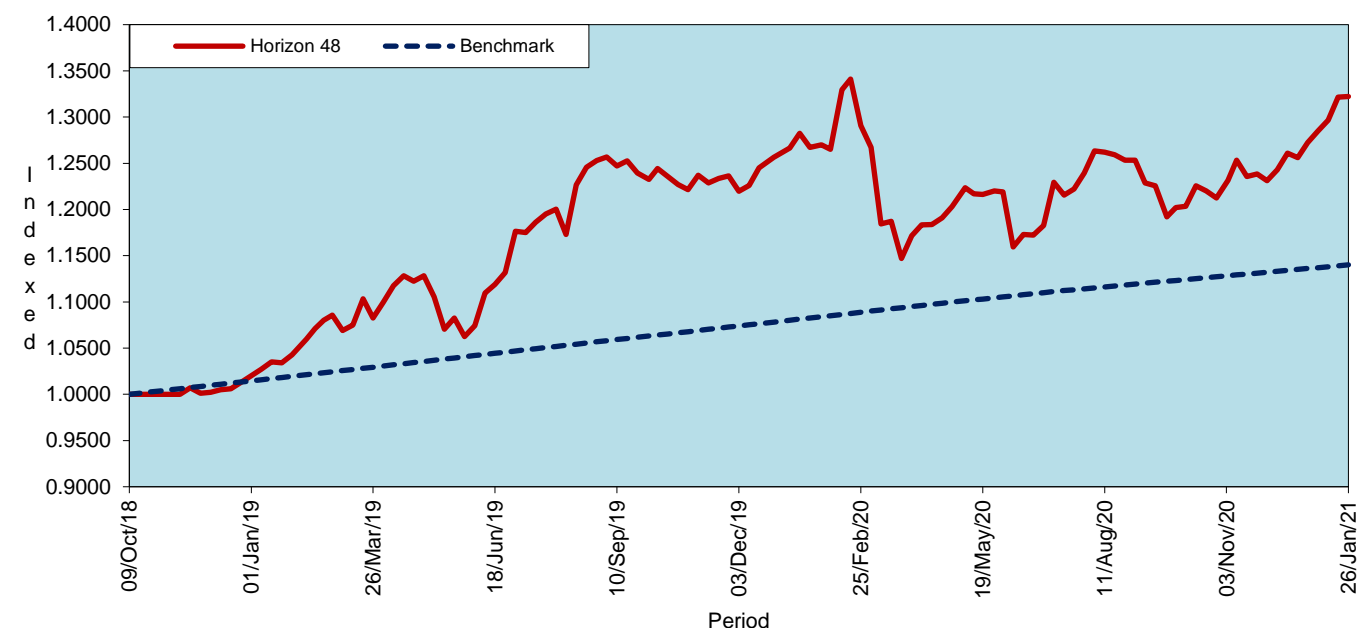




## HLA Horizon Funds

HLA Horizon48 Fund						
As of 29/1/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon48	3.93%	3.93%	4.12%	0.00%	0.00%	32.24%
KLIBOR+2.65% p.a.*	5.37%	0.44%	5.37%	0.00%	0.00%	13.61%
Performance vs Benchmark	-1.44%	3.49%	-1.25%	0.00%	0.00%	18.63%

**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
Benchmark	6.4%	6.4%	5.4%
HLA HORIZON28 – Gross	1.7%	10.0%	0.1%
HLA HORIZON28 – Net	1.3%	7.9%	-1.2%
HLA HORIZON38 – Gross	1.8%	19.9%	2.2%
HLA HORIZON38 – Net	1.3%	17.1%	0.8%
HLA HORIZON48 – Gross	1.9%	27.3%	2.8%
HLA HORIZON48 – Net	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.

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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 EverGreen Funds

Jan 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 (26/1/2021)	Fund Size (26/1/2021)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM1.1590	RM25.93 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM1.1366	RM10.84 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM1.0768	RM17.39 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM1.0398	RM53.40 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.9182	RM872.47 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)

January 2021 was an eventful start of the year as the number of COVID-19 infections swelled to levels that provided an impetus for the Malaysian government to implement yet another Movement Control Order (MCO) to quell the spread of the pandemic. This was shortly followed by a declaration of a national emergency which aimed to further combat the impact of the coronavirus. In addition, the government also announced a MYR15 billion stimulus package to aid demand during the pandemic. In other news, the international credit rating agency, Moody's, affirmed Malaysia's A3 credit rating and opined that the nation has a stable outlook. This was in contrast to the verdict of another credit rating agency, Fitch, that downgraded the country's credit rating to one rung lower based on concerns about the pandemic's effect on the economy. Bank Negara Malaysia (BNM) decided to keep the benchmark Overnight Policy Rate constant during the first Monetary Policy Committee meeting of the year. This was the third straight meeting in which the central bank decided to stand pat. Some market participants are of the view that BNM may cut the rate at some point this year to provide extra support for the economy especially as the new iteration of MCO might dampen economic activity. Over the course of the month, short term interest rates declined. (Source: CIMB Research)

*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.*

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

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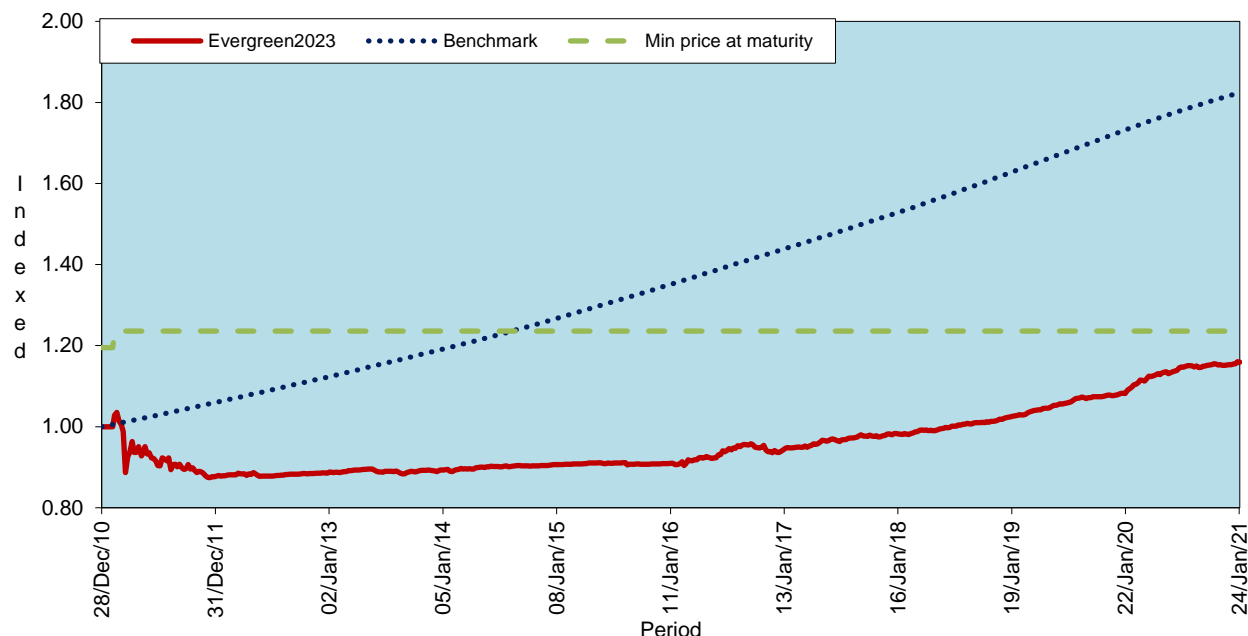


# HLA EverGreen Funds

## Historical Performance

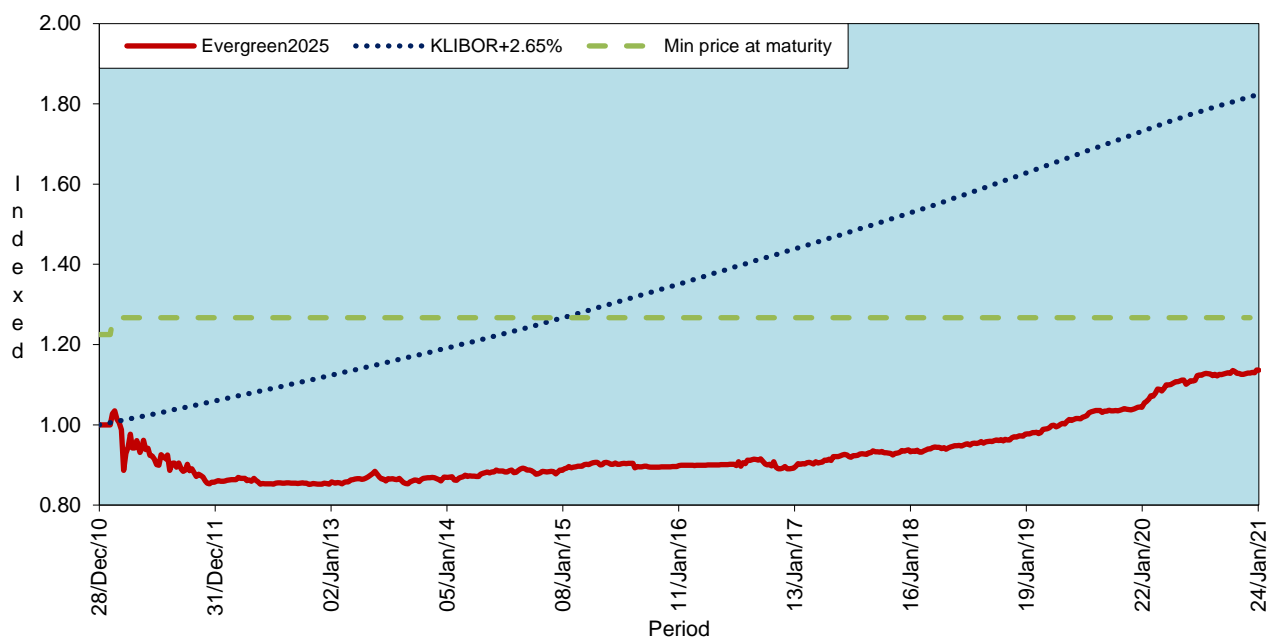
HLA EverGreen 2023 Fund						
As of 26/1/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2023	0.49%	0.49%	6.31%	18.22%	27.88%	15.90%
KLIBOR+2.65% p.a.*	0.35%	0.35%	5.20%	19.05%	34.67%	82.41%
Performance vs Benchmark	0.14%	0.14%	1.11%	-0.83%	-6.79%	-66.51%

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



HLA EverGreen 2025 Fund						
As of 26/1/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2025	0.67%	0.67%	7.79%	21.80%	26.43%	13.66%
KLIBOR+2.65% p.a.*	0.35%	0.35%	5.20%	19.05%	34.67%	82.41%
Performance vs Benchmark	0.32%	0.32%	2.58%	2.75%	-8.24%	-68.75%

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

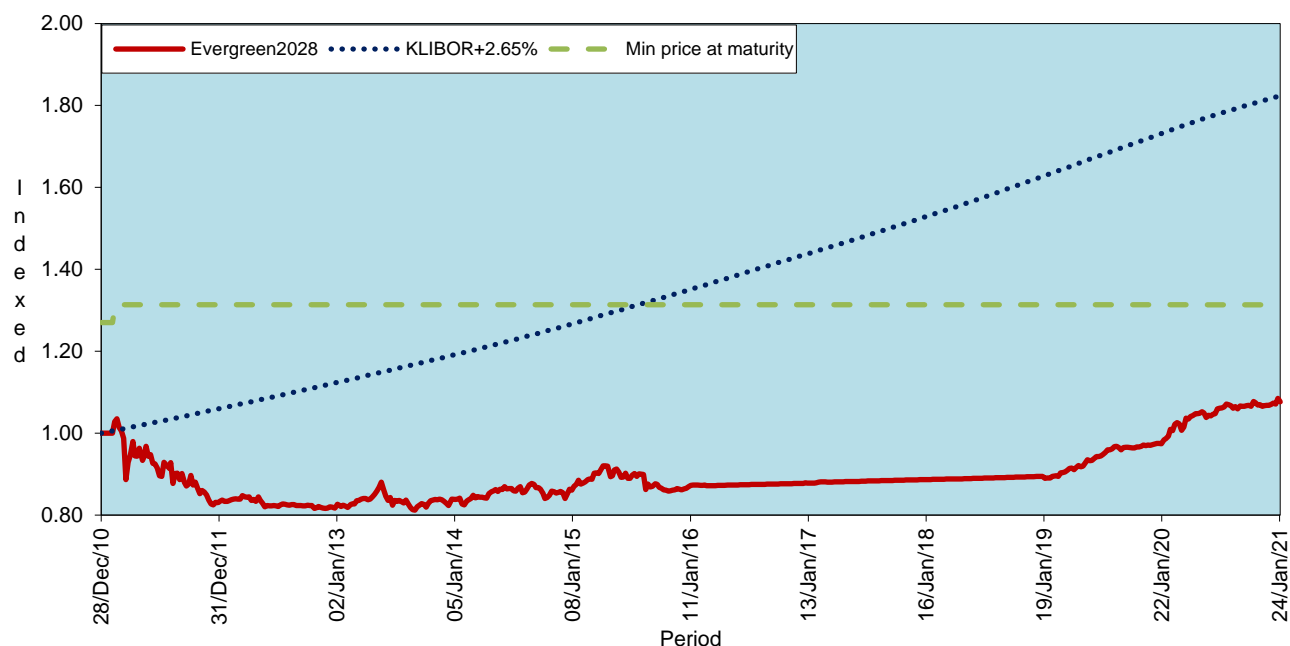




## HLA EverGreen Funds

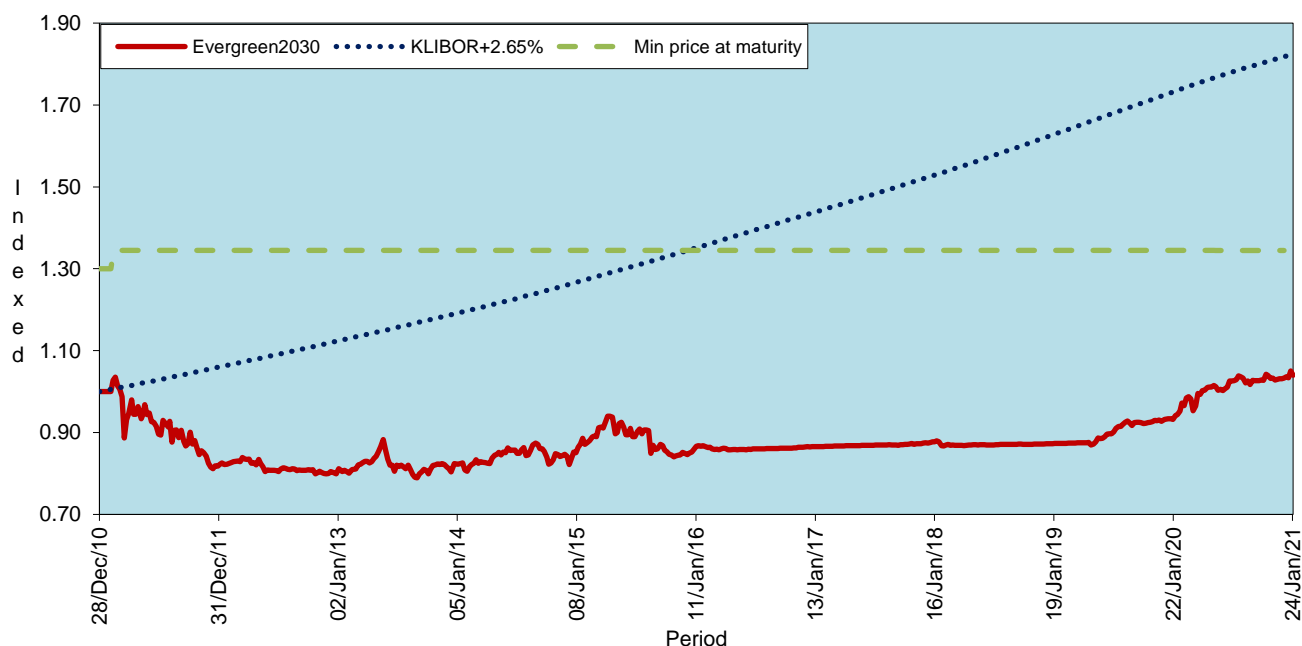
HLA EverGreen 2028 Fund						
As of 26/1/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2028	0.63%	0.63%	9.45%	21.41%	23.34%	7.68%
KLIBOR+2.65% p.a.*	0.35%	0.35%	5.20%	19.05%	34.67%	82.41%
Performance vs Benchmark	0.27%	0.27%	4.25%	2.36%	-11.33%	-74.73%

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



HLA EverGreen 2030 Fund						
As of 26/1/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2030	0.67%	0.67%	10.43%	18.56%	20.06%	3.98%
KLIBOR+2.65% p.a.*	0.35%	0.35%	5.20%	19.05%	34.67%	82.41%
Performance vs Benchmark	0.32%	0.32%	5.22%	-0.48%	-14.62%	-78.43%

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

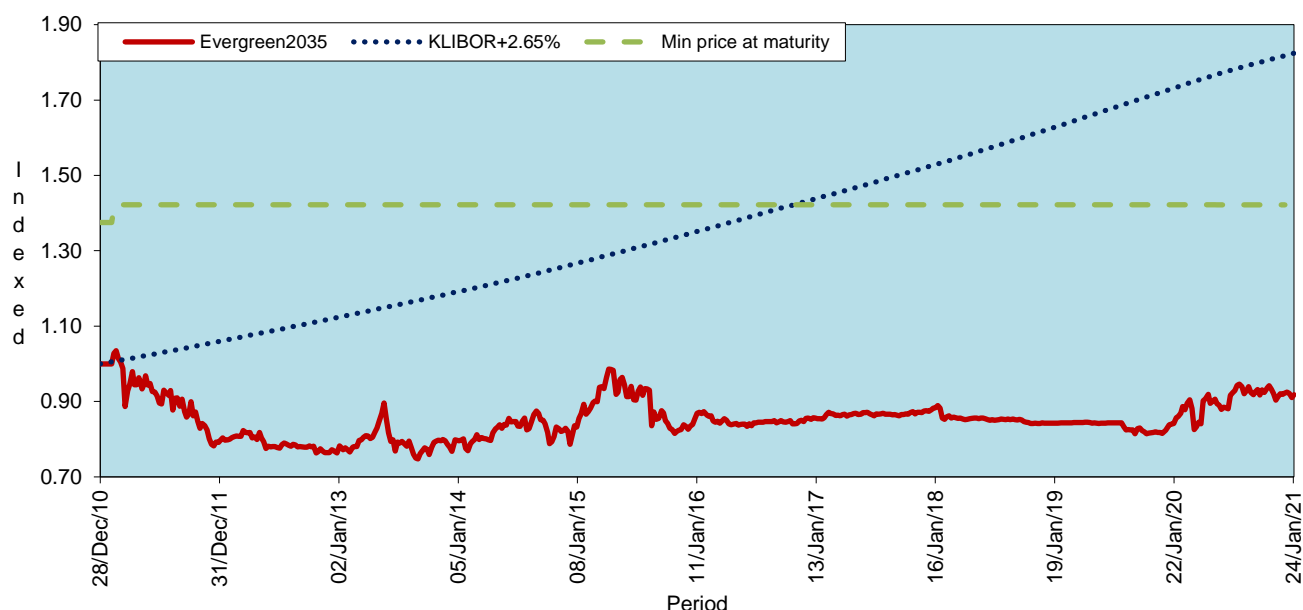




## HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 26/1/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2035	-0.43%	-0.43%	7.18%	4.09%	5.77%	-8.18%
KLIBOR+2.65% p.a.*	0.35%	0.35%	5.20%	19.05%	34.67%	82.41%
Performance vs Benchmark	-0.79%	-0.79%	1.97%	-14.96%	-28.90%	-90.59%

**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.

#### 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. 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.



## HLA EverGreen Funds

### 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:

- 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.

### 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.

**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

### **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.



