

# Monthly Fund Fact Sheet

## — May 2018



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# HLA Venture Growth Fund (HLAVGF)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

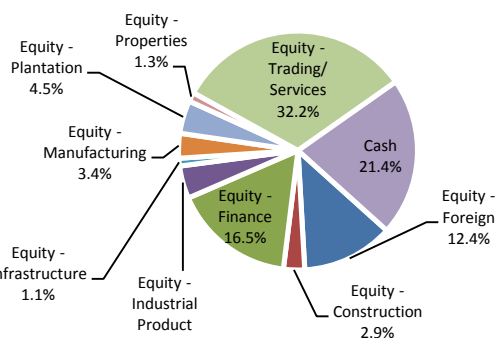
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (31/5/2018)	:RM2.1597
Fund Size (31/5/2018)	:RM384.8mil
Fund Management Fee (effective as at 01/11/2016)	: 1.45% 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.*

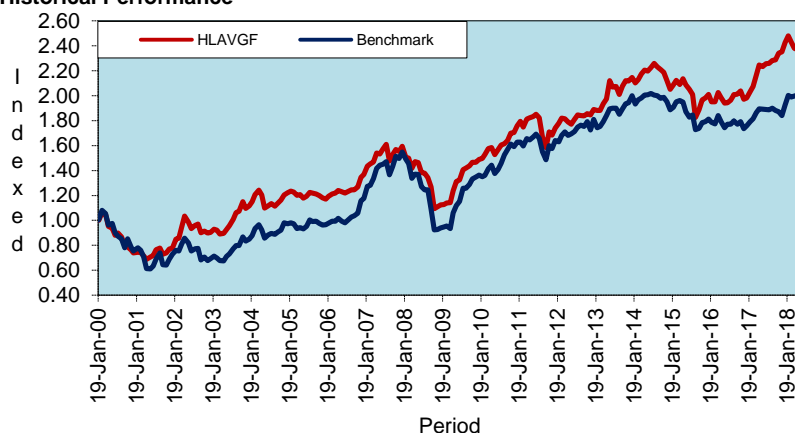
Asset & Sector Allocation of HLAVGF as at 31 May 2018



Top 10 Holdings for HLAVGF as at 31 May 2018

		%
1.	MAYBANK	8.3
2.	CIMB	8.2
3.	TENAGA	7.1
4.	DIALOG	6.0
5.	TENCENT	4.7
6.	YINSON	4.3
7.	AXIATA	3.6
8.	INARI	3.3
9.	NISSIN	2.9
10	SIMEPLT	2.9
Total Top 10		51.5

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	-10.97%	-8.88%	-3.34%	3.46%	1.87%	47.57%	115.97%
Benchmark*	-3.13%	-6.94%	-1.43%	-0.39%	-1.62%	36.40%	86.49%
Relative	-7.84%	-1.94%	-1.91%	3.86%	3.48%	11.17%	29.48%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets started positively with the meeting of the two Korean premiers with the possibility of ending hostilities. Strong corporate earnings on Wall Street also lifted sentiment despite lingering concerns over rising inflation and bond yields in the US. However, the uptrend did not last as towards month-end, Pyongyang called off diplomatic talks with Seoul. This raised doubts over whether the US-Korean summit will still take place which resulted in US 10-year treasuries spiking to 3.095% overnight. Hopes for an amicable resolution to the trade war tensions between the US and China were also dashed when US indicated that tariffs were still on the cards. Investors were further spooked over a possible Eurozone crisis with Italy and Spain facing domestic political crises as neither had a stable government.

Meanwhile in Malaysia, all focus was on the unanticipated outcome of the general elections which saw Pakatan Harapan staging a major upset and forming the new government. While it was a smooth transition, the biggest casualty from a market perspective has been the construction sector as many of the mega projects such as MRT 3, HSR and ECRL were scrapped or if not, downsized significantly in terms of value. The other sectors which were also affected were the telcos and toll concessionaires as the new government's manifesto intends for double the speed of broadband at half the price, and also abolishing toll roads. The further revelation of the actual national debt level of RM1 trn was also not well received with fears that Malaysia's sovereign rating may be downgraded by the international rating agencies especially after announcing the abolishment of GST. In tandem with policy uncertainties and the sell-off in emerging markets, there was a significant outflow of foreign funds during the month.

As such, the KLCI fell by 6.9% mom to close at 1,740.62pts. Similarly, the broader markets also fell in tandem with the FTSE Emas, FTSE Bursa Small Cap and FTSE Emas Shariah falling 6.95%, 5.3% and 7.5% mom respectively. The Ringgit also depreciated by 1.4% mom against the US\$ to 3.9798 despite rising oil prices.

On the local front, the next 100 days of transition of the new government will continue to be volatile while economic growth policies have yet to be unveiled. The recent corporate earnings season for the January - March quarter was also quite weak with earnings disappointment coming from the telco, plantations, construction, property and technology sectors. However, the current broad market correction presents an opportunity to reposition the portfolios structurally. We will continue to seek cover in quality stocks that offer earnings certainty and stable dividend yields whilst maintaining price and valuation discipline. The sector which is a clear winner is the consumer sector which is a direct beneficiary of the removal of GST that includes consumer staples and auto players. Gaming, financials and selected retail REITs are also indirect exposures to rising consumerism.

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

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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# HLA Venture Growth Fund (HLAVGF)

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

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

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Currency Risk

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

**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)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

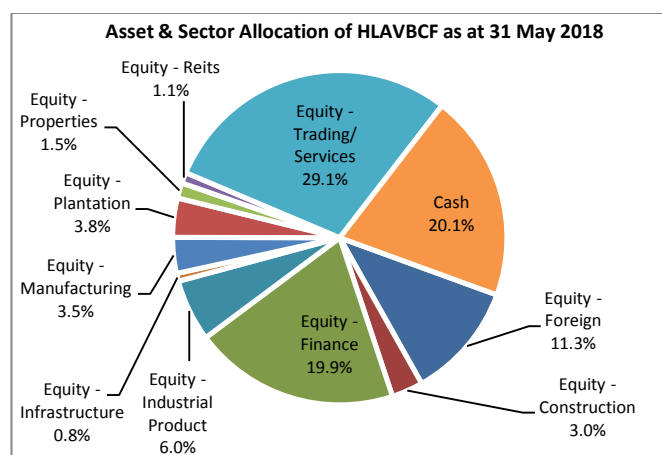
### 4. Target Market

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

## Fund Details

<b>Unit Price (31/5/2018)</b>	: RM2.4333
<b>Fund Size (31/5/2018)</b>	: RM209.9mil
<b>Fund Management Fee (effective as at 01/04/2017)</b>	: 1.48% p.a. (capped at 1.50%)
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 19 Jan 2000
<b>Benchmark</b>	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	: Daily

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



## Top 10 Holdings for HLAVBCF as at 31 May 2018

	%
1. MAYBANK	8.0
2. CIMB	7.8
3. TENAGA	6.5
4. YINSON	6.3
5. TENCENT	4.1
6. INARI	3.5
7. AXIATA	3.4
8. PBBANK	3.1
9. GENM	3.0
10. NISSIN	2.7
<b>Total Top 10</b>	<b>48.3</b>

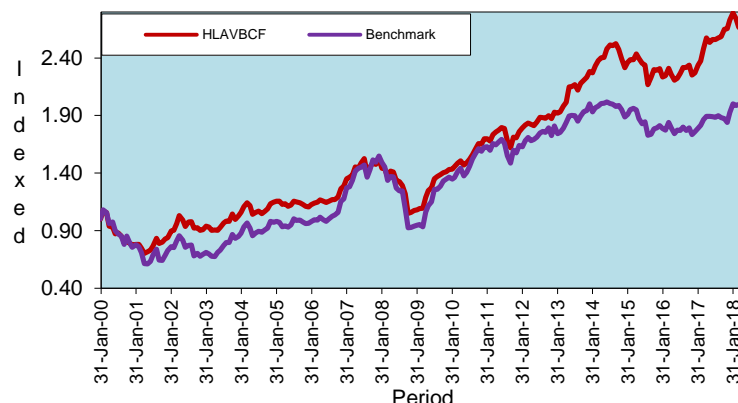
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## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
<b>HLAVBCF</b>	-10.87%	-8.22%	-4.05%	1.59%	13.19%	72.51%	143.33%
<b>Benchmark*</b>	-3.13%	-6.94%	-1.43%	-0.39%	-1.62%	36.40%	86.49%
<b>Relative</b>	-7.74%	-1.28%	-2.62%	1.98%	14.81%	36.11%	56.84%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

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Meanwhile in Malaysia, all focus was on the unanticipated outcome of the general elections which saw Pakatan Harapan staging a major upset and forming the new government. While it was a smooth transition, the biggest casualty from a market perspective has been the construction sector as many of the mega projects such as MRT 3, HSR and ECRL were scrapped or if not, downsized significantly in terms of value. The other sectors which were also affected were the telcos and toll concessionaires as the new government's manifesto intends for double the speed of broadband at half the price, and also abolishing toll roads. The further revelation of the actual national debt level of RM1 trn was also not well received with fears that Malaysia's sovereign rating may be downgraded by the international rating agencies especially after announcing the abolishment of GST. In tandem with policy uncertainties and the sell-off in emerging markets, there was a significant outflow of foreign funds during the month.

As such, the KLCI fell by 6.9% mom to close at 1,740.62pts. Similarly, the broader markets also fell in tandem with the FTSE Emas, FTSE Bursa Small Cap and FTSE Emas Shariah falling 6.95%, 5.3% and 7.5% mom respectively. The Ringgit also depreciated by 1.4% mom against the US\$ to 3.9798 despite rising oil prices.

On the local front, the next 100 days of transition of the new government will continue to be volatile while economic growth policies have yet to be unveiled. The recent corporate earnings season for the January - March quarter was also quite weak with earnings disappointment coming from the telco, plantations, construction, property and technology sectors. However, the current broad market correction presents an opportunity to reposition the portfolios structurally. We will continue to seek cover in quality stocks that offer earnings certainty and stable dividend yields whilst maintaining price and valuation discipline. The sector which is a clear winner is the consumer sector which is a direct beneficiary of the removal of GST that includes consumer staples and auto players. Gaming, financials and selected retail REITs are also indirect exposures to rising consumerism.

# HLA Venture Blue Chip Fund (HLAVBCF)

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

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

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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### Risk Management

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

### Basis of Unit Valuation

- 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:
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  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
- To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

## HLA Venture Blue Chip Fund (HLAVBCF)

### Exceptional Circumstances

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### Basis of Calculation of Past Performance

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

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

### Others

HLA Venture 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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# HLA Venture Dana Putra (HLAVDP)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

This fund invests in Syariah-approved securities and money market instruments. This is a balanced fund with a medium risk profile.

### 3. Asset Allocation

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

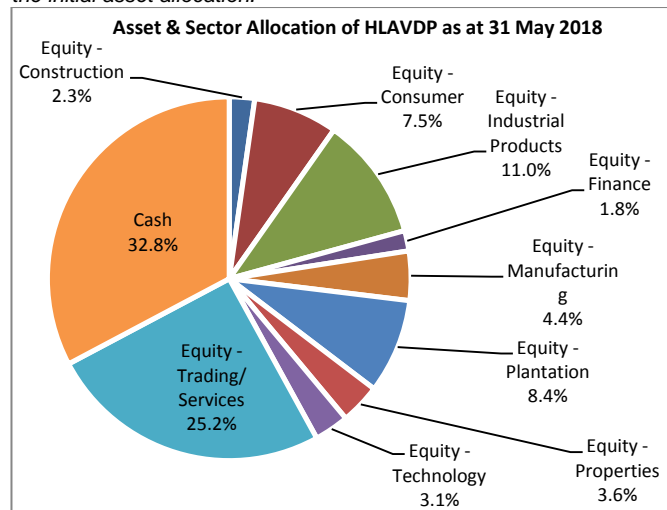
### 4. Target Market

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

## Fund Details

Unit Price (31/5/2018)	: RM2.4469
Fund Size (31/5/2018)	: RM67.2mil
Fund Management Fee (effective as at 01/09/2016)	: 1.40% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

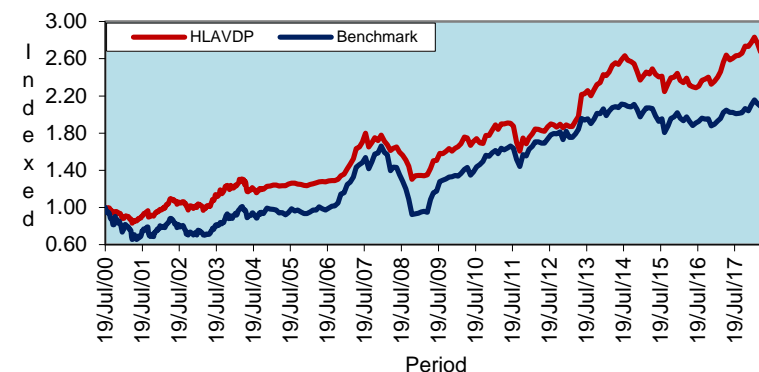
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## Top 10 Holdings for HLAVDP as at 31 May 2018

	%
1. TENAGA	7.8
2. QL	4.7
3. DIALOG	4.5
4. INARI	4.4
5. YINSON	3.7
6. IOICORP	3.2
7. SIMEPLT	3.2
8. AXIATA	3.2
9. KERJAYA	2.9
10. SPSETIA	2.4
<b>Total Top 10</b>	<b>40.0</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-11.78%	-8.24%	-5.46%	0.54%	10.39%	48.13%	144.69%
Benchmark*	-8.47%	-7.54%	-4.91%	-3.18%	-1.84%	34.28%	92.27%
Relative	-3.31%	-0.70%	-0.55%	3.73%	12.23%	13.85%	52.42%

Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets started positively with the meeting of the two Korean premiers with the possibility of ending hostilities. Strong corporate earnings on Wall Street also lifted sentiment despite lingering concerns over rising inflation and bond yields in the US. However, the uptrend did not last as towards month-end, Pyongyang called off diplomatic talks with Seoul. This raised doubts over whether the US-Korean summit will still take place which resulted in US 10-year treasuries spiking to 3.095% overnight. Hopes for an amicable resolution to the trade war tensions between the US and China were also dashed when US indicated that tariffs were still on the cards. Investors were further spooked over a possible Eurozone crisis with Italy and Spain facing domestic political crises as neither had a stable government.

Meanwhile in Malaysia, all focus was on the unanticipated outcome of the general elections which saw Pakatan Harapan staging a major upset and forming the new government. While it was a smooth transition, the biggest casualty from a market perspective has been the construction sector as many of the mega projects such as MRT 3, HSR and ECRL were scrapped or if not, downsized significantly in terms of value. The other sectors which were also affected were the telcos and toll concessionaires as the new government's manifesto intends for double the speed of broadband at half the price, and also abolishing toll roads. The further revelation of the actual national debt level of RM1 trn was also not well received with fears that Malaysia's sovereign rating may be downgraded by the international rating agencies especially after announcing the abolishment of GST. In tandem with policy uncertainties and the sell-off in emerging markets, there was a significant outflow of foreign funds during the month.

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On the local front, the next 100 days of transition of the new government will continue to be volatile while economic growth policies have yet to be unveiled. The recent corporate earnings season for the January - March quarter was also quite weak with earnings disappointment coming from the telco, plantations, construction, property and technology sectors. However, the current broad market correction presents an opportunity to reposition the portfolios structurally. We will continue to seek cover in quality stocks that offer earnings certainty and stable dividend yields whilst maintaining price and valuation discipline. The sector which is a clear winner is the consumer sector which is a direct beneficiary of the removal of GST that includes consumer staples and auto players. Gaming, financials and selected retail REITs are also indirect exposures to rising consumerism.



## HLA Venture Dana Putra (HLAVDP)

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

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

Net returns are adjusted for tax and fund management fees.

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

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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

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### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
- 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 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)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

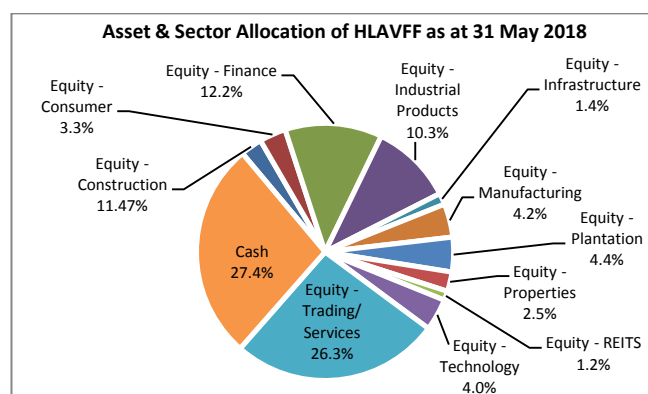
### 4. Target Market

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

## Fund Details

<b>Unit Price (31/5/2018)</b>	: RM0.914
<b>Fund Size (31/5/2018)</b>	: RM43.8mil
<b>Fund Management Fee (effective as at 01/09/2016)</b>	: 1.45% p.a. (capped at 1.48%)
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 06 April 2009
<b>Benchmark</b>	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	: Daily

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



### Top 10 Holdings for HLAVFF as at 31 May 2018

	%
1. CIMB	7.6
2. TENAGA	4.9
3. MAYBANK	4.6
4. INARI	4.2
5. YINSON	3.5
6. AXIATA	2.9
7. GENM	2.8
8. MMSV	2.8
9. LAYHONG	2.7
10. DIALOG	2.2
<b>Total Top 10</b>	<b>38.3</b>

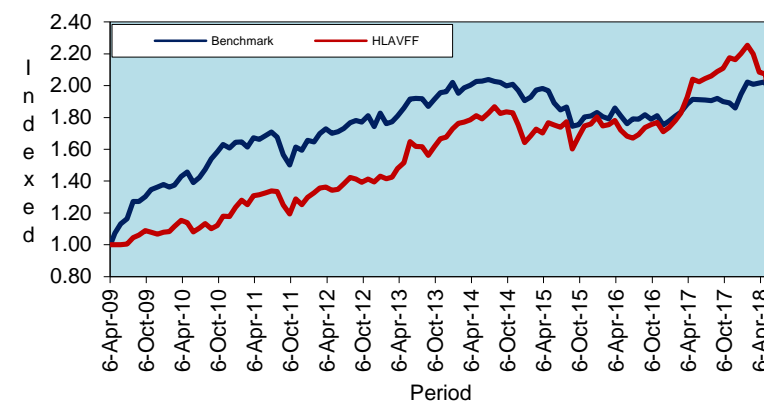
## Hong Leong Assurance Berhad (94613-X)

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
<b>HLAVFF</b>	-17.00%	-11.81%	-9.67%	4.30%	10.90%	82.80%
<b>Benchmark*</b>	-3.13%	-6.94%	-1.43%	-0.39%	-1.62%	88.43%
<b>Relative</b>	-13.87%	-4.87%	-8.24%	4.70%	12.51%	-5.63%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets started positively with the meeting of the two Korean premiers with the possibility of ending hostilities. Strong corporate earnings on Wall Street also lifted sentiment despite lingering concerns over rising inflation and bond yields in the US. However, the uptrend did not last as towards month-end, Pyongyang called off diplomatic talks with Seoul. This raised doubts over whether the US-Korean summit will still take place which resulted in US 10-year treasuries spiking to 3.095% overnight. Hopes for an amicable resolution to the trade war tensions between the US and China were also dashed when US indicated that tariffs were still on the cards. Investors were further spooked over a possible Eurozone crisis with Italy and Spain facing domestic political crises as neither had a stable government.

Meanwhile in Malaysia, all focus was on the unanticipated outcome of the general elections which saw Pakatan Harapan staging a major upset and forming the new government. While it was a smooth transition, the biggest casualty from a market perspective has been the construction sector as many of the mega projects such as MRT 3, HSR and ECRL were scrapped or if not, downsized significantly in terms of value. The other sectors which were also affected were the telcos and toll concessionaires as the new government's manifesto intends for double the speed of broadband at half the price, and also abolishing toll roads. The further revelation of the actual national debt level of RM1 trn was also not well received with fears that Malaysia's sovereign rating may be downgraded by the international rating agencies especially after announcing the abolishment of GST. In tandem with policy uncertainties and the sell-off in emerging markets, there was a significant outflow of foreign funds during the month.

As such, the KLCI fell by 6.9% mom to close at 1,740.62pts. Similarly, the broader markets also fell in tandem with the FTSE Emas, FTSE Bursa Small Cap and FTSE Emas Shariah falling 6.95%, 5.3% and 7.5% mom respectively. The Ringgit also depreciated by 1.4% mom against the US\$ to 3.9798 despite rising oil prices.

On the local front, the next 100 days of transition of the new government will continue to be volatile while economic growth policies have yet to be unveiled. The recent corporate earnings season for the January - March quarter was also quite weak with earnings disappointment coming from the telco, plantations, construction, property and technology sectors. However, the current broad market correction presents an opportunity to reposition the portfolios structurally. We will continue to seek cover in quality stocks that offer earnings certainty and stable dividend yields whilst maintaining price and valuation discipline. The sector which is a clear winner is the consumer sector which is a direct beneficiary of the removal of GST that includes consumer staples and auto players. Gaming, financials and selected retail REITs are also indirect exposures to rising consumerism.

# HLA Venture Flexi Fund (HLAVFF)

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

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

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

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### Disclaimer:

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# HLA Value Fund (HLVF)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Plough Back Mechanism

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

### 4. Asset Allocation

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

### 5. Target Market

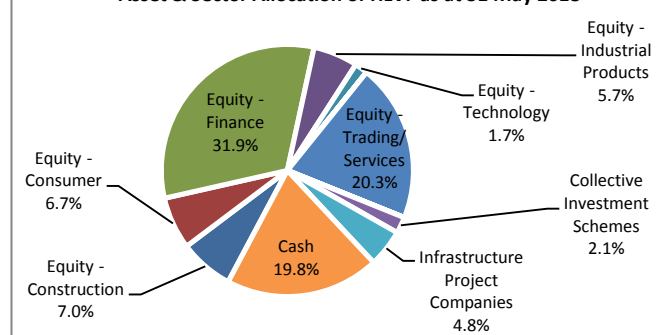
This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

## Fund Details

Unit Price (31/5/2018)	: RM 1.1754
Fund Size (31/5/2018)	: RM 70.7mil
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.

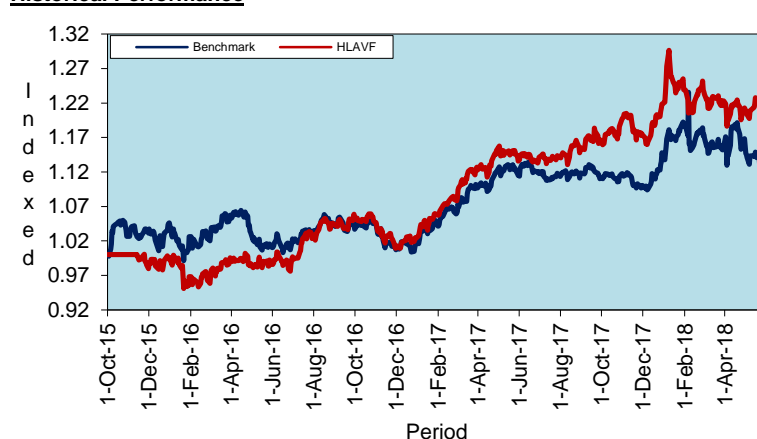
## Asset & Sector Allocation of HLVF as at 31 May 2018



## Top 10 Holdings for HLVF as at 31 May 2018

	%
1. MALAYAN BANKING BERHAD	7.9
2. GAMUDA BERHAD	7.0
3. BURSA MALAYSIA BERHAD	6.9
4. GENTING MALAYSIA BERHAD	5.9
5. IHH HEALTHCARE BERHAD	5.9
6. PUBLIC BANK BERHAD	5.3
7. AEON CREDIT SERVICE M BHD	5.0
8. FRASER & NEAVE HOLDINGS BERHAD	5.0
9. HONG LEONG FINANCIAL GROUP BERHAD	4.9
10. DIGI.COM BERHAD	4.8
<b>Total Top 10</b>	<b>58.5</b>

## Historical Performance



	YTD	1 month	6 months	1 year	2 years	Since Inception
HLVF	-3.54%	-3.11%	0.14%	3.32%	19.06%	17.54%
Benchmark*	-6.29%	-7.90%	-2.25%	-3.51%	6.48%	7.59%
Relative	2.75%	4.79%	2.40%	6.83%	12.58%	9.95%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 6.9% to close at 1,741 points. The broader market also saw weakness as the FTSE BM EMAS Index declined 6.9% to close at 12,129 points. Small caps outperformed as the FTSE BM Small Cap Index declined 5.3% to close at 13,801 points.

The local market saw severe foreign outflow following the surprising election results. The construction sector underperformed while the consumer sector outperformed.

On the corporate front, the government as cancelled the MRT line 3 and High-Speed Rail (HSR) projects, but still committed to the Johor-Bahru-Singapore Rapid Transit System (RTS) project. IHH Healthcare Berhad issued an extension letter to enable the Fortis Healthcare Limited board to take a longer time to evaluate the takeover offer.

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

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

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## HLA Value Fund (HLVF)

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

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

Net returns are adjusted for tax and fund management fees.

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

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Concentration Risk

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

#### 6. Country Risk

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

#### 7. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

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

Source: Hong Leong Asset Management



## HLA Value Fund (HLVF)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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# Hong Leong SMART Invest Fund (HLSIF)

May 2018

## Fund Features

### 6. 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.

### 7. Investment Strategy & Approach

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

### 8. Asset Allocation

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

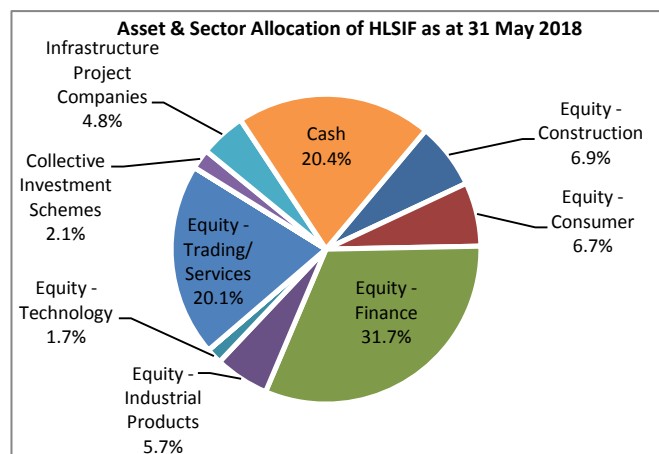
### 9. Target Market

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 (31/5/2018)	: RM 0.9905
Fund Size (31/5/2018)	: RM 66.1mil
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

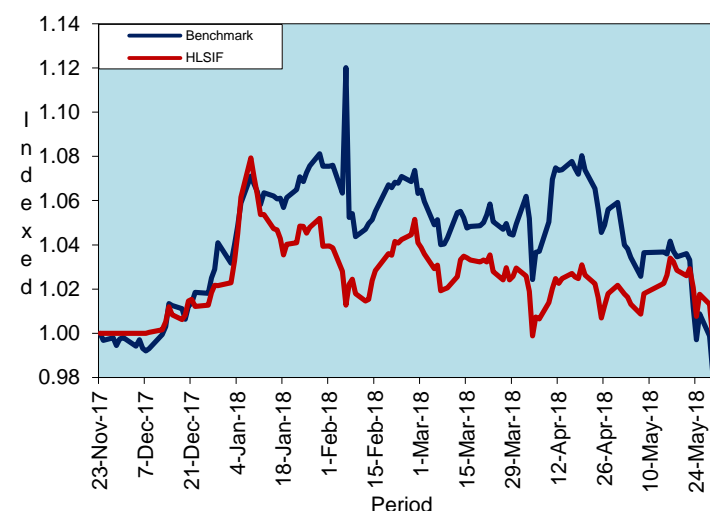
*Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 10 Holdings for HLSIF as at 31 May 2018

	%
1. MALAYAN BANKING BERHAD	7.8
2. GAMUDA BERHAD	6.9
3. BURSA MALAYSIA BERHAD	6.8
4. GENTING MALAYSIA BERHAD	5.9
5. IHH HEALTHCARE BERHAD	5.9
6. PUBLIC BANK BERHAD	5.2
7. AEON CREDIT SERVICE M BHD	4.9
8. FRASER & NEAVE HOLDINGS BERHAD	4.9
9. HONG LEONG FINANCIAL GROUP BERHAD	4.9
10. DIGI.COM BERHAD	4.8
<b>Total Top 10</b>	<b>58.1</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLSIF	-3.04%	-3.05%	-4.85%	-	-	-0.95%
Benchmark*	-6.29%	-7.90%	-8.24%	-	-	-2.44%
Relative	3.24%	4.85%	3.39%	-	-	1.49%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 6.9% to close at 1,741 points. The broader market also saw weakness as the FTSE BM EMAS Index declined 6.9% to close at 12,129 points. Small caps outperformed as the FTSE BM Small Cap Index declined 5.3% to close at 13,801 points.

The local market saw severe foreign outflow following the surprising election results. The construction sector underperformed while the consumer sector outperformed.

On the corporate front, the government has cancelled the MRT line 3 and High-Speed Rail (HSR) projects, but still committed to the Johor-Bahru-Singapore Rapid Transit System (RTS) project. IHH Healthcare Berhad issued an extension letter to enable the Fortis Healthcare Limited board to take a longer time to evaluate the takeover offer.

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

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

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# Hong Leong SMART Invest Fund (HLSIF)

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

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

Net returns are adjusted for tax and fund management fees.

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

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Concentration Risk

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

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

#### 6. Country Risk

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

#### 7. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

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

Source: Hong Leong Asset Management

## Hong Leong SMART Invest Fund (HLSIF)

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

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

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

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

### **Others**

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

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

### **Disclaimer:**

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

# Hong Leong Smart Growth Fund (HLSGF)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

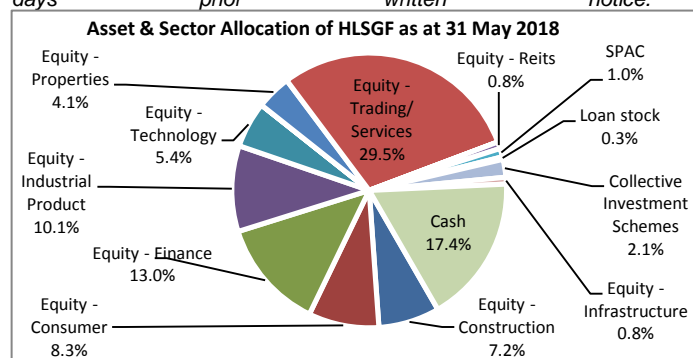
### 4. Target Market

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

## Fund Details

<b>Unit Price (31/5/2018)</b>	: RM1.804
<b>Fund Size (31/5/2018)</b>	: RM236.1mil
<b>Fund Management Fee</b>	: 1.50% p.a.
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 01 Oct 2012
<b>Benchmark</b>	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	: Daily

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



## Top 10 Holdings for HLSGF as at 31 May 2018

	%
1. TENAGA NASIONAL BHD	5.3
2. MALAYAN BANKING BERHAD	4.2
3. DIALOG GROUP BHD	3.7
4. YINSON HOLDINGS BHD	3.4
5. PETRONAS CHEMICALS GROUP BHD	2.9
6. GLOBETRONICS TECHNOLOGY BHD	2.7
7. LBS BINA GROUP BHD	2.7
8. FRASER & NEAVE HOLDINGS BHD	2.7
9. INARI AMERTRON BHD	2.6
10. CIMB GROUP HOLDINGS BHD	2.4
<b>Total Top 10</b>	<b>32.7</b>

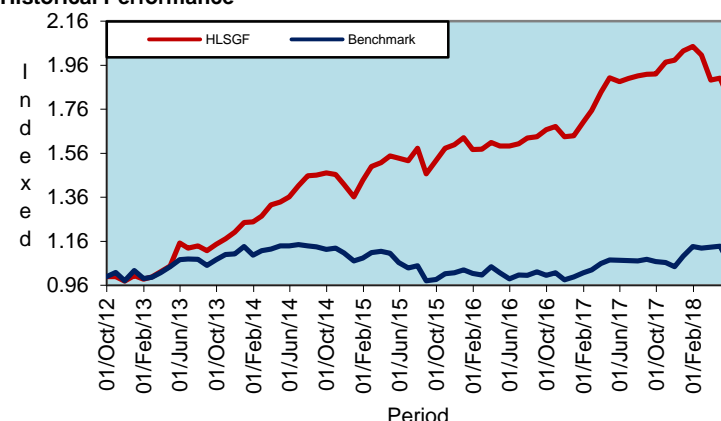
## Hong Leong Assurance Berhad (94613-X)

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	-10.93%	-5.09%	-4.34%	17.32%	56.57%	80.40%
Benchmark*	-3.13%	-6.94%	-1.43%	-0.39%	-1.62%	5.92%
Relative	-7.80%	1.84%	-2.91%	17.71%	58.19%	74.48%

Source: Bloomberg

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

Major global equity indices remained mixed at the close of the month, with the FTSE 100 leading the charge with an impressive 2.2% gain, whereas the Euro Stoxx 600 tumbled 0.6% as the Italian election conflicts sparked fears of contagion throughout Europe. The three major U.S. indices managed to hold on to their marginal gains to close the month higher, despite the re-emergence of geopolitical uncertainties that had successfully dominated and dragged investors' sentiment down. The tech-laden Nasdaq was the best performer among all the major U.S. Wall Street indices, as it recorded a 5% gain, trumping both the S&P500 and the DJIA's May performance. MSCI Asia ex-Japan Index was down 1.6% in May as emerging markets in Asia experienced a month of significant sell-off by foreign funds. In local currency, the best performing markets were Taiwan (+2.0%) and Shenzhen (+1.2%), while the worst performing market were Malaysia (-6.9%) and Singapore (-5.1%). The key factors that depressed investor sentiment were the de-synchronization of global growth (US strong / Europe softer), USD strength, higher oil prices, the protracted nature of trade renegotiation, and now political developments in Italy adding pressure to European peripheral bonds. Markets were rattled by continued news of US-China trade conflicts after President Donald Trump announced that a final list involving US\$50bil in Chinese imports that would be subjected to 25% tariffs, would be released in mid-June, with investment restrictions on Chinese acquisitions of U.S. technology to be announced shortly thereafter. However, there appeared to some conciliation towards month end post the US Commerce department visit to China. At the close of the month, Trump administration also announced that it will place tariffs on steel and aluminium imports from the European Union, Mexico and Canada – a news that was immediately responded with threats of proportional reciprocal measures from all affected countries. Despite the recent rally which saw Brent crude reaching a 3 year high of US\$79.80 per barrel on 23 May, news of OPEC and its partners' possibly reviewing supply restrictions when they meet in June, have erased some of the gains recorded. Although global stockpiles have been broadly falling, a surprise rise in U.S. crude inventories have also weighed down on prices. Brent crude closed the month at US\$77.59 per barrel, down 2.8% from the recent high recorded in May. Nevertheless, it is still up 16% YTD 2018.

Despite the KLCI performing resiliently in the immediate aftermath of the stunning GE14, revelation of a larger-than-expected national debt of RM1tr as well as the cancellation of MRT Line 3 and High Speed Rail projects in the weeks that followed have spooked the market. We intend to take advantage of the market weakness to bottom fish on stocks which remain fundamentally attractive regardless of the latest change. Stock picking remains key for outperformance. We are cautiously optimistic and continue to be selective towards stocks with stable earnings and growing momentum. In the same time adopting a slightly more trading orientated approach to take advantage of the market volatility.



# Hong Leong Smart Growth Fund (HLSGF)

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

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

Net returns are adjusted for tax and fund management fees.

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

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

## Investment Risks

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

### 1. Market Risk

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

### 2. Liquidity Risk

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

### 3. Credit Risk

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

### 4. Interest Rate Risk

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

### 5. Country Risk

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

### 6. Currency Risk

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

### 7. Concentration Risk

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

## Risk Management

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

## Basis of Unit Valuation

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

## Exceptional Circumstances

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

## Target Fund Details

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

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

## Hong Leong Smart Growth Fund (HLSGF)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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

### Disclaimer:

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

# HLA Venture Global Fund (HLAVGLF)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

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

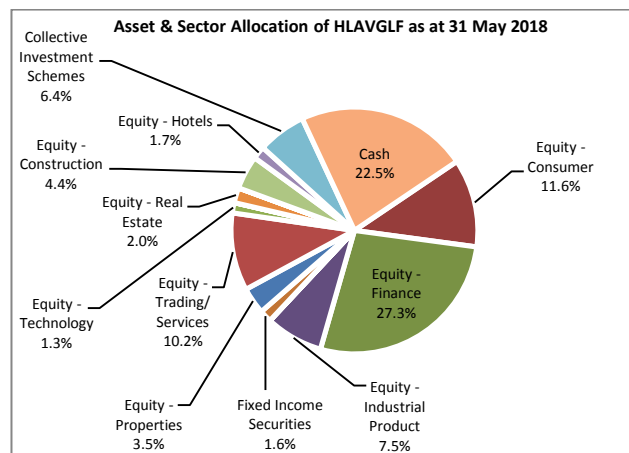
## Fund Details

Unit Price (31/5/2018)	:RM1.3205
Fund Size (31/5/2018)	:RM29.0mil
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 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 31 May 2018

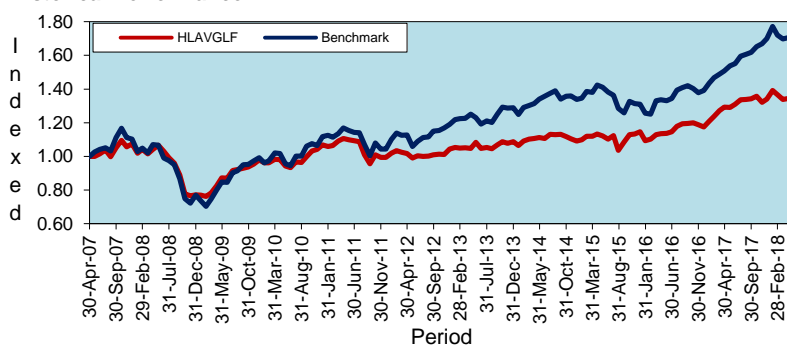
Hong Leong Asia-Pacific Dividend Fund	56.4
Hong Leong Strategic Fund	42.4
Cash	1.2
<b>Total</b>	<b>100.0</b>



## Top 10 Holdings for HLAVGLF as at 31 May 2018

	%
1. Hong Leong Islamic Institutional Income Management Fund II	6.4
2. China Resources Cement Holdings Ltd	2.9
3. Public Bank Berhad	2.9
4. Industrial and Commercial Bank of China Limited - H	2.9
5. China Construction Bank Corporation - H	2.8
6. ZhongSheng Group Holdings Ltd	2.7
7. Bank of China Limited-H	2.6
8. Fraser & Neave Holdings Berhad	2.6
9. Malayan Banking Berhad	2.5
10. Frontken Corporation Berhad	2.3
<b>Total Top 10</b>	<b>30.6</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	-1.53%	-1.73%	2.25%	17.70%	21.87%	23.74%	32.05%
Benchmark*	0.07%	-0.20%	10.57%	20.60%	38.24%	59.51%	70.14%
Relative	-1.60%	-1.53%	-8.32%	-2.90%	-16.36%	-35.78%	-38.09%

Source: Bloomberg, RAM Quantshop

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

### Equity Review

**Global** – Volatility continued to beset the market during the month. Geopolitical risk dominated most of the headlines during the month, in particular trade frictions and uncertainty over North Korea and Iran. Markets rebounded towards the end of the month on the back of strong economic numbers and corporate earnings in the US. The Dow Jones Industrial Index rose 1.1% and the broader S&P 500 index rose 2.2%. The Euro Stoxx Index declined 3.7% and the FTSE 100 Index rose 2.3%.

**Asia Pacific** – Regional markets declined, contributed by the risk-off sentiment during the month as investors prefer to wait on the sidelines due to geopolitical uncertainties. Markets recovered some lost ground at the end of the month on the back of strong economic data from the US. In the region, Taiwan and Australia were the best performing markets while Malaysia and Philippines were the laggards.

**Malaysia** – The local market saw severe foreign selling after the shock election results. The FTSE BM KLCI and FTSE BM EMAS Index declined 6.9% and 6.9% to close at 1,741 and 12,129 points respectively. Small caps outperformed as the FTSE BM Small Cap Index declined 5.3% to close at 13,801 points.

### Outlook & Strategy

**Global** – The economic data in the US is strong across the board. Consumer confidence remains near the 17-year high while the manufacturing in manufacturing activity. US corporate earnings outlook remains positive as earnings growth in the first quarter met expectations. Eurozone economic outlook remains positive as the labour market still appears strong while consumer confidence remains elevated.

**Asia Pacific** – US and China released a joint announcement to undertake measures to reduce the bilateral trade imbalance. China agreed to significantly increase its purchase of US goods. However, the US administration subsequently signaled its intention to publish a list of Chinese and fundamentals remain solid. For our investment portfolios, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

**Malaysia** – We expect foreign outflow to continue in the local market after the shock 14th General Election results. We expect market to experience some degree of volatility in the near term as the government policies are gradually being firmed up. We prefer to be invested in blue-chip stocks that are trading at attractive levels, selected consumer stocks and export stocks.

### Fixed Income Review and Outlook

We expect US Treasuries to consolidate in the near term as Federal Reserve (Fed) policymakers continued to maintain a total of three hikes for 2018. We think the Fed is unlikely to go on an accelerated rate hike in view of maintaining the US growth momentum. Locally, inflation is likely to moderate in the coming months due to the government's abolishment of the Goods & Services Tax (GST). As inflation is expected to moderate in 2018, Bank Negara Malaysia (BNM) would most likelihood to maintain the Overnight Policy Rate (OPR) at 3.25%. We look to position defensively on the duration front to minimise volatility. We look to reduce duration and selectively add corporate bonds.

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

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

Telephone 03-7650 1818 Fascimile 03-7650 1991

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

## HLA Venture Global Fund (HLAVGLF)

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

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

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Currency Risk

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

#### 7. Concentration Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

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

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

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

Source: Hong Leong Asset Management Berhad (HLAM)

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

## HLA Venture Global Fund (HLAVGLF)

### **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.

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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 Managed Fund (HLAVMF)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

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

## Fund Details

Unit Price (31/5/2018)	:RM2.0631
Fund Size (31/5/2018)	:RM218.3mil
Fund Management Fee (effective as at 01/03/2017)	: 1.23% p.a. (capped at 1.25%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:07 April 2004
Benchmark	:50% FTSE Bursa Malaysia KLCI Index (FBM KLCI)&50% 12-month Fixed Deposit Interest Rates
Frequency of Unit Valuation	:Daily

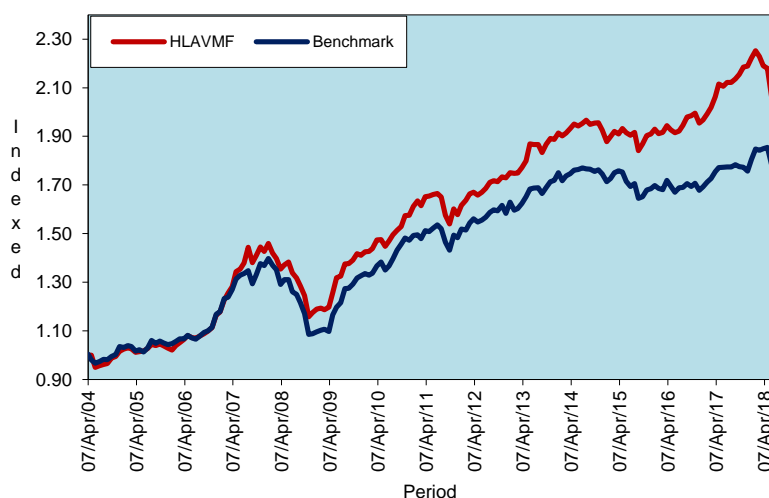
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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

## Top 10 Holdings for HLAVMF as at 31 May 2018

		%
1.	TENAGA	EQ 5.1
2.	CIMB	EQ 3.8
3.	MAYBANK	EQ 3.7
4.	ALLIANCE BANK MALAYSIA BHD 1 5.65% 18/12/2020	FI 3.5
5.	MALAYAN BANKING BERHAD 2 6.30% 25/09/2018	FI 3.5
6.	MALAYSIA AIRPORTS HOLDINGS 1 5.75% 13/12/2024	FI 3.2
7.	M'SIAN GOVERNMENT SECURITIES 1 3.73% 15/06/2028	FI 3.1
8.	CIMB GROUP HOLDING 2 5.80% 25/05/2021	FI 2.3
9.	BGSM MANAGEMENT SDN BHD 2 5.25% 24/12/2020	FI 2.3
10.	HONG LEONG BANK 2 4.80% 24/06/2019	FI 2.3
<b>Total Top 10</b>		<b>33.0</b>

FI : Fixed Income  
EQ : Equities

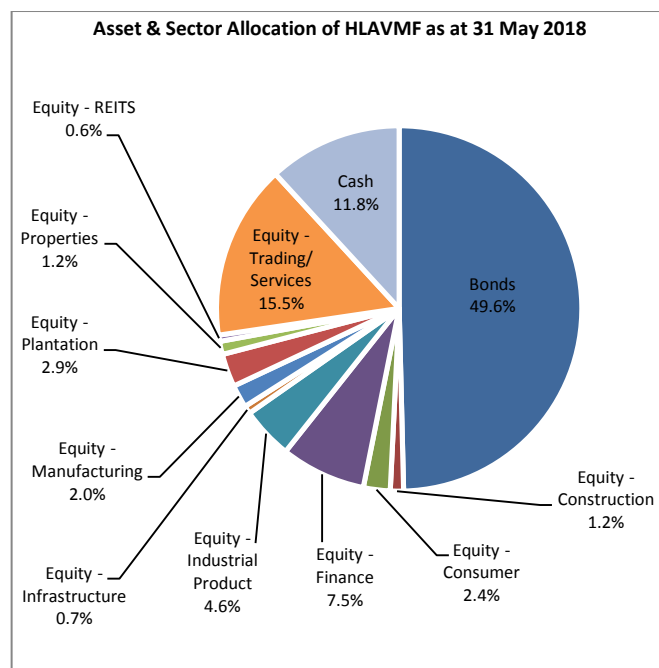
## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	-7.15%	-5.35%	-2.04%	7.70%	10.38%	49.08%	106.31%
Benchmark*	-1.15%	-3.84%	0.59%	3.98%	5.96%	36.09%	77.50%
Relative	-5.99%	-1.51%	-2.63%	3.72%	4.42%	12.99%	28.81%

\*Source: Bloomberg, Maybank

## Asset & Sector Allocation of HLAVMF as at 31 May 2018



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

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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## HLA Venture Managed Fund (HLAVMF)

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

Regional markets started positively with the meeting of the two Korean premiers with the possibility of ending hostilities. Strong corporate earnings on Wall Street also lifted sentiment despite lingering concerns over rising inflation and bond yields in the US. However, the uptrend did not last as towards month-end, Pyongyang called off diplomatic talks with Seoul. This raised doubts over whether the US-Korean summit will still take place which resulted in US 10-year treasuries spiking to 3.095% overnight. Hopes for an amicable resolution to the trade war tensions between the US and China were also dashed when US indicated that tariffs were still on the cards. Investors were further spooked over a possible Eurozone crisis with Italy and Spain facing domestic political crises as neither had a stable government.

Meanwhile in Malaysia, all focus was on the unanticipated outcome of the general elections which saw Pakatan Harapan staging a major upset and forming the new government. While it was a smooth transition, the biggest casualty from a market perspective has been the construction sector as many of the mega projects such as MRT 3, HSR and ECRL were scrapped or if not, downsized significantly in terms of value. The other sectors which were also affected were the telcos and toll concessionaires as the new government's manifesto intends for double the speed of broadband at half the price, and also abolishing toll roads. The further revelation of the actual national debt level of RM1 trn was also not well received with fears that Malaysia's sovereign rating may be downgraded by the international rating agencies especially after announcing the abolishment of GST. In tandem with policy uncertainties and the sell-off in emerging markets, there was a significant outflow of foreign funds during the month.

As such, the KLCI fell by 6.9% mom to close at 1,740.62pts. Similarly, the broader markets also fell in tandem with the FTSE Emas, FTSE Bursa Small Cap and FTSE Emas Shariah falling 6.95%, 5.3% and 7.5% mom respectively. The Ringgit also depreciated by 1.4% mom against the US\$ to 3.9798 despite rising oil prices.

On the local front, the next 100 days of transition of the new government will continue to be volatile while economic growth policies have yet to be unveiled. The recent corporate earnings season for the January - March quarter was also quite weak with earnings disappointment coming from the telco, plantations, construction, property and technology sectors. However, the current broad market correction presents an opportunity to reposition the portfolios structurally. We will continue to seek cover in quality stocks that offer earnings certainty and stable dividend yields whilst maintaining price and valuation discipline. The sector which is a clear winner is the consumer sector which is a direct beneficiary of the removal of GST that includes consumer staples and auto players. Gaming, financials and selected retail REITs are also indirect exposures to rising consumerism.

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

In the first half of May, US Treasuries (UST) were sold off as the US economy was showing positive signs with better than expected production numbers and higher inflation expectations due to stronger crude oil prices; suggesting that a hike may be imminent. The 10y UST yield climbed to its highest since 2011, hovering close to 3.12%. This resulted in a bond sell off across the region but sentiment immediately changed after US legislators suggested that trade war tensions remained as NAFTA nations were still at loggerheads over potential tariffs. UST continued to reverse even further as a result of weaker sentiment in global markets with investors opting for risk off amid the escalation of trade tensions between US and China. Increased geopolitical tensions between US and North Korea over a potentially scuttled summit and a political crisis in Italy and Spain also pushed UST yields lower. Finally comments from St Louis Fed President James Bullard that the Fed should slow its pace of rate hikes so as not to be faster than that of other central banks including BoJ and ECB also contributed to the drop in yields.

As for the Malaysian government bond space, the market was volatile throughout the month amid thin liquidity. Generally, bond yields were trending upwards with UST's remaining the key

influence. However other uncertainties due to the change in local government and concerns over the huge local public debt which was later revealed at RM1.09 trillion, also impacted the market. As such, local bond yields spiked up across the curve despite a correction on the last day of the month signaling some normalization in sentiment with hints of foreign net buying. Month end buying and clarification from the Ministry of Finance on the fiscal deficit also aided the market resulting in the 3 to 30 years MGS benchmark yields increasing by 1.4-15.5 bps with the exception of 15- years MGS which decreased by 2.6 bps.

In the government guaranteed (GG) and private debt securities (PDS) space, both GG and PDS yields were also marked higher moving in tandem with the govies. However, due to the lackluster secondary market, there was not much of a selloff compared to the MGS market. Primary pipeline also slowed down and the few notable new issuances for the month were UiTM Solar, Danainfra, Telekom, Cagamas and PASB.

For the month of June, the key events are the upcoming Fed, ECB, BoE and BOJ's Monetary Policy meetings apart from our Malaysian government policy announcements. We believe that the macro outlook will continue to be the key driver for the local govies market. However, any adverse announcements by the Malaysian government may cause local bonds to behave otherwise although the overnight policy rate is expected to stay status quo. Thus, local bond yields will remain volatile.

With the Hari Raya celebration at midmonth, market liquidity will be thinner pre and post festive season. So, should there be any new issuances, the yields may be under pressure when the market is soft. On the primary pipeline, there will be 2 long tenure govies tenders and a few corporate PDS during the month.

Our strategy is to participate in the primary issuances for yield pick-up while waiting for an opportunity to take profit on some of the earlier govies positions. We shall also take advantage of the volatility to trade and plan to collect some long tenure GG papers as we foresee that there will be shortage of these bonds with the reduction on fiscal spending by the new government.

# HLA Venture Managed Fund (HLAVMF)

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

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

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

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

### Disclaimer:

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

# HLA Venture Income Fund (HLAVIF)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

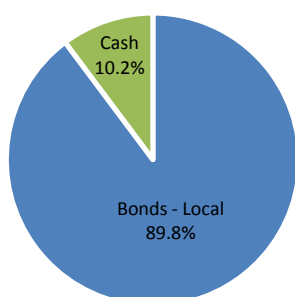
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (31/5/2018)	:RM2.2709
Fund Size (31/5/2018)	:RM138.7mil
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.

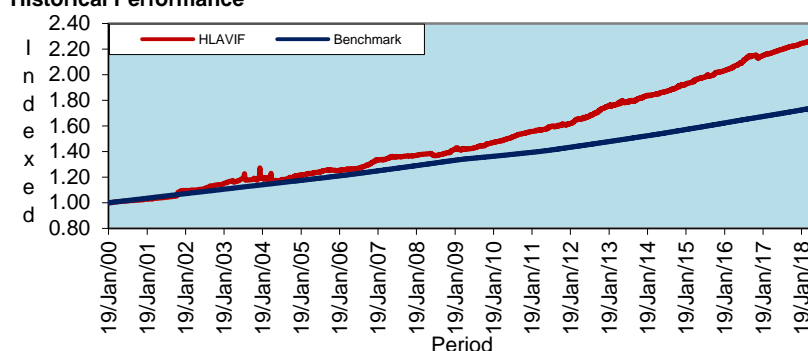
Asset Allocation of HLAVIF as at 31 May 2018



## Top 10 Holdings for HLAVIF as at 31 May 2018

		%
1.	M'SIAN GOVERNMENT SECURITIES 1 3.73% 15/06/2028	7.0
2.	MALAYAN BANKING BERHAD 2 6.30% 25/09/2018	6.6
3.	ALLIANCE BANK MALAYSIA BHD 1 5.65% 18/12/2020	6.3
4.	UEM SUNRISE BERHAD 1 4.60% 13/12/2018	4.8
5.	CIMB GROUP HOLDING 2 5.80% 25/05/2021	3.7
6.	BGSM MANAGEMENT SDN BHD 2 5.25% 24/12/2020	3.7
7.	HONG LEONG BANK 2 4.80% 24/06/2019	3.7
8.	BERJAYA LAND BHD 1 4.85% 16/12/2019	3.7
9.	GAMUDA BERHAD 2 4.62% 23/04/2021	3.7
10.	PUBLIC BANK BERHAD 0 4.60% 09/04/2025	3.6
Total Top 10		46.7

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVIF	1.47%	0.28%	3.86%	15.22%	27.03%	64.00%	127.09%
Benchmark*	0.54%	0.27%	2.30%	8.87%	15.85%	32.63%	73.12%
Relative	0.92%	0.01%	1.56%	6.35%	11.18%	31.37%	53.97%

\*Source: Maybank

## Market Review

In the first half of May, US Treasuries (UST) were sold off as the US economy was showing positive signs with better than expected production numbers and higher inflation expectations due to stronger crude oil prices; suggesting that a hike may be imminent. The 10y UST yield climbed to its highest since 2011, hovering close to 3.12%. This resulted in a bond sell off across the region but sentiment immediately changed after US legislators suggested that trade war tensions remained as NAFTA nations were still at loggerheads over potential tariffs. UST continued to reverse even further as a result of weaker sentiment in global markets with investors opting for risk off amid the escalation of trade tensions between US and China. Increased geopolitical tensions between US and North Korea over a potentially scuttled summit and a political crisis in Italy and Spain also pushed UST yields lower. Finally comments from St Louis Fed President James Bullard that the Fed should slow its pace of rate hikes so as not to be faster than that of other central banks including BoJ and ECB also contributed to the drop in yields.

As for the Malaysian government bond space, the market was volatile throughout the month amid thin liquidity. Generally, bond yields were trending upwards with UST's remaining the key influence. However other uncertainties due to the change in local government and concerns over the huge local public debt which was later revealed at RM1.09 trillion, also impacted the market. As such, local bond yields spiked up across the curve despite a correction on the last day of the month signaling some normalization in sentiment with hints of foreign net buying. Month end buying and clarification from the Ministry of Finance on the fiscal deficit also aided the market resulting in the 3 to 30 years MGS benchmark yields increasing by 1.4-15.5 bps with the exception of 15- years MGS which decreased by 2.6 bps.

In the government guaranteed (GG) and private debt securities (PDS) space, both GG and PDS yields were also marked higher moving in tandem with the govies. However, due to the lackluster secondary market, there was not much of a selloff compared to the MGS market. Primary pipeline also slowed down and the few notable new issuances for the month were UiTM Solar, Danainfra, Telekom, Cagamas and PASB.

## Market Outlook & Strategy

For the month of June, the key events are the upcoming Fed, ECB, BoE and BOJ's Monetary Policy meetings apart from our Malaysian government policy announcements. We believe that the macro outlook will continue to be the key driver for the local govies market. However, any adverse announcements by the Malaysian government may cause local bonds to behave otherwise although the overnight policy rate is expected to stay status quo. Thus, local bond yields will remain volatile. With the Hari Raya celebration at midmonth, market liquidity will be thinner pre and post festive season. So, should there be any new issuances, the yields may be under pressure when the market is soft. On the primary pipeline, there will be 2 long tenure govies tenders and a few corporate PDS during the month.

Our strategy is to participate in the primary issuances for yield pick-up while waiting for an opportunity to take profit on some of the earlier govies positions. We shall also take advantage of the volatility to trade and plan to collect some long tenure GG papers as we foresee that there will be shortage of these bonds with the reduction on fiscal spending by the new government.



# HLA Venture Income Fund (HLAVIF)

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

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

Net returns are adjusted for tax and fund management fees.

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

### 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

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### Risk Management

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### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
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  - 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.

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### 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.

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# HLA EverGreen Funds

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

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

### 3. Asset Allocation

The fund will invest in a FRNID.

### 4. Target Market

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

## Fund Details

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

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

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

## Other Details

Fund Name	Unit Price (30/5/2018)	Fund Size (30/5/2018)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM0.9943	RM25.77 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM0.9460	RM8.09 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM0.8892	RM8.53 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.8698	RM30.55 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8558	RM471.01 mil	26 Dec 2035	1.4221

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

## Market Review (by CIMB Bank Berhad)

Max InvestSave decreased by 0.29% in the reported period with five out of eleven Underlying Assets moving against the Effective Max InvestSave Weightings. Losses were mainly due to the appreciation of American Equities and Currency where negative weightings were held and the depreciation of European Equities where positive weightings were held by the Effective Max InvestSave Weightings.

May 2018 ended well for American Equities albeit with a few bumps in the road. Companies listed on the S&P 500 index have been showing stellar quarterly earnings results over the last few weeks but they haven't translated into significant share price increases. Much of that is due to concerns by market observers about the sustainability of profits continuing to accelerate given the fact that costs for businesses could be rising due to increasing commodity prices and higher interest rates. The ongoing trade rift between USA and China about proposed tariffs on imports is also weighing on the performance of equities as concerns are raised about the possibility of a trade war that would not be conducive for economic growth. On the other hand, the Eurozone received a boost from the favourable data shown by its biggest component economy, Germany. This was a welcome change from the rather lacklustre performance by the region over the last few months. However, geopolitical issues are now surfacing with Italy trying to form a new government and Spain looking to oust their current prime minister. Japan's economy shrunk in the Q1 2018 for the first time in two years. Japan has also voiced their displeasure about imposed metal tariffs and potential additional vehicle tariffs by the United States.

In the United Kingdom, the Bank of England kept the benchmark interest rate unchanged due to underwhelming economic growth during Q1 2018. Even so, the governor of the BoE is considering raising the rate in the near future to maintain the pace of inflation. OPEC members will be meeting in June to discuss the possibility of raising oil production after the International Energy Agency reported that the glut in the oil market had been overcome. (Source: Bloomberg)

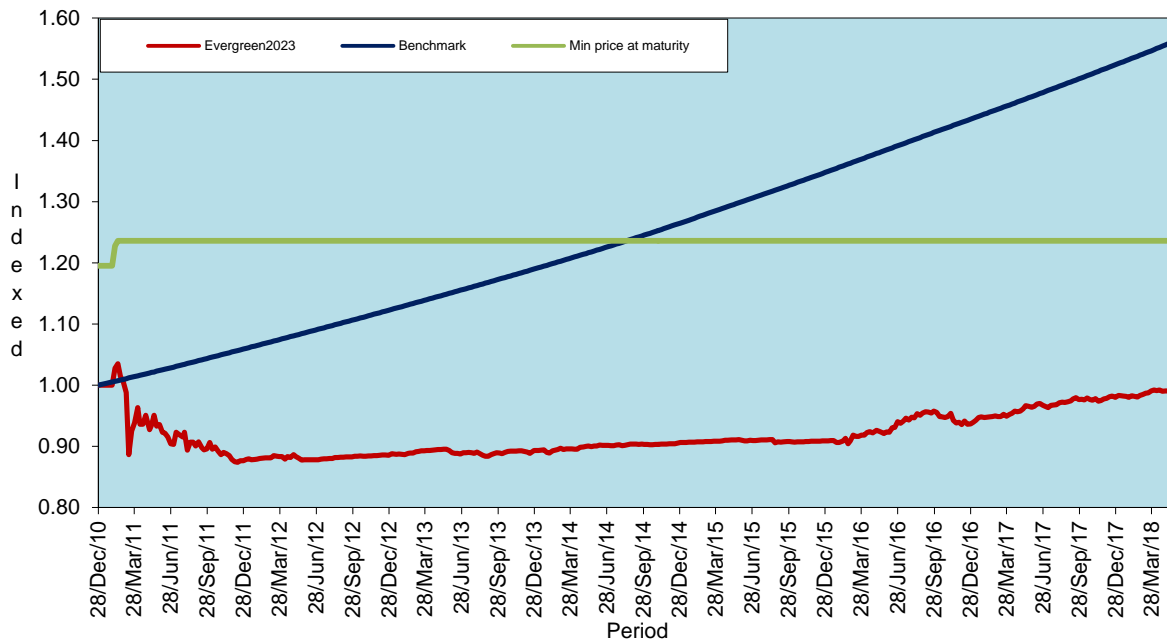
## Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index

Fund	HLA EverGreen 2023	HLA EverGreen 2025	HLA EverGreen 2028	HLA EverGreen 2030	HLA EverGreen 2035
Avg Exposure of Maximum Assurance FRNID to Max InvestSave PSSIA-i 30Y	0.00%	0.00%	0.00%	6.60%	22.92%
Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index	103.53%				
Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in Apr 2018	0.00%	0.00%	0.00%	6.83%	23.73%

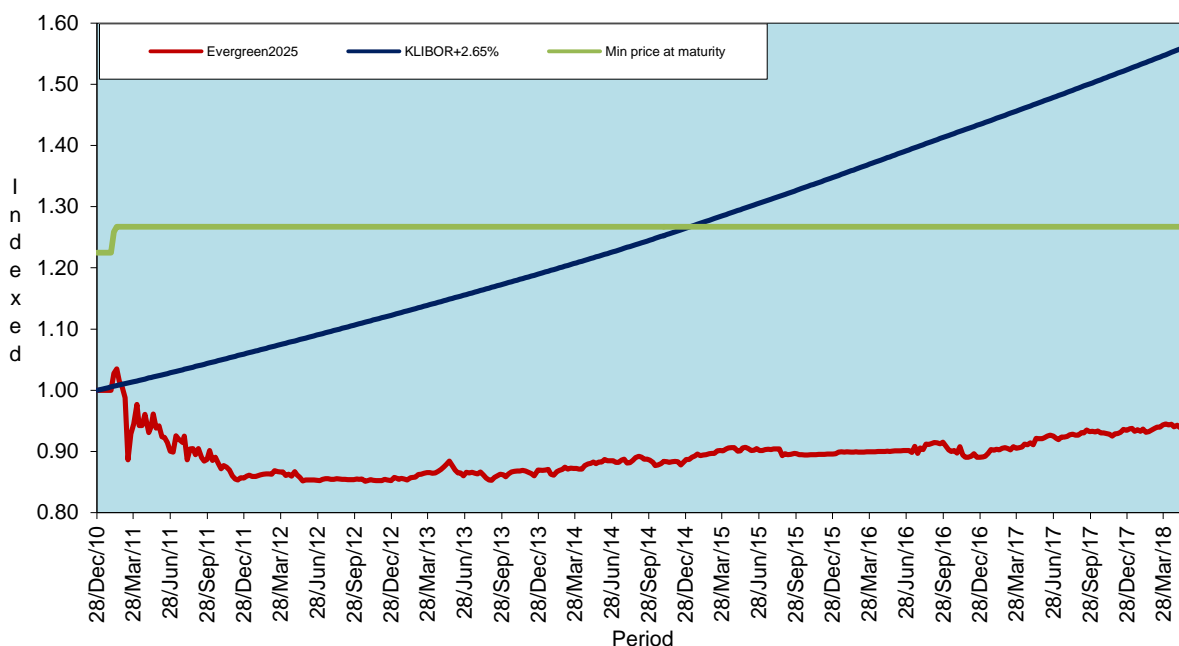
# HLA EverGreen Funds

## Historical Performance

HLA EverGreen 2023 Fund						
As of 30/5/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2023	1.43%	0.42%	3.16%	9.14%	11.33%	-0.57%
KLIBOR+2.65% p.a.*	2.63%	0.62%	6.25%	20.46%	35.96%	56.36%
Performance vs Benchmark	-1.20%	-0.20%	-3.09%	-11.31%	-24.63%	-56.93%

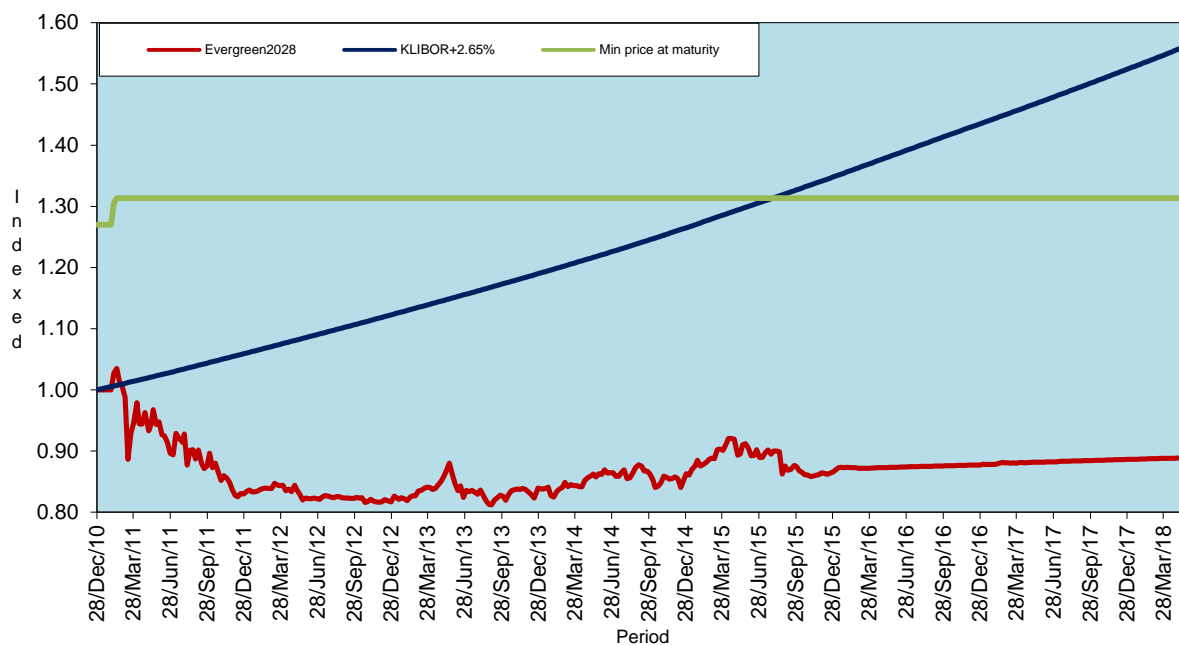


HLA EverGreen 2025 Fund						
As of 30/5/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2025	1.24%	0.60%	2.74%	4.33%	7.89%	-5.40%
KLIBOR+2.65% p.a.*	2.63%	0.62%	6.25%	20.46%	35.96%	56.36%
Performance vs Benchmark	-1.39%	-0.03%	-3.52%	-16.12%	-28.07%	-61.76%

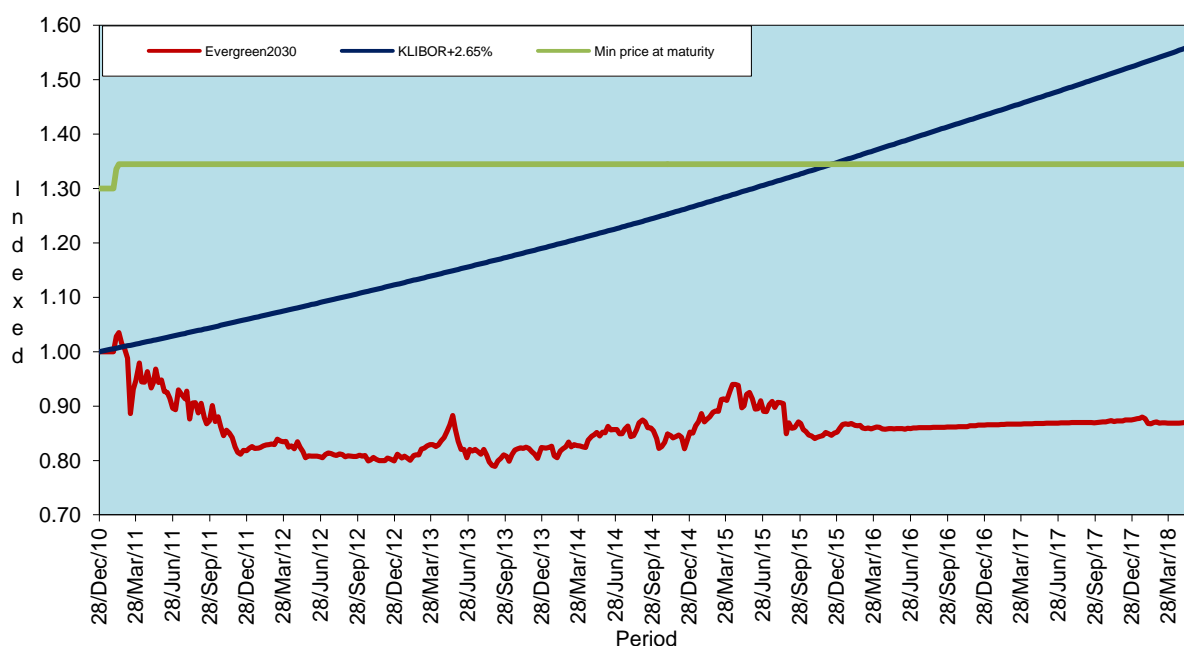


## HLA EverGreen Funds

HLA EverGreen 2028 Fund						
As of 30/5/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2028	0.33%	0.10%	0.83%	-2.54%	3.11%	-11.08%
KLIBOR+2.65% p.a.*	2.63%	0.62%	6.25%	20.46%	35.96%	56.36%
Performance vs Benchmark	-2.30%	-0.52%	-5.42%	-23.00%	-32.85%	-67.44%

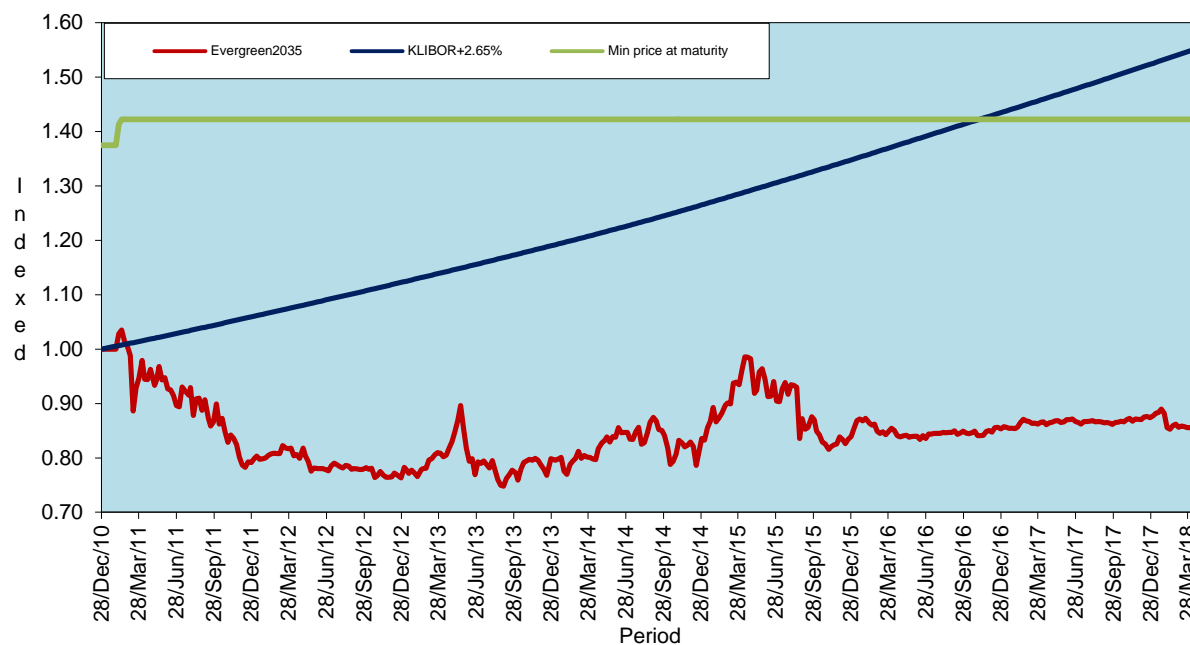


HLA EverGreen 2030 Fund						
As of 30/5/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2030	-0.50%	0.14%	0.17%	-5.99%	1.41%	-13.02%
KLIBOR+2.65% p.a.*	2.63%	0.62%	6.25%	20.46%	35.96%	56.36%
Performance vs Benchmark	-3.13%	-0.48%	-6.08%	-26.44%	-34.55%	-69.38%



## HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 30/5/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2035	-2.22%	0.21%	-1.37%	-11.34%	0.01%	-14.54%
KLIBOR+2.65% p.a.*	2.63%	0.62%	6.25%	20.46%	35.96%	56.36%
Performance vs Benchmark	-4.85%	-0.41%	-7.63%	-31.80%	-35.95%	-70.90%



\*Source: Bloomberg

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

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

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

## HLA EverGreen Funds

### 6. Deleverage Risk

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

### 7. Currency Risk

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

### 8. Performance Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

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

#### Month on month historical performance\*

Year	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD <sup>A</sup>	RTD
2011	-	1.69%	-6.28%	2.21%	-1.23%	-4.08%	2.04%	-3.97%	-1.16%	-3.57%	3.57%	-1.34%	-18.00%	-
2012	2.41%	1.07%	1.07%	-0.41%	-4.17%	-1.18%	2.35%	-0.49%	-0.66%	-1.88%	0.66%	-0.58%	-1.98%	-
2013	0.85%	3.31%	3.47%	3.25%	0.11%	-4.18%	-2.19%	-4.28%	4.44%	3.75%	0.54%	0.55%	9.50%	-
2014	-3.65%	5.03%	-1.05%	4.21%	1.61%	-0.38%	0.72%	3.50%	-2.35%	-0.76%	0.42%	2.21%	9.51%	-
2015	4.74%	3.12%	3.50%	0.48%	1.51%	-4.21%	2.83%	-5.19%	0.63%	-5.27%	1.28%	1.54%	4.39%	-
2016	1.82%	0.60%	-1.24%	-1.96%	0.34%	0.93%	0.78%	0.66%	-0.16%	-1.10%	1.39%	0.81%	2.84%	-
2017	0.64%	3.87%	-0.52%	-0.22%	0.89%	-1.58%	0.67%	0.76%	-2.20%	3.91%	-0.01%	1.07%	7.32%	-
2018	4.22%	-5.86%	-2.06%	-0.96%	-0.29%								-5.12%	5.38%

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

#### Underlying Performance

Underlying Asset	30-Apr-18 Closing Px	31-May-18 Closing Px	Performance (30 Apr 18 - 31 May 18)*	Effective Max InvestSave Weights** (26 Apr 18)
American Equity	5,193.04	5,318.10	2.41%	-25.88%
Japanese Equity	2,611.85	2,568.21	-1.67%	20.05%
European Equity	7,174.28	6,993.52	-2.52%	25.88%
UK Equity	6,463.52	6,644.27	2.80%	24.25%
Emerging Market Equity	4,313.06	4,243.27	-1.62%	0.00%
China Equity	12,331.39	11,978.30	-2.86%	10.06%
Commodity Index	855.17	877.67	2.63%	15.57%
European Real Estate	6,073.79	6,128.49	0.90%	25.88%
American Real Estate	75.64	78.19	3.37%	0.00%
Hedge Fund Strategies	211.01	223.38	5.86%	0.00%
Currency	0.83	0.86	3.31%	-22.87%

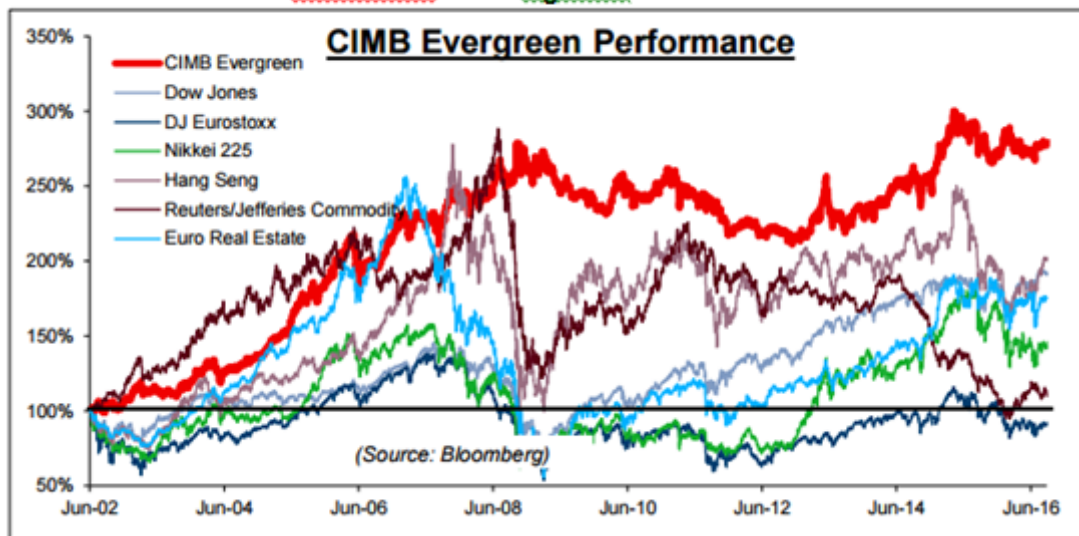
\* Month on month historical performance is calculated from previous Month End Date to current Month End Date

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



## HLA EverGreen Funds

### Performance of CIMB EverGreen Index Against Other Indices



#### Basis of Calculation of Past Performance

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

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

#### Others

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

**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.

#### CIMB Evergreen Index Disclaimer:

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

# HLA Dana Suria (HLADS)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

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

### 3. Asset Allocation

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

### 4. Target Market

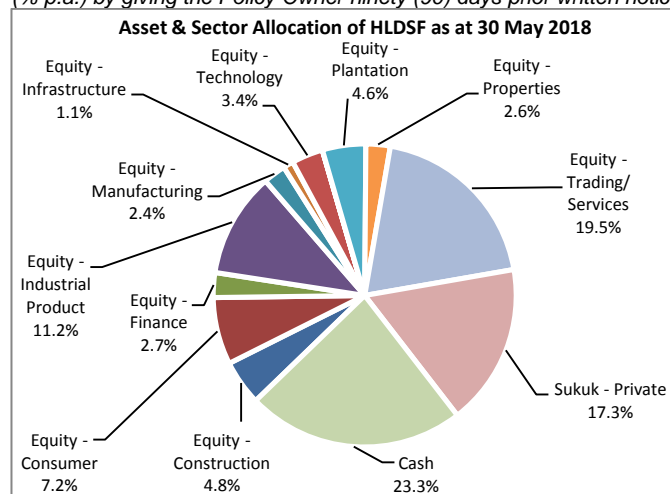
This fund is suitable for investors who have moderate risk-reward temperament and are looking for returns from Shariah-compliant investments in a medium-to-long term investment horizon.

## Fund Details

Unit Price (30/5/2018)	:RM1.0988
Fund Size (30/5/2018)	:RM6.02mil
Fund Management Fee	:1.30% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:24 Sept 2013
Benchmark	:(70% x FTSE Bursa Malaysia EmasShariah Index) + (30% x 3-month Klibor)

Frequency of Unit Valuation :Weekly

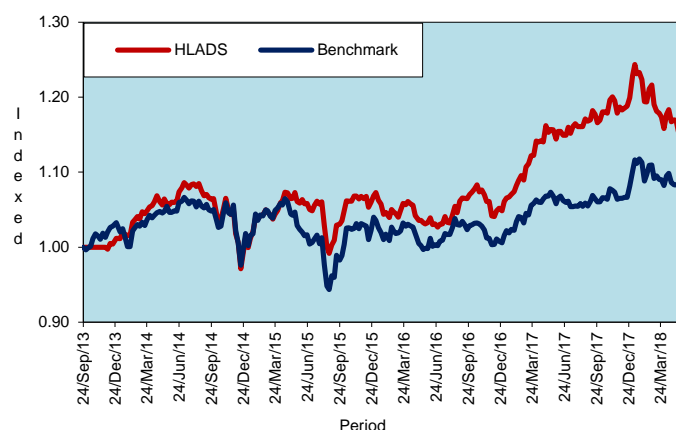
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 10 Holdings for HLADS as at 30 May 2018

		%
1.	Tenaga Nasional Berhad	Sukuk 5.0
2.	Lembaga Pembiayaan Perumahan Sektor Awam	Sukuk 4.8
3.	Tenaga Nasional Berhad	Equity 4.3
4.	QL Resources	Equity 2.6
5.	Sepang Bay Power Corporation Sdn Bhd	Sukuk 2.5
6.	Kesas Sdn Bhd	Sukuk 2.5
7.	Dialog Group	Equity 2.5
8.	Sarawak Hidro Sdn Bhd	Sukuk 2.5
9.	Inari Amertron	Equity 2.4
10.	IHH Healthcare Berhad	Equity 2.2
<b>Total Top 10</b>		<b>31.3</b>

## Historical Performance



	YTD	1 month	1 Year	3 Years	Since Inception
HLADS	-8.36%	-5.87%	-3.96%	3.57%	9.88%
Benchmark*	-5.23%	-5.61%	-3.13%	-0.39%	2.51%
Relative	-3.13%	-0.25%	-0.83%	3.96%	7.37%

\*Source: Bloomberg

## Hong Leong Assurance Berhad (94613-X)

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## HLA Dana Suria (HLADS)

### Market Review, Outlook & Strategy

Regional markets started positively with the meeting of the two Korean premiers with the possibility of ending hostilities. Strong corporate earnings on Wall Street also lifted sentiment despite lingering concerns over rising inflation and bond yields in the US. However, the uptrend did not last as towards month-end, Pyongyang called off diplomatic talks with Seoul. This raised doubts over whether the US-Korean summit will still take place which resulted in US 10-year treasuries spiking to 3.095% overnight. Hopes for an amicable resolution to the trade war tensions between the US and China were also dashed when US indicated that tariffs were still on the cards. Investors were further spooked over a possible Eurozone crisis with Italy and Spain facing domestic political crises as neither had a stable government.

Meanwhile in Malaysia, all focus was on the unanticipated outcome of the general elections which saw Pakatan Harapan staging a major upset and forming the new government. While it was a smooth transition, the biggest casualty from a market perspective has been the construction sector as many of the mega projects such as MRT 3, HSR and ECRL were scrapped or if not, downsized significantly in terms of value. The other sectors which were also affected were the telcos and toll concessionaires as the new government's manifesto intends for double the speed of broadband at half the price, and also abolishing toll roads. The further revelation of the actual national debt level of RM1 trn was also not well received with fears that Malaysia's sovereign rating may be downgraded by the international rating agencies especially after announcing the abolishment of GST. In tandem with policy uncertainties and the sell-off in emerging markets, there was a significant outflow of foreign funds during the month.

As such, the KLCI fell by 6.9% mom to close at 1,740.62pts. Similarly, the broader markets also fell in tandem with the FTSE Emas, FTSE Bursa Small Cap and FTSE Emas Shariah falling 6.95%, 5.3% and 7.5% mom respectively. The Ringgit also depreciated by 1.4% mom against the US\$ to 3.9798 despite rising oil prices.

On the local front, the next 100 days of transition of the new government will continue to be volatile while economic growth policies have yet to be unveiled. The recent corporate earnings season for the January - March quarter was also quite weak with earnings disappointment coming from the telco, plantations, construction, property and technology sectors. However, the current broad market correction presents an opportunity to reposition the portfolios structurally. We will continue to seek cover in quality stocks that offer earnings certainty and stable dividend yields whilst maintaining price and valuation discipline. The sector which is a clear winner is the consumer sector which is a direct beneficiary of the removal of GST that includes consumer staples and auto players. Gaming, financials and selected retail REITs are also indirect exposures to rising consumerism.

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

In the first half of May, US Treasuries (UST) were sold off as the US economy was showing positive signs with better than expected production numbers and higher inflation expectations due to stronger crude oil prices; suggesting that a hike may be imminent. The 10y UST yield climbed to its highest since 2011, hovering close to 3.12%. This resulted in a bond sell off across the region but sentiment immediately changed after US legislators suggested that trade war tensions remained as NAFTA nations were still at loggerheads over potential tariffs. UST continued to reverse even further as a result of weaker sentiment in global markets with investors opting for risk off amid the escalation of trade tensions between US and China. Increased geopolitical tensions between US and North Korea over a potentially scuttled summit and a political crisis in Italy and Spain also pushed UST yields lower. Finally comments from St Louis Fed President James Bullard that the Fed should slow its pace of rate hikes so as not to be faster than that of other central banks including BoJ and ECB also contributed to the drop in yields.

As for the Malaysian government bond space, the market was volatile throughout the month amid thin liquidity. Generally, bond yields were trending upwards with UST's remaining the key influence. However other uncertainties due to the change in local government and concerns over the huge local public debt which was later revealed at RM1.09 trillion, also impacted the market. As such, local bond yields spiked up across the curve despite a correction on the last day of the month signaling some normalization in sentiment with hints of foreign net buying. Month end buying and clarification from the Ministry of Finance on the fiscal deficit also aided the market resulting in the 3 to 30 years MGS benchmark yields increasing by 1.4-15.5 bps with the exception of 15- years MGS which decreased by 2.6 bps.

In the government guaranteed (GG) and private debt securities (PDS) space, both GG and PDS yields were also marked higher moving in tandem with the govies. However, due to the lackluster secondary market, there was not much of a selloff compared to the MGS market. Primary pipeline also slowed down and the few notable new issuances for the month were UiTM Solar, Danainfra, Telekom, Cagamas and PASB.

For the month of June, the key events are the upcoming Fed, ECB, BoE and BOJ's Monetary Policy meetings apart from our Malaysian government policy announcements. We believe that the macro outlook will continue to be the key driver for the local govies market. However, any adverse announcements by the Malaysian government may cause local bonds to behave otherwise although the overnight policy rate is expected to stay status quo. Thus, local bond yields will remain volatile.

With the Hari Raya celebration at midmonth, market liquidity will be thinner pre and post festive season. So, should there be any new issuances, the yields may be under pressure when the market is soft. On the primary pipeline, there will be 2 long tenure govies tenders and a few corporate PDS during the month.

Our strategy is to participate in the primary issuances for yield pick-up while waiting for an opportunity to take profit on some of the earlier govies positions. We shall also take advantage of the volatility to trade and plan to collect some long tenure GG papers as we foresee that there will be shortage of these bonds with the reduction on fiscal spending by the new government.

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

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

Net returns are adjusted for tax and fund management fees.

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

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

### Investment Risks

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

#### 1. Market Risk

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 Dana Suria (HLADS)

### 2. Liquidity Risk

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

### 3. Country Risk

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

### 4. Currency Risk

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

### 5. Concentration Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

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

Source: Hong Leong Asset Management Berhad

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

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

Source: Hong Leong Assurance Berhad

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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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 Secure Fund (HLASF)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

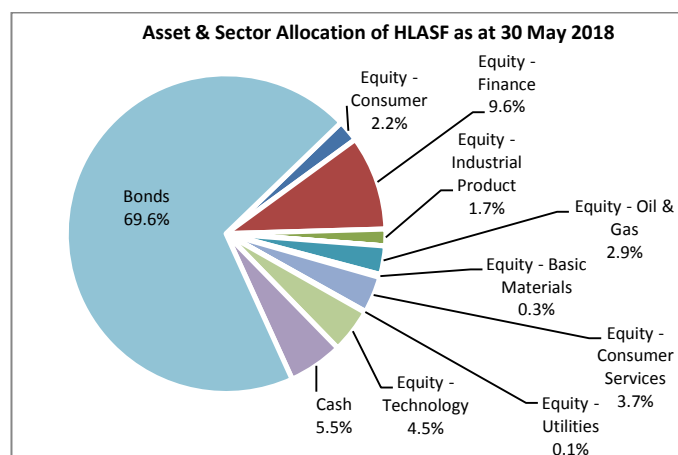
### 4. Target Market

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

## Fund Details

Unit Price (30/5/2018)	:RM1.3934
Fund Size (30/5/2018)	:RM14.2mil
Fund Management Fee	:1.00% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Bond
Fund Inception	:05 Feb 2013
Benchmark	: (70% x Maybank 12 Months Fixed Deposit Rate) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index)
Frequency of Unit Valuation	:Weekly

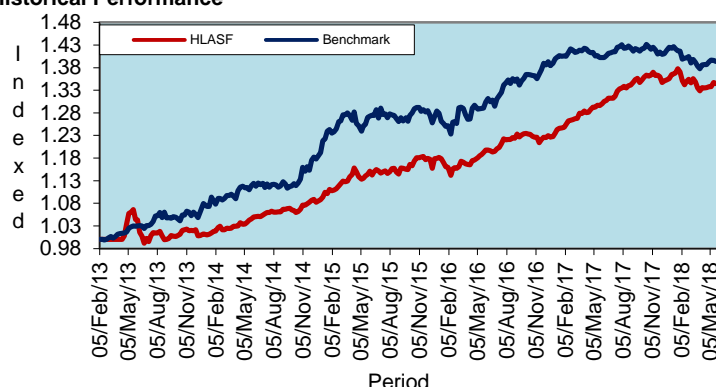
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 10 Holdings for HLASF as at 30 May 2018

		%
1.	DBS Group Holdings Ltd	Equity 2.1
2.	Alibaba Group Holding Ltd	Equity 1.8
3.	China Construction Bank Corp	Equity 1.4
4.	4.88% PTT Exploration (18.06.49)	Bond 1.3
5.	4.38% JGSH Philippines (23.01.23)	Bond 1.2
6.	7.00% Yinson TMC Sdn Bhd (25.09.49)	Bond 1.1
7.	3.95% Shenzhen International Holding (29.11.49)	Bond 1.0
8.	2.50% United States Treasury N/B (31.05.20)	Bond 1.0
9.	0.00% United States Treasury N/B (07.06.18)	Bond 1.0
10.	0.00% United States Treasury N/B (14.06.18)	Bond 1.0
<b>Total Top 10</b>		<b>12.9</b>

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	-0.86%	0.61%	3.31%	17.45%	28.65%	34.37%
Benchmark*	-2.21%	0.49%	-0.65%	9.72%	35.41%	39.34%
Relative	1.34%	0.12%	3.96%	7.73%	-6.77%	-4.97%

\*Source: AffinHwang

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

Markets were volatile amidst an uncertain US-North Korea summit, constantly changing rhetoric on trade, US sanction on Iran and political overhang in Europe. US 10 year treasury yields fell below 2.9% after moving beyond the 3.1% levels earlier in the month, while USD and Yen rallied as investors seek safe heaven assets. EM markets also saw a sell off during the month, pushed by better economic data from the US, the USD strength, and high oil prices. Asian bond prices remained relatively flat despite the lower US treasury yields. Credit spreads widened with continued heavy supply of primary issuance seen. In Asia, the Indonesian Rupiah was the best performing currency following central bank's rate hike of 25bps twice in just 2 weeks in an attempt to arrest a similar decline. The risk off sentiment also brought equity indexes lower, with the broader MSCI Asia ex Japan Index closing down at -1.63% while the Hang Seng Index finished lower at -1.10%. Market volatility to continue in the near term as uncertainties prevail, despite encouraging fundamentals.

We continue to believe that the broader economic fundamentals remain robust and there are still opportunities in the market to participate in. The fixed income portfolio's foreign currency exposure will remain largely hedged to reduce potential effects from currency movements. We maintain a relatively short duration positioning at about 3 to 3.5 years. Support for regional bonds is still relatively soft as investors stay side-lined while bond prices slowly re-adjust. We will look for opportunities to enter at more attractive levels as we expect bond supplies to gradually slow entering 2H 2018. For the equities portion, we continue to like Chinese, South Korean and Singapore names, particularly in the financials and selective segments of the tech sector.

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

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## HLA Secure Fund (HLASF)

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

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

Net returns are adjusted for tax and fund management fees.

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

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Country Risk

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

#### 4. Currency Risk

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

#### 5. Concentration Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

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

Source: Affin Hwang Investment Management

## HLA Secure Fund (HLASF)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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### Disclaimer:

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# HLA Cash Fund (HLACF)

May 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

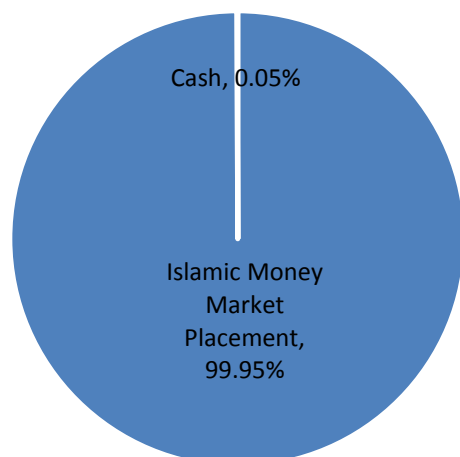
This fund is suitable for investors who are low risk profile.

## Fund Details

Unit Price (30/5/2018)	: RM1.1919
Fund Size (30/5/2018)	: RM35.5mil
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	: Weekly

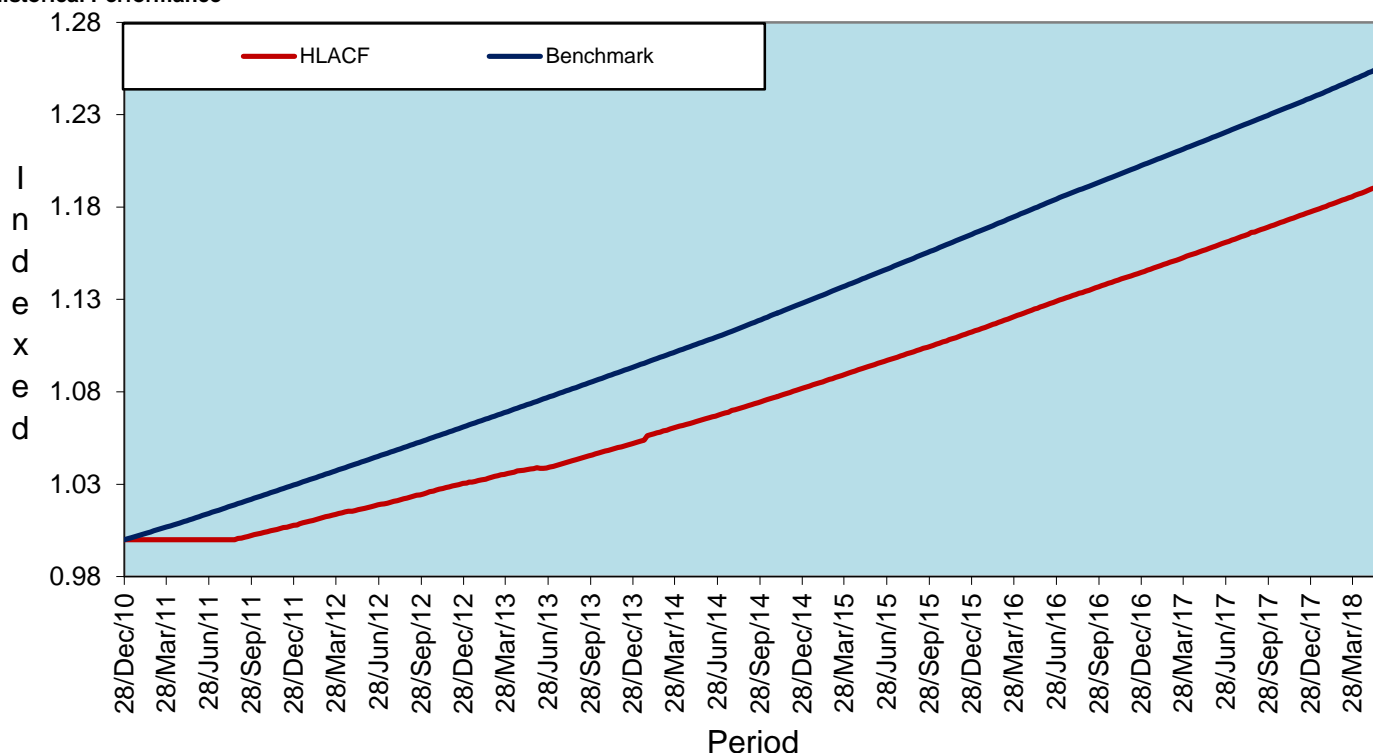
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.

Asset & Sector Allocation of HLACF as at 30 May 2018



# HLA Cash Fund (HLACF)

## Historical Performance



As of 30/5/18	1 month	YTD	1 Year	3 Years	5 Years	Since Inception
HLACF	0.30%	1.23%	2.90%	8.93%	14.77%	19.19%
Benchmark*	0.32%	1.36%	3.13%	9.86%	16.89%	25.58%
Relative	-0.02%	-0.13%	-0.22%	-0.94%	-2.12%	-6.39%

\*Source: Bloomberg

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

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

Net returns are adjusted for tax and fund management fees.

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

## Investment Risks

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

### 1. Counterparty risk

This 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 will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

## Basis of Unit Valuation

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

## HLA Cash Fund (HLACF)

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

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