# HLA Cash Fund (HLACF)

**June 2022**

**Fund Features**

**1. Investment Objective**

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

**2. Investment Strategy & Approach**

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

**3. Asset Allocation**

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

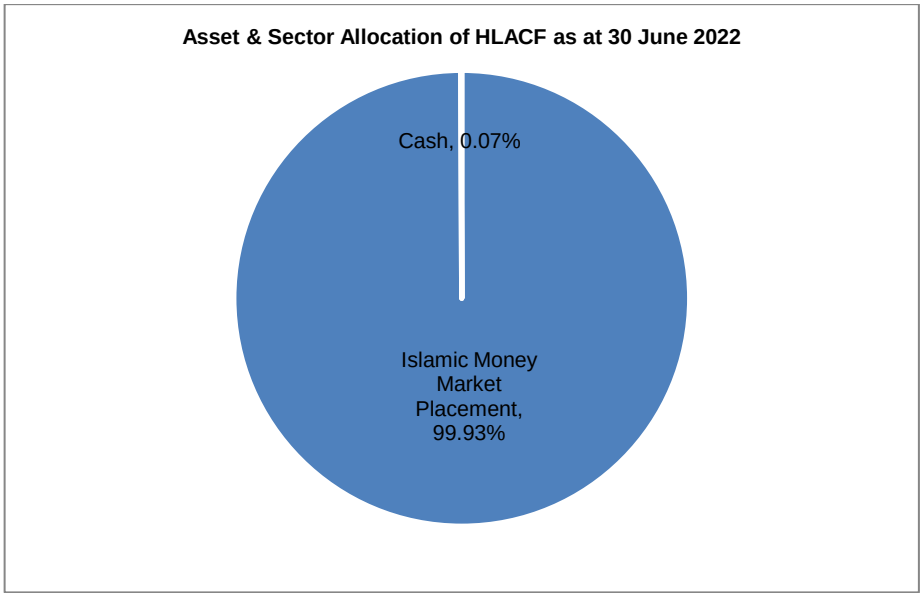
**4. Target Market**

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

**Fund Details**

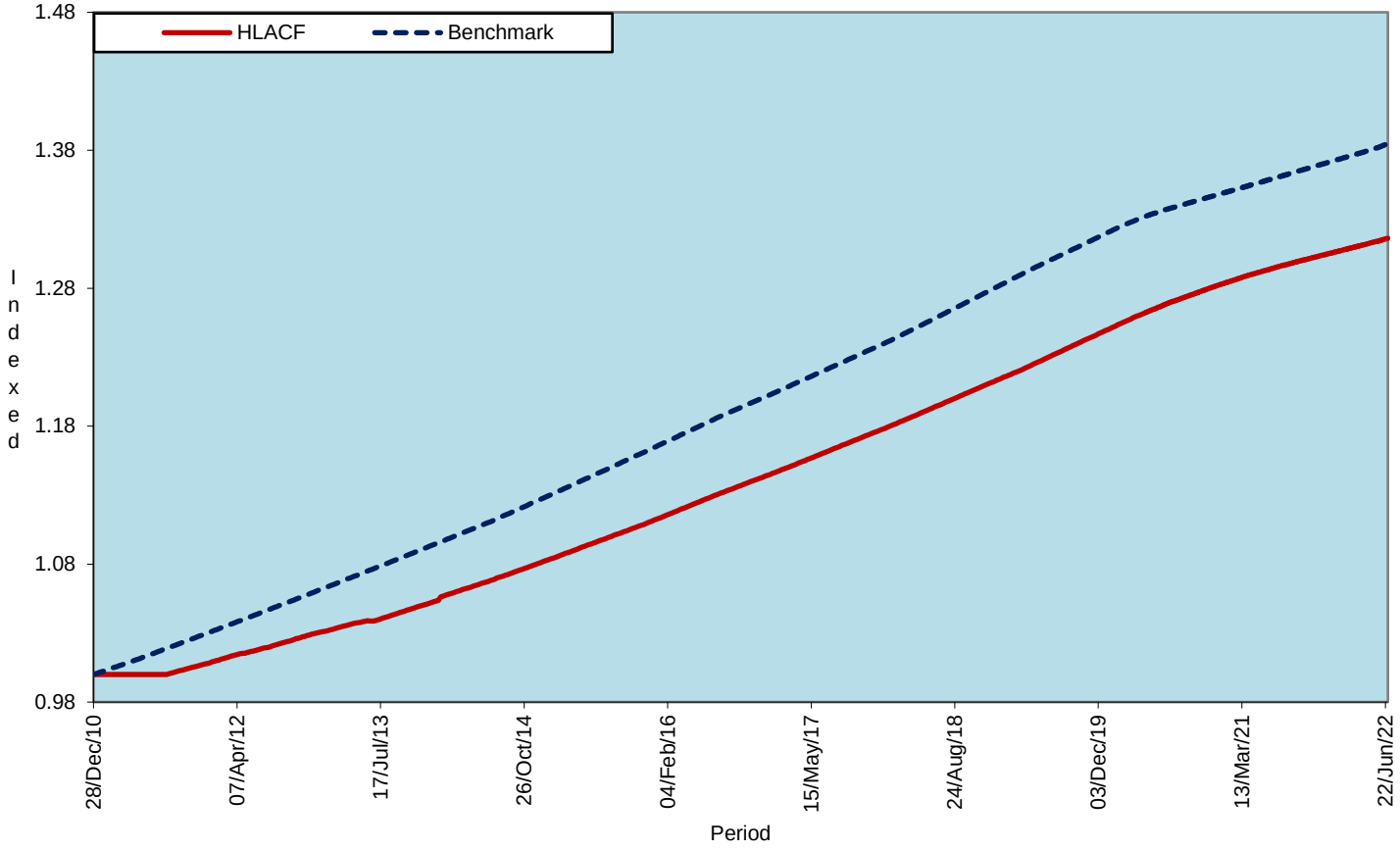
| | |
|---|---|
| **Unit Price (30/6/2022)** | : RM1.3162 |
| **Fund Size (30/6/2022)** | : RM27.4 mil |
| **Fund Management Fee** | :0.25% p.a. |
| **Fund Manager** | :Hong Leong Assurance Berhad |
| **Fund Category** | :Money Market Fund |
| **Fund Inception** | :28 Dec 2010 |
| **Benchmark** | :Overnight 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.*



# HLA Cash Fund (HLACF)

**Historical Performance**




| As of 30/6/22 | YTD | 1 month | 1 Year | 3 Years | 5 Years | Since Inception |
|---|---|---|---|---|---|---|
| HLACF | 0.80% | 0.14% | 1.64% | 7.00% | 13.38% | 31.62% |
| Benchmark* | 0.93% | 0.19% | 1.82% | 6.54% | 13.45% | 38.47% |
| Relative | -0.12% | -0.04% | -0.18% | 0.46% | -0.08% | -6.85% |

*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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Benchmark | 3.0% | 3.0% | 3.1% | 3.2% | 3.1% | 3.0% | 3.3% | 3.1% | 2.2% | 1.8% |
| HLACF- Gross | 2.8% | 2.6% | 3.4% | 3.3% | 3.4% | 3.4% | 3.5% | 3.6% | 3.2% | 2.2% |
| HLACF - Net | 2.3% | 2.1% | 2.9% | 2.8% | 2.9% | 2.9% | 3.0% | 3.1% | 2.7% | 1.8% |

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

**Risk Management**

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

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

# HLA Cash Fund (HLACF)

**Basis of Unit Valuation**

1. The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
2. The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
3. The maximum value of any asset of any fund shall not exceed the following price:
   a) The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
   b) In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date;

   plus any expenses which would have been incurred in its acquisition.
4. To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

**Exceptional Circumstances**

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

**Basis of Calculation of Past Performance**

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

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

**Others**

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

**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.