

# Monthly Fund Fact Sheet

## — February 2018



## Contents

### Daily Valuation Funds

HLA Venture Growth Fund.....	1
HLA Venture Blue Chip Fund .....	3
HLA Venture Dana Putra.....	6
HLA Venture Flexi Fund .....	8
HLA Value Fund.....	10
Hong Leong SMART Invest Fund .....	13
Hong Leong Smart Growth Fund .....	16
HLA Venture Global Fund .....	19
HLA Venture Managed Fund .....	22
HLA Venture Income Fund.....	24

### Weekly Valuation Funds

HLA EverGreen Funds .....	26
HLA Dana Suria .....	32
HLA Secure Fund.....	35
HLA Cash Fund .....	38
Fund Risk Type & Customer Risk Appetite .....	41

# HLA Venture Growth Fund (HLAVGF)

Feb 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

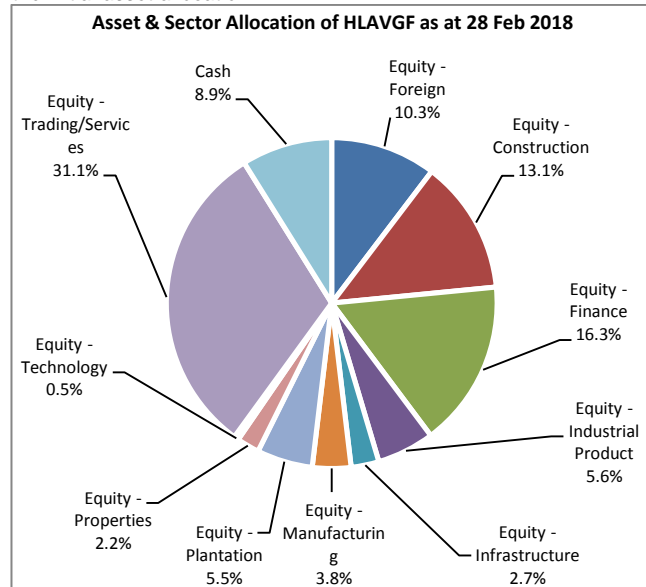
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (28/2/2018)	:RM2.4299
Fund Size (28/2/2018)	:RM435.0mil
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 28 Feb 2018



## Top 10 Holdings for HLAVGF as at 28 Feb 2018

	%
1. MAYBANK	8.4
2. CIMB	7.9
3. TENAGA	7.9
4. DIALOG	4.9
5. AXIATA	3.9
6. INARI	3.8
7. YINSON	3.7
8. TENCENT	3.5
9. MYEG	3.0
10. EFORCE	2.7
<b>Total Top 10</b>	<b>49.7</b>

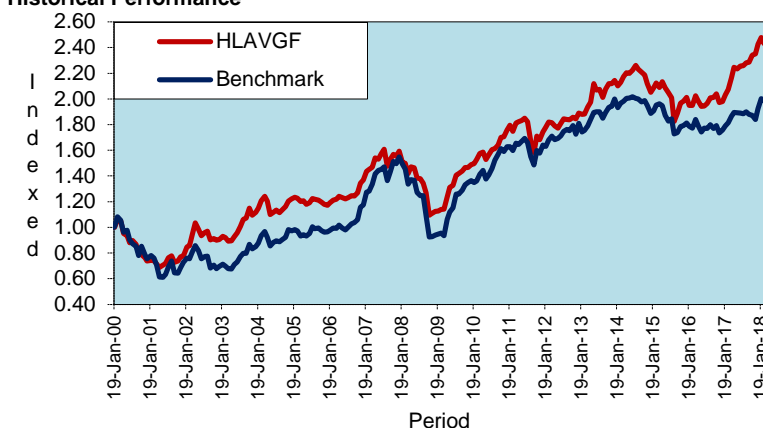
## Hong Leong Assurance Berhad (94613-X)

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## Historical Performance



	YTD	1 month	1 year	5 years	10 years	Since Inception
HLAVGF	0.17%	-1.97%	17.13%	29.09%	62.04%	142.99%
Benchmark*	3.31%	-0.66%	9.59%	13.35%	36.75%	98.87%
Relative	-3.13%	-1.31%	7.54%	15.74%	25.29%	44.12%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets corrected in February triggered by a US payroll report which saw wages rising, leading to expectations of higher inflation and more Fed hikes than anticipated. As such, there was a sell-off in US bonds over fears of rising rates which also caused the Dow Jones Industrial Average to follow suit, losing nearly 1,900 points over a two day period. This fear was compounded by the optimistic view of the newly appointed Fed Chairman Jerome Powell on the economy, which has left market participants anticipating a faster pace of rate hikes in the US. Market participants are now weighing the possibility of 4 rate hikes in 2018 and a possible rise of the 10-year Treasury yield to 3.25%. In China, investors will be watching for the outcome of the Chinese People's Political Consultative Conference which starts on 3<sup>rd</sup> March and also the National People's Congress which will open on 5<sup>th</sup> March. Media reports have been speculating on the combining or reshuffling of various government organisations to form super regulators in finance, environment, public security, intellectual property and healthcare.

Meanwhile, the Malaysian market was not spared the volatility in regional markets. While the start of the year saw strong net foreign inflows, it quickly reversed in February on the back of rising interest rate expectations in the US. The recently concluded 4Q2017 earnings reporting season showed that it was finally a year of earnings recovery. Banks and plantation sectors were the main drivers contributing to the recovery; other notable sectors which posted stronger earnings included technology, gloves, construction, petrochemical and gaming. Meanwhile, Ringgit weakened slightly to RM3.917/US\$ on the back of slightly lower crude oil price of US\$61.55/barrel. Interestingly there were a few measures announced by the government to stimulate the vibrancy in the equity market. Key measures include allowing intraday short selling for all investors, liberalising the margin financing rules and establishing Malaysia-Singapore connect.

During the month, the KLCI fell -0.7% mom to close at 1,856.20pts. The broader market underperformed, with the FBM Emas falling by -1.1% mom to 13,218pts and FBM Shariah Index falling by 1.7% mom to 13,427.51pts. Small cap performance was much weaker as the FBM Small cap index fell by -2.1% mom to 16,720pts, indicating declining risk appetite which was also apparent for the ACE market which tumbled -4.4%. Average daily value traded on Bursa fell 17% mom but rose 14% yoy to RM2.87b.

As we move into March, two macro events for Malaysia are the upcoming Monetary Policy Committee meeting and the release of Bank Negara Malaysia's 2017 annual report. In addition, there are rising expectations that Parliament could be dissolved soon to pave the way for general elections. As a result there could be more volatility ahead. Nonetheless, we continue to favour quality stocks on pullbacks and will remain invested in the following themes which include 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

# 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)

Feb 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

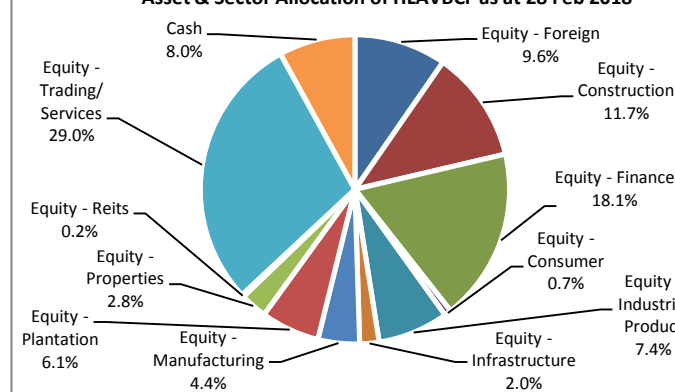
This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

## Fund Details

Unit Price (28/2/2018)	: RM2.7428
Fund Size (28/2/2018)	: RM232.3mil
Fund Management Fee (effective as at 01/04/2017)	: 1.48% p.a. (capped at 1.50%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jan 2000
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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

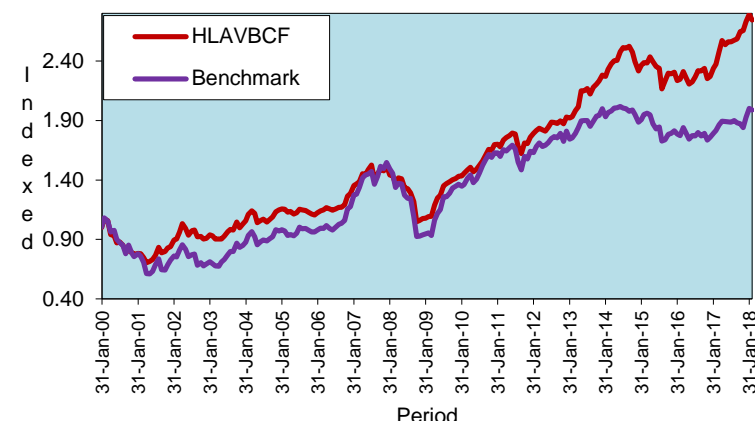
Asset & Sector Allocation of HLAVBCF as at 28 Feb 2018



Top 10 Holdings for HLAVBCF as at 28 Feb 2018

	%
1. MAYBANK	8.4
2. CIMB	7.5
3. TENAGA	6.9
4. YINSON	5.9
5. INARI	4.3
6. AXIATA	3.8
7. VS	3.2
8. TENCENT	3.0
9. MRCB	2.7
10. DIGI	2.6
<b>Total Top 10</b>	<b>48.3</b>

## Historical Performance



	YTD	1 month	1 year	5 years	10 years	Since Inception
HLAVBCF	0.47%	-1.74%	15.55%	42.01%	90.92%	174.28%
Benchmark*	3.31%	-0.66%	9.59%	13.35%	36.75%	98.87%
Relative	-2.84%	-1.08%	5.96%	28.66%	54.18%	75.41%

\*Source: Bloomberg

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# HLA Venture Blue Chip Fund (HLAVBCF)

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

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

Net returns are adjusted for tax and fund management fees.

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.

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## Risk Management

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

## Basis of Unit Valuation

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- 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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### Others

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# HLA Venture Dana Putra (HLAVDP)

Feb 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 focuses on 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.

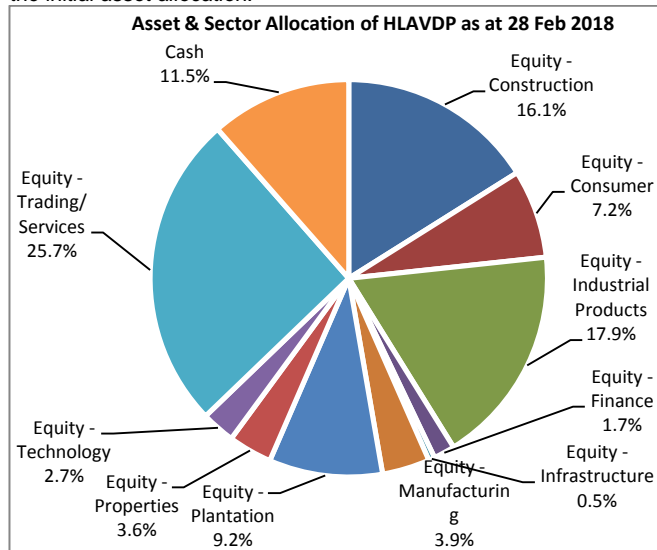
### 4. Target Market

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

## Fund Details

Unit Price (28/2/2018)	: RM2.7708
Fund Size (28/2/2018)	: RM74.7mil
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	: Balanced
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

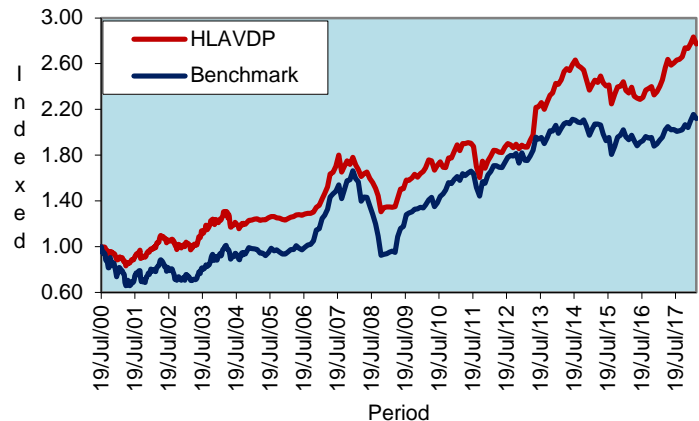
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## Top 10 Holdings for HLAVDP as at 28 Feb 2018

	%
1. TENAGA	8.1
2. QL	4.0
3. VS	4.0
4. INARI	3.9
5. AXIATA	3.5
6. KERJAYA	3.4
7. DIALOG	3.3
8. YINSON	3.2
9. IOICORP	2.9
10. SIMEPLT	2.8
<b>Total Top 10</b>	<b>39.1</b>

## Historical Performance



	YTD	1 month	1 year	5 years	10 years	Since Inception
HLAVDP	-0.10%	-2.20%	12.65%	48.14%	65.38%	177.08%
Benchmark*	0.94%	-1.69%	8.39%	20.91%	35.12%	112.04%
Relative	-1.04%	-0.51%	4.26%	27.23%	30.26%	65.04%

Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets corrected in February triggered by a US payroll report which saw wages rising, leading to expectations of higher inflation and more Fed hikes than anticipated. As such, there was a sell-off in US bonds over fears of rising rates which also caused the Dow Jones Industrial Average to follow suit, losing nearly 1,900 points over a two day period. This fear was compounded by the optimistic view of the newly appointed Fed Chairman Jerome Powell on the economy, which has left market participants anticipating a faster pace of rate hikes in the US. Market participants are now weighing the possibility of 4 rate hikes in 2018 and a possible rise of the 10-year Treasury yield to 3.25%. In China, investors will be watching for the outcome of the Chinese People's Political Consultative Conference which starts on 3<sup>rd</sup> March and also the National People's Congress which will open on 5<sup>th</sup> March. Media reports have been speculating on the combining or reshuffling of various government organisations to form super regulators in finance, environment, public security, intellectual property and healthcare.

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

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## HLA Venture Dana Putra (HLAVDP)

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

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

Net returns are adjusted for tax and fund management fees.

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### 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)

Feb 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.

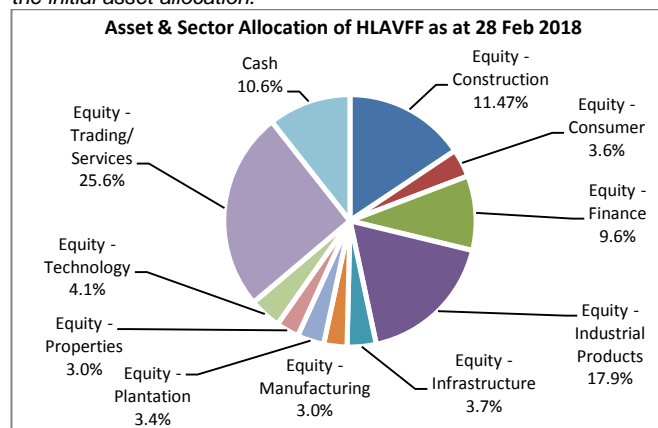
### 4. Target Market

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

Unit Price (28/2/2018)	: RM1.1000
Fund Size (28/2/2018)	: RM49.3mil
Fund Management Fee (effective as at 01/09/2016)	: 1.45% p.a. (capped at 1.48%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 06 April 2009
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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



## Top 10 Holdings for HLAVFF as at 28 Feb 2018

	%
1. MAYBANK	5.1
2. TENAGA	4.7
3. CIMB	4.5
4. VS	4.2
5. EFORCE	3.7
6. AXIATA	3.2
7. YINSON	3.0
8. INARI	3.0
9. GBGAQRS	2.6
10. JHM	2.5
<b>Total Top 10</b>	<b>36.5</b>

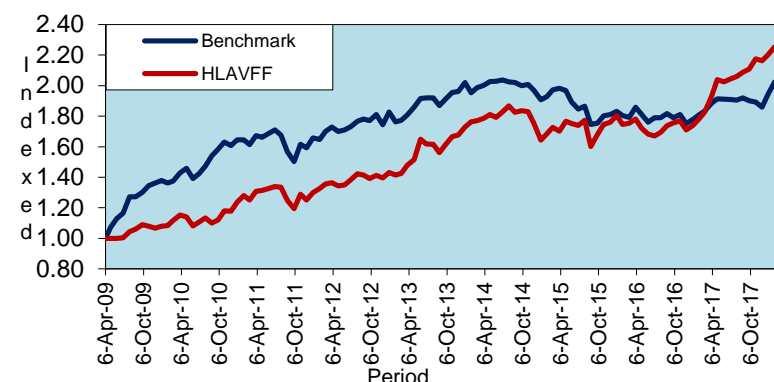
Hong Leong Assurance Berhad (94613-X)

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
HLAVFF	-0.11%	-2.39%	20.35%	27.43%	54.30%	120.00%
Benchmark*	3.31%	-0.66%	9.59%	1.92%	13.35%	100.94%
Relative	-3.41%	-1.72%	10.76%	25.51%	40.95%	19.06%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets corrected in February triggered by a US payroll report which saw wages rising, leading to expectations of higher inflation and more Fed hikes than anticipated. As such, there was a sell-off in US bonds over fears of rising rates which also caused the Dow Jones Industrial Average to follow suit, losing nearly 1,900 points over a two day period. This fear was compounded by the optimistic view of the newly appointed Fed Chairman Jerome Powell on the economy, which has left market participants anticipating a faster pace of rate hikes in the US. Market participants are now weighing the possibility of 4 rate hikes in 2018 and a possible rise of the 10-year Treasury yield to 3.25%. In China, investors will be watching for the outcome of the Chinese People's Political Consultative Conference which starts on 3<sup>rd</sup> March and also the National People's Congress which will open on 5<sup>th</sup> March. Media reports have been speculating on the combining or reshuffling of various government organisations to form super regulators in finance, environment, public security, intellectual property and healthcare.

Meanwhile, the Malaysian market was not spared the volatility in regional markets. While the start of the year saw strong net foreign inflows, it quickly reversed in February on the back of rising interest rate expectations in the US. The recently concluded 4Q2017 earnings reporting season showed that it was finally a year of earnings recovery. Banks and plantation sectors were the main drivers contributing to the recovery; other notable sectors which posted stronger earnings included technology, gloves, construction, petrochemical and gaming. Meanwhile, Ringgit weakened slightly to RM3.917/US\$ on the back of slightly lower crude oil price of US\$61.55/barrel. Interestingly there were a few measures announced by the government to stimulate the vibrancy in the equity market. Key measures include allowing intraday short selling for all investors, liberalising the margin financing rules and establishing Malaysia-Singapore connect.

During the month, the KLCI fell -0.7% mom to close at 1,856.20pts. The broader market underperformed, with the FBM Emas falling by -1.1% mom to 13,218pts and FBM Shariah Index falling by 1.7% mom to 13,427.51pts. Small cap performance was much weaker as the FBM Small cap index fell by -2.1% mom to 16,720pts, indicating declining risk appetite which was also apparent for the ACE market which tumbled -4.4%. Average daily value traded on Bursa fell 17% mom but rose 14% yoy to RM2.87b.

As we move into March, two macro events for Malaysia are the upcoming Monetary Policy Committee meeting and the release of Bank Negara Malaysia's 2017 annual report. In addition, there are rising expectations that Parliament could be dissolved soon to pave the way for general elections. As a result there could be more volatility ahead. Nonetheless, we continue to favour quality stocks on pullbacks and will remain invested in the following themes which include 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

# 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)

Feb 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.

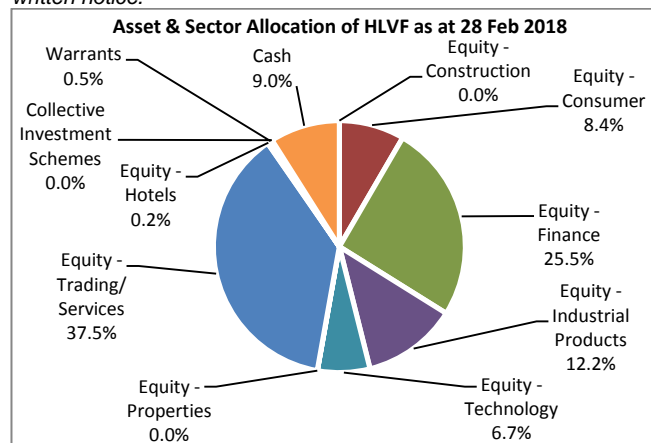
### 5. Target Market

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 (28/2/2018)	: RM 1.2390
Fund Size (28/2/2018)	: RM 77.9mil
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

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



## Hong Leong Assurance Berhad (94613-X)

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

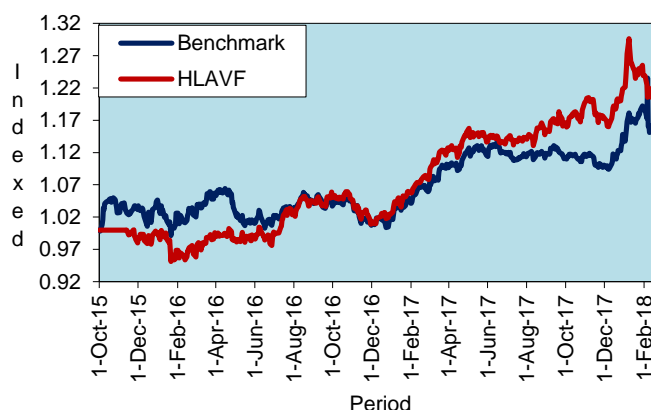
Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## Top 10 Holdings for HLVF as at 28 Feb 2018

	%
1. PUBLIC BANK BERHAD	8.6
2. TENAGA NASIONAL BERHAD	7.2
3. TOP GLOVE	7.0
4. MALAYAN BANKING	6.7
5. MY EG SERVICES	6.3
6. F&N	5.9
7. GENTING MALAYSIA	5.3
8. SKP RESOURCES BERHAD	5.2
9. BURSA MALAYSIA	5.2
10. GLOBETRONICS	5.1
<b>Total Top 10</b>	<b>62.5</b>

## Historical Performance



	YTD	1 month	6 months	1 year	2 years	Since Inception
HLVF	1.68%	-0.04%	7.26%	14.94%	29.30%	23.90%
Benchmark*	2.13%	-1.15%	4.82%	10.61%	14.92%	17.25%
Relative	-0.45%	1.11%	2.44%	4.32%	14.38%	6.65%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 0.7% to close at 1,856 points. The broader market underperformed as the FTSE BM EMAS Index declined 1.2% to close at 13,218 points. Small caps underperformed as the FTSE BM Small Cap Index declined 2.1% to close at 16,721 points.

Small caps underperformed as reported earnings disappointed investors, largely due to margin erosion. Financials outperformed on the back of strong macroeconomic data, foreign funds inflow and expectations of better earnings prospects from the recent rate hike.

On the corporate front, Malaysia Airports Holdings Berhad is disposing its entire 11% stake in GMR Hyderabad International Airport Limited to India's GMR Airports. The proposed trading link between Bursa Malaysia and Singapore Exchange is expected to be ready by the end of this year.

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

## HLA Value Fund (HLVF)

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

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

Net returns are adjusted for tax and fund management fees.

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

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Concentration Risk

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

#### 6. Country Risk

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

#### 7. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

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

Source: Hong Leong Asset Management

## HLA Value Fund (HLVF)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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# Hong Leong SMART Invest Fund (HLSIF)

Feb 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.

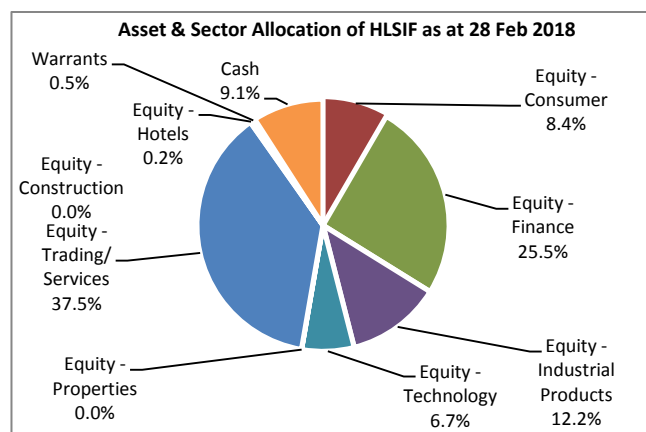
### 9. Target Market

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 (28/2/2018)	: RM 1.0410
Fund Size (28/2/2018)	: RM 39.5mil
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

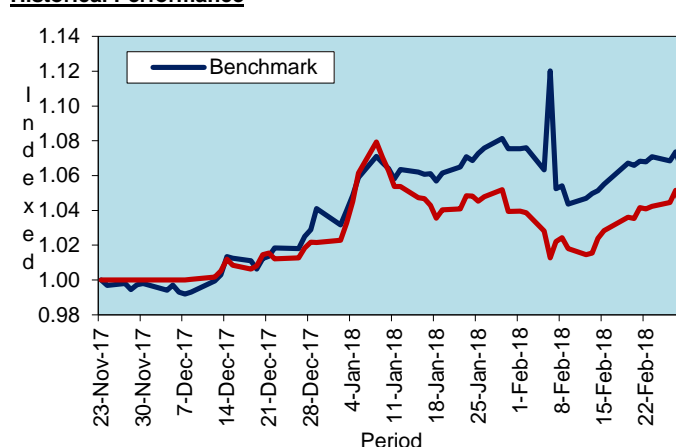
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.



## Top 10 Holdings for HLSIF as at 28 Feb 2018

	%
1. PUBLIC BANK BERHAD	8.6
2. TENAGA NASIONAL BERHAD	7.1
3. TOP GLOVE	7.0
4. MALAYAN BANKING	6.7
5. MY EG SERVICES	6.3
6. F&N	5.9
7. GENTING MALAYSIA	5.2
8. SKP RESOURCES BERHAD	5.2
9. BURSA MALAYSIA	5.2
10. GLOBETRONICS	5.1
<b>Total Top 10</b>	<b>62.3</b>

## Historical Performance



	YTD	1 month	3 months	1 year	2 years	Since Inception
HLSIF	1.90%	0.15%	4.10%	-	-	4.10%
Benchmark*	2.13%	-1.15%	6.53%	-	-	6.32%
Relative	-0.23%	1.30%	-2.43%	-	-	-2.22%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 0.7% to close at 1,856 points. The broader market underperformed as the FTSE BM EMAS Index declined 1.2% to close at 13,218 points. Small caps underperformed as the FTSE BM Small Cap Index declined 2.1% to close at 16,721 points.

Small caps underperformed as reported earnings disappointed investors, largely due to margin erosion. Financials outperformed on the back of strong macroeconomic data, foreign funds inflow and expectations of better earnings prospects from the recent rate hike.

On the corporate front, Malaysia Airports Holdings Berhad is disposing its entire 11% stake in GMR Hyderabad International Airport Limited to India's GMR Airports. The proposed trading link between Bursa Malaysia and Singapore Exchange is expected to be ready by the end of this year.

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

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

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

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

# Hong Leong SMART Invest Fund (HLSIF)

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

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

Net returns are adjusted for tax and fund management fees.

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

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Concentration Risk

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

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

#### 6. Country Risk

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

#### 7. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

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

Source: Hong Leong Asset Management

## Hong Leong SMART Invest Fund (HLSIF)

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

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

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

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

### **Others**

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

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

### **Disclaimer:**

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

# Hong Leong Smart Growth Fund (HLSGF)

Feb 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

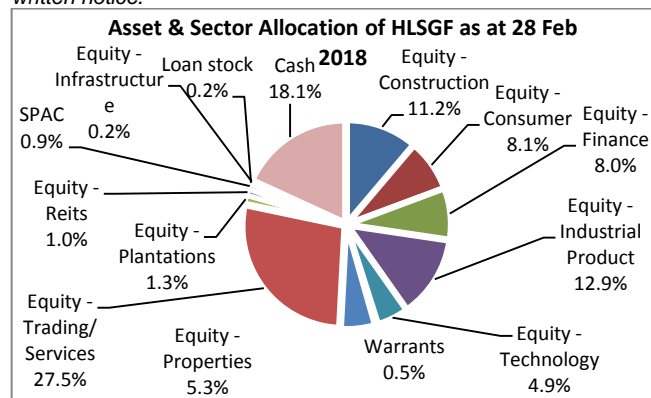
### 4. Target Market

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

## Fund Details

Unit Price (28/2/2018)	: RM2.0062
Fund Size (28/2/2018)	: RM273.5mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 Oct 2012
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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 28 Feb 2018

	%
1. TENAGA NASIONAL BHD	3.9
2. YINSON HOLDINGS BHD	2.8
3. GLOBETRONICS TECHNOLOGY BHD	2.7
4. GABUNGAN AQRS BHD	2.7
5. LBS BINA GROUP BHD	2.7
6. DIALOG GROUP BHD	2.7
7. MALAYAN BANKING BERHAD	2.5
8. INARI AMERTRON BHD	2.2
9. FRASER & NEAVE HOLDINGS BERHAD	2.0
10. SUNWAY BERHAD	2.0
<b>Total Top 10</b>	<b>26.2</b>

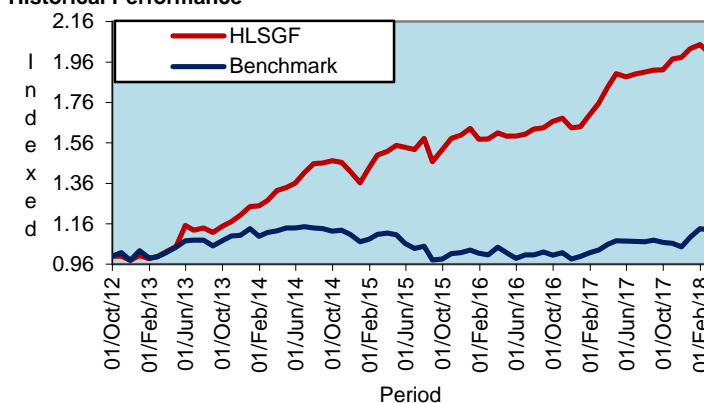
## Hong Leong Assurance Berhad (94613-X)

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

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## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	-0.94%	-1.94%	14.30%	33.68%	101.02%	100.62%
Benchmark*	3.31%	-0.66%	9.59%	1.92%	13.35%	12.95%
Relative	-4.25%	-1.27%	4.71%	31.76%	87.68%	87.67%

Source: Bloomberg

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

Global equity markets started the month with three days of intense sell-offs. Fears of rising interest rates in the US, due to measures aimed at controlling inflation, resulted in heightened volatility. Regional stock markets tumbled after Wall Street plummeted, as investors fled to safe havens in a highly volatile global market. Although the market did stage a mild rebound thereafter, it weakened again on news that the US would impose import tariffs on steel and aluminum, raising concern of higher prices and trade war.

The FBMKLCI started the month on a weak footing as the index tracked the sell-down in global markets. The FBMKLCI and FBMS was down by 0.7% and 1.7%, respectively tracking regional markets performance. Small cap stock fared worse, with the FBMSC falling 2.1% MoM. Foreigners turned net sellers in February (RM-1.2 bln) after net buys in January (+RM3.3bln) and December (+RM1.1bln). YTD, foreigners net bought MYR2.26bn.

Malaysia GDP report was announced in February, which saw the economy growing by healthy pace of 5.9% yoy in 4Q17, albeit slowing from 6.2% in 3Q17, on account of a slowdown in exports, while domestic demand remained resilient. For the full year, Malaysia recorded a strong GDP growth of 5.9%, the fastest in three years, just behind China (+6.8%) and the Philippines (+6.6%), mainly due to the surge in exports and subsequent pick-up in domestic demand.

Three key events to look out in March: 1) BNM MPC meeting where we do not expect any interest rate hikes, 2) BNM annual report release on 28 March and 3) Further indicators of election timing and dissolution of the Parliament. Domestically, the local market strength is likely to persist up until election is called, driven by the 'feel good' factor and as risk appetite for growth stocks have remained strong. In previous election, the KLCI moved up +3.0% a month pre-parliament dissolution. So far, in the first two months of 2018, the KLCI has gained +3.3% (and 6.8% in USD).

## Market Outlook & Fund Strategy

We maintain a positive bias for equity markets in 1H2018. Global economic outlook remains favourable, with key markets including US, Europe, Japan and China expanding at encouraging rates. Moreover, global trade momentum remains strong, with potential boost from US progressive fiscal spending sustaining exports prospects with Malaysia among the beneficiaries. Election fever is expected to pick up as the country expects the PM to call for dissolution of parliament in coming weeks. We expect market to tone down in the run up to the election date as investors wait for the outcome of the fiercely contested battle to run the government for the next 5 years.

Stock picking remains key for outperformance. We are cautiously optimistic and continue to be selective towards stocks with stable earnings, growing momentum, as well as quality high yielders.

# 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.

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### Disclaimer:

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

# HLA Venture Global Fund (HLAVGLF)

Feb 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

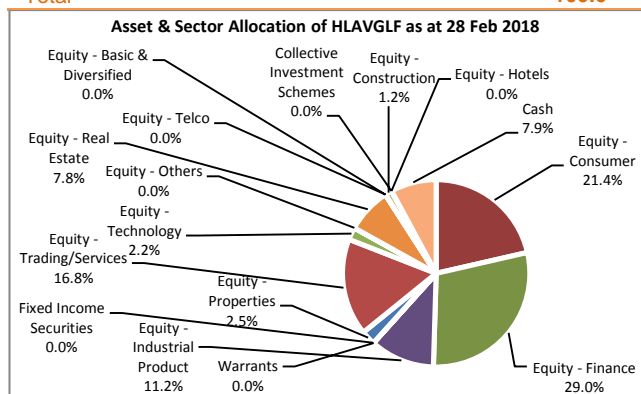
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

<b>Unit Price (28/2/2018)</b>	:RM1.3663
<b>Fund Size (28/2/2018)</b>	:RM30.4mil
<b>Fund Management Fee</b>	:1.29% p.a.
<b>Fund Manager</b>	:Hong Leong Assurance Berhad
<b>Fund Category</b>	:Equity
<b>Fund Inception</b>	: 02 April 2007
<b>Benchmark</b>	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
<b>Frequency of Unit Valuation</b>	:Daily

*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 28 Feb 2018	%
Hong Leong Asia-Pacific Dividend Fund	55.9
Hong Leong Strategic Fund	43.1
Cash	1.0
<b>Total</b>	<b>100.0</b>



Top 10 Holdings for HLAVGLF as at 28 Feb 2018	%
1. Hong Leong Islamic Institutional Income Management Fund II	6.1
2. Malayan Banking Berhad	3.7
3. DBS Group Holdings Limited	3.0
4. RHB Bank Berhad	2.9
5. Public Bank	2.8
6. Top Glove	2.5
7. Frontken	2.3
8. SKP Resources	2.3
9. Bursa Malaysia	2.3
10. Fraser & Neave Holdings	2.1
<b>Total Top 10</b>	<b>30.0</b>

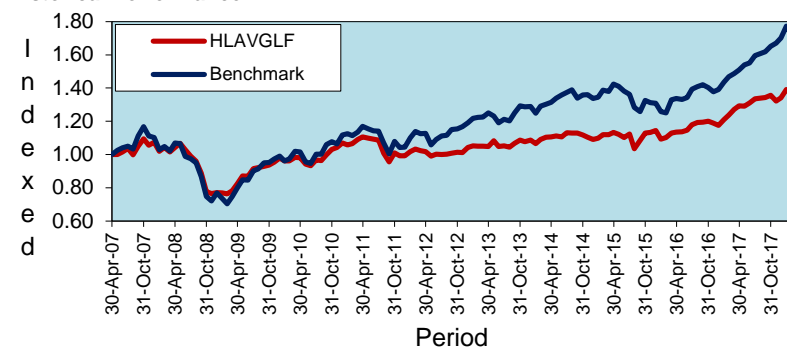
**Hong Leong Assurance Berhad** (94613-X)

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

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

## Historical Performance



	YTD	1 month	1year	5 years	10 years	Since Inception
HLAVGLF	1.89%	-1.83%	10.38%	30.12%	31.14%	36.63%
Benchmark*	1.14%	-2.97%	17.18%	40.45%	63.96%	71.95%
Relative	0.75%	1.15%	-6.80%	-10.32%	-32.83%	-35.32%

Source: Bloomberg, RAM Quantshop

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

### Equity Review

**Global**-Global markets corrected abruptly after more than a year of relative calm. The market volatility reflected concerns investors about a faster-than-expected pickup in inflation, particularly in the United States (US). US Treasuries were also under selling pressure and the negative sentiment spilled over to equity markets. The Dow Jones Industrial Average Index declined 4.3% and the broader S&P 500 Index declined 3.9%. The Euro Stoxx Index declined 4.8% and the FTSE 100 Index declined 4.0%.

**Asia Pac**-The rally in the Asia Pacific markets came to a grinding halt, as investors were spooked by rising US Treasury yields and signs of aggressive inflationary pressure. North Asia markets in particular saw more severe correction, having been the best performing market in the region last year. Thailand and Indonesia were the leaders while the Hong Kong and Korea markets were the laggards.

**Malaysia**-It was a volatile month for the local market. However, the index fell a lot less than global markets. The FTSE BM KLCI declined 0.7% to close at 1,845 points. The broader market underperformed as the FTSE BM EMAS Index declined 1.2% to close at 13,218 points. Small caps underperformed as the FTSE BM Small Cap Index declined 2.1% to close at 16,721 points.

### Outlook & Strategy

**Global**-In contrast to the mayhem and volatility that struck the US market this month, the economy is a picture of strength and enduring stability. The US labor market continues to be robust as jobless claims continue to trend lower. Healthy job prospects also boost consumer confidence which hits a multi-year high. In Europe, the fourth quarter gross domestic product (GDP) rose at a healthy rate of 2.7% from a year ago. Growth was also broad-based and the momentum is expected to continue given that the Purchasing Managers' Index remains elevated.

**Asia Pac**-The economic backdrop in the region remains encouraging. China's growth and corporate earnings appear solid despite renewed efforts by the authorities to slow down loans growth and wind down the shadow banking system in the country. In Japan, the government confirmed Kuroda as the Bank of Japan's governor for another five years. It appears the Bank of Japan will maintain its monetary easing as inflation remains benign. For our investment portfolios, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

**Malaysia**-We expect the local market to track the performance of the regional markets as investors assess the possible impact of higher inflation on the equity markets. We maintain our preference for blue-chip stocks that are trading at attractive levels, selected construction and consumer stocks that may benefit from government pump-priming.

### Fixed Income Review and Outlook

In February, risk assets fell due to expectations of faster pace of inflation and the hawkish monetary policy outlook by the new Federal Reserve (Fed) chair Jerome Powell. The 10-year Treasury yields rose by 15 basis points (bps) during the month. However, risk assets gradually corrected after the House approved a bill to avoid an extended government shutdown. The Fed kept rates unchanged in January but its hawkish policy tone in the meeting suggest a rate hike in March is highly likely. Locally, the 7.5-year auction printed a 2.28 bid-to-cover ratio whilst the 10-year Malaysian Government Securities (MGS) printed a bid-to-cover ratio of 2.07. The primary corporate bond issuances were dominated by government guaranteed issuances by Danalnfra Nasional Berhad and MKD Kencana Sendirian Berhad with a total issuance of RM2.4 billion.

Inflation moderated in January at 2.7% after hovering around 3.5% in the previous months. We expect the Overnight Policy Rate (OPR) to remain stable for the remainder of the year due to contained inflation and the front loaded rate hike by Bank Negara Malaysia (BNM). The sovereign bond market is expected to remain weak in the near term as investors digest the supply of government bonds in March. We look to remain defensive in the sovereign bond market but may add on any market dip. We look to add in the corporate bond space.

## 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:

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# HLA Venture Managed Fund (HLAVMF)

**Feb 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.

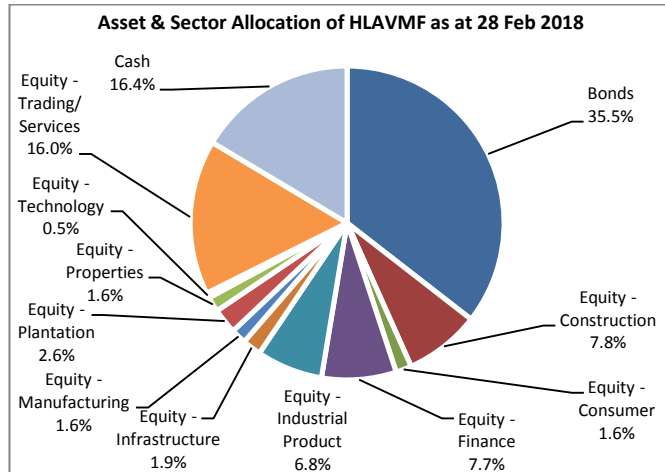
### 4. Target Market

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

## Fund Details

<b>Unit Price (28/2/2018)</b>	:RM2.2289
<b>Fund Size (28/2/2018)</b>	:RM233.9mil
<b>Fund Management Fee (effective as at 01/03/2017)</b>	: 1.23% p.a. (capped at 1.25%)
<b>Fund Manager</b>	:Hong Leong Assurance Berhad
<b>Fund Category</b>	:Managed
<b>Fund Inception</b>	:07 April 2004
<b>Benchmark</b>	:50% FTSE Bursa Malaysia KLCI Index (FBM KLCI)&50% 12-month Fixed Deposit Interest Rates
<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 HLAVMF as at 28 Feb 2018

		%
1. TENAGA	EQ	5.4
2. MAYBANK	EQ	4.2
3. CIMB	EQ	3.5
4. MALAYAN BANKING BERHAD 2 6.30% 25/9/2018	FI	3.3
5. ALLIANCE BANK MALAYSIA BHD 5.65% 18/12/2020	FI	3.1
6. MALAYSIA AIRPORTS HOLDINGS 5.75% 13/12/2024	FI	3.0
7. AXIATA	EQ	2.3
8. VS	EQ	2.2
9. CIMB GROUP HOLDING 2 5.80% 25/05/2021	FI	2.2
10. BGSM MANAGEMENT SDN BHD 2 5.25% 24/12/2020	FI	2.2
<b>Total Top 10</b>		<b>31.4</b>

## Hong Leong Assurance Berhad (94613-X)

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

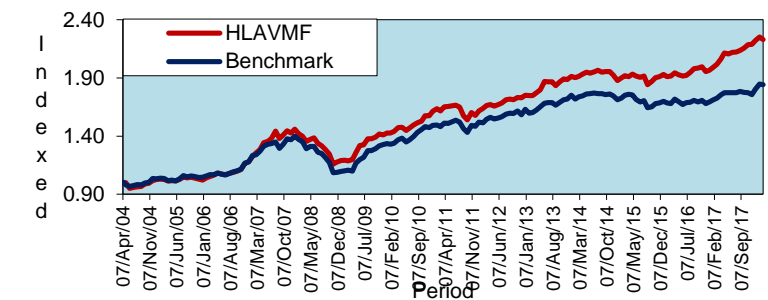
Telephone 03-7650 1818 Fascimile 03-7650 1991

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

FI : Fixed Income

EQ : Equities

## Historical Performance



	YTD	1 month	1 year	5 years	10 years	Since Inception
HLAVMF	0.32%	-1.00%	10.42%	27.41%	59.50%	122.89%
Benchmark*	2.11%	-0.27%	6.73%	14.91%	36.35%	83.35%
Relative	-1.79%	-0.74%	3.70%	12.50%	23.16%	39.54%

\*Source: Bloomberg, Maybank

## Market Review, Outlook & Strategy - Equities Market

Regional markets corrected in February triggered by a US payroll report which saw wages rising, leading to expectations of higher inflation and more Fed hikes than anticipated. As such, there was a sell-off in US bonds over fears of rising rates which also caused the Dow Jones Industrial Average to follow suit, losing nearly 1,900 points over a two day period. This fear was compounded by the optimistic view of the newly appointed Fed Chairman Jerome Powell on the economy, which has left market participants anticipating a faster pace of rate hikes in the US. Market participants are now weighing the possibility of 4 rate hikes in 2018 and a possible rise of the 10-year Treasury yield to 3.25%. In China, investors will be watching for the outcome of the Chinese People's Political Consultative Conference which starts on 3<sup>rd</sup> March and also the National People's Congress which will open on 5<sup>th</sup> March. Media reports have been speculating on the combining or reshuffling of various government organisations to form super regulators in finance, environment, public security, intellectual property and healthcare.

Meanwhile, the Malaysian market was not spared the volatility in regional markets. While the start of the year saw strong net foreign inflows, it quickly reversed in February on the back of rising interest rate expectations in the US. The recently concluded 4Q2017 earnings reporting season showed that it was finally a year of earnings recovery. Banks and plantation sectors were the main drivers contributing to the recovery; other notable sectors which posted stronger earnings included technology, gloves, construction, petrochemical and gaming. Meanwhile, Ringgit weakened slightly to RM3.917/US\$ on the back of slightly lower crude oil price of US\$61.55/barrel. Interestingly there were a few measures announced by the government to stimulate the vibrancy in the equity market. Key measures include allowing intraday short selling for all investors, liberalising the margin financing rules and establishing Malaysia-Singapore connect.

During the month, the KLCI fell -0.7% mom to close at 1,856.20pts. The broader market underperformed, with the FBM Emas falling by -1.1% mom to 13,218pts and FBM Shariah Index falling by 1.7% mom to 13,427.51pts. Small cap performance was much weaker as the FBM Small cap index fell by -2.1% mom to 16,720pts, indicating declining risk appetite which was also apparent for the ACE market which tumbled -4.4%. Average daily value traded on Bursa fell 17% mom but rose 14% yoy to RM2.87b.

As we move into March, two macro events for Malaysia are the upcoming Monetary Policy Committee meeting and the release of Bank Negara Malaysia's 2017 annual report. In addition, there are rising expectations that Parliament could be dissolved soon to pave the way for general elections. As a result there could be more volatility ahead. Nonetheless, we continue to favour quality stocks on pullbacks and will remain invested in the following themes which include 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

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

Generally, February is quiet for the local bond market with thin liquidity prior to and after the festive season. However, this February bucked the trend when US Treasury (UST) yields hit a high of 2.95% after the FOMC minutes from the latest meeting indicated that Fed officials are expecting inflation to rise in 2018. Markets also grew concerned over the heavy debt issuances in the US to finance the widening budget deficit. As such, the volatile sharp rise in UST triggered uneasiness in this region and among EM investors. With that, MGS yields rose by 2-8bps month on month across the curve with the exception of 5 years and 30 years MGS.

On the economic front, Malaysia's 4Q2017 GDP was reported at 5.9% yoy versus consensus of 5.8%. With further bolstered domestic economic optimism, pundits are not ruling out another Overnight Policy Rate (OPR) hike in 2018. Meanwhile, foreign MGS holdings rose further to 45.1% in January 2018 versus 44.3% in December 2017.

As for the government guaranteed and private debt bond space, there were several primary issuances like Danainfra, MKD Kencana, Ambank Group and Cagamas during the month which spooked the market. While on the secondary market, interest was skewed towards AAA and AA papers especially in the power and finance sectors as investors looked for liquidity and yield requirement.

Moving forward, we expect the bond market to be volatile. There may be correction in the near term but it will be temporary as economic data in the US will continue to drive sentiment. The key event to watch for is the March FOMC meeting where the reading of the tone of the Fed chairman is critical as it will indicate the pace of Fed hikes for the remainder of 2018. This will inevitably spillover to emerging market sentiment and yield movement.

In the corporate bonds space, primary pipeline will continue to be dominated by the GG segment, financial/banking and infrastructure/utilities. With 4 Malaysia govies to be tendered in March, it will be interesting to observe where the yield will close at as this may potentially affect the primary levels of the GG issuances later especially since one is a 30 year GII.

Thus, we will continue to take advantage of all the primary issuances that meet our investment criteria and pace our purchases at every level to average up the portfolio yield should yields continue to rise. Meanwhile, we will take profit on short tenure bonds with the plan to reinvest higher in the longer tenure issues.

# 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)

Feb 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

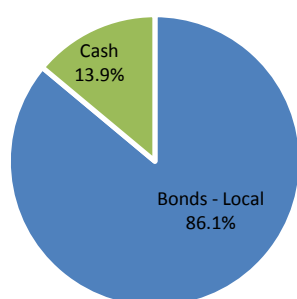
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (28/2/2018)	:RM2.2528
Fund Size (28/2/2018)	:RM136.2mil
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.

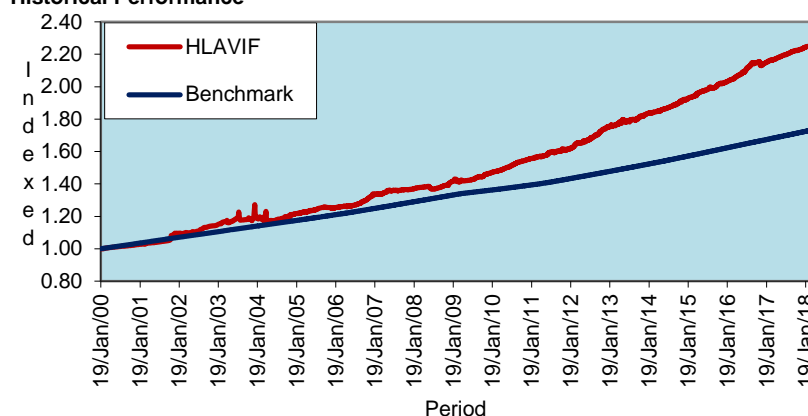
Asset Allocation of HLAVIF as at 28 Feb 2018



## Top 10 Holdings for HLAVIF as at 28 Feb 2018

	%
1. MALAYSIA INVESTMENT ISSUE 1 4.72% 15/06/2033	7.5
2. MALAYAN BANKING BERHAD 2 6.30% 25/09/2018	6.8
3. ALLIANCE BANK MALAYSIA BHD 5.65% 18/12/2020	6.1
4. MALAYSIAN GOVERNMENT SECURITIES 3.84% 15/04/2033	5.2
5. UEM SUNRISE BHD 4.60% 13/12/2018	4.8
6. CIMB GROUP HOLDING 2 5.80% 25/5/2021	3.8
7. BGSM MANAGEMENT S/B 5.25% 24/12/2020	3.8
8. BERJAYA LAND BHD 4.85% 16/12/2019	3.7
9. HONG LEONG BANK 2 4.80% 24/06/2019	3.7
10. PUTRAJAYA HOLDINGS BERHAD 2 4.58% 26/05/2026	3.7
<b>Total Top 10</b>	<b>49.1</b>

## Historical Performance



	YTD	1 month	1 year	5 years	10 years	Since Inception
HLAVIF	0.66%	0.23%	4.08%	28.02%	63.55%	125.28%
Benchmark*	0.53%	0.25%	3.07%	16.73%	33.68%	73.10%
Relative	0.12%	-0.03%	1.01%	11.29%	29.88%	52.18%

\*Source: Maybank

## Market Review

Generally, February is quiet for the local bond market with thin liquidity prior to and after the festive season. However, this February bucked the trend when US Treasury (UST) yields hit a high of 2.95% after the FOMC minutes from the latest meeting indicated that Fed officials are expecting inflation to rise in 2018. Markets also grew concerned over the heavy debt issuances in the US to finance the widening budget deficit. As such, the volatile sharp rise in UST triggered uneasiness in this region and among EM investors. With that, MGS yields rose by 2-8bps month on month across the curve with the exception of 5 years and 30 years MGS.

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## Market Outlook & Strategy

Moving forward, we expect the bond market to be volatile. There may be correction in the near term but it will be temporary as economic data in the US will continue to drive sentiment. The key event to watch for is the March FOMC meeting where the reading of the tone of the Fed chairman is critical as it will indicate the pace of Fed hikes for the remainder of 2018. This will inevitably spillover to emerging market sentiment and yield movement.

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Thus, we will continue to take advantage of all the primary issuances that meet our investment criteria and pace our purchases at every level to average up the portfolio yield should yields continue to rise. Meanwhile, we will take profit on short tenure bonds with the plan to reinvest higher in the longer tenure issues.

# 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

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#### 1. Market Risk

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#### 3. Credit Risk

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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.
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### Exceptional Circumstances

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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

Feb 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

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

### 3. Asset Allocation

The fund will invest in a FRNID.

### 4. Target Market

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

## Fund Details

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

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

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

## Other Details

Fund Name	Unit Price (27/2/2018)	Fund Size (27/2/2018)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM0.9835	RM25.64 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM0.9348	RM7.50 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM0.8876	RM7.76 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.8708	RM28.18 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8623	RM426.12 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 5.86% in the reported period with ten out of eleven Underlying Assets moving against the Effective Max InvestSave Weightings. Losses were mainly due to the depreciation of Japanese and European Equities as well as European Real Estate where positive weightings were held by the Effective Max InvestSave Weightings.

February 2018 saw one of the most volatile months for the financial markets in recent memory. The S&P 500 index registered its worst monthly performance in two years as the index declined by 3.9%. With interest rates increasing at a rapid rate, some concerns might have developed on the sustainability of the equities bull run. This also led to a selloff in the bond market. Subsequently, this reduced appetite for risk also spread to other asset classes and regions, thus resulting in the decline of their respective performances. Even so, the fundamentals of the US economy are still solid, as the unemployment rate is at a 17 year low with 200,000 jobs added in February. Towards the end of the month, Federal Reserve Chairman Jerome Powell signalled that the US economy is poised to gain steam in the future. The US Dollar strengthened against its peers following his comments. In Europe, bond yields have also been increasing as observers try to gauge the rate of interest rate increases this year in both the Eurozone and US.

Japanese factory output fell by the most in seven years, coming as a surprise after eight straight quarters of economic growth. Japan is currently experiencing its longest period of expansion in 30 years and is expected to have a ninth successive quarter of growth. The Bank of Japan has also reduced its purchases of Japanese government bonds as part of its financial stimulus program. WTI crude oil prices dropped below USD60/barrel as the equity collapse spilled over to the commodities market. There are also concerns about soaring US output and how it might increase the glut and depress prices. (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%	10.21%	29.44%
Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index	103.53%				
Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in Feb2018	0.00%	0.00%	0.00%	10.57%	30.48%

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

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

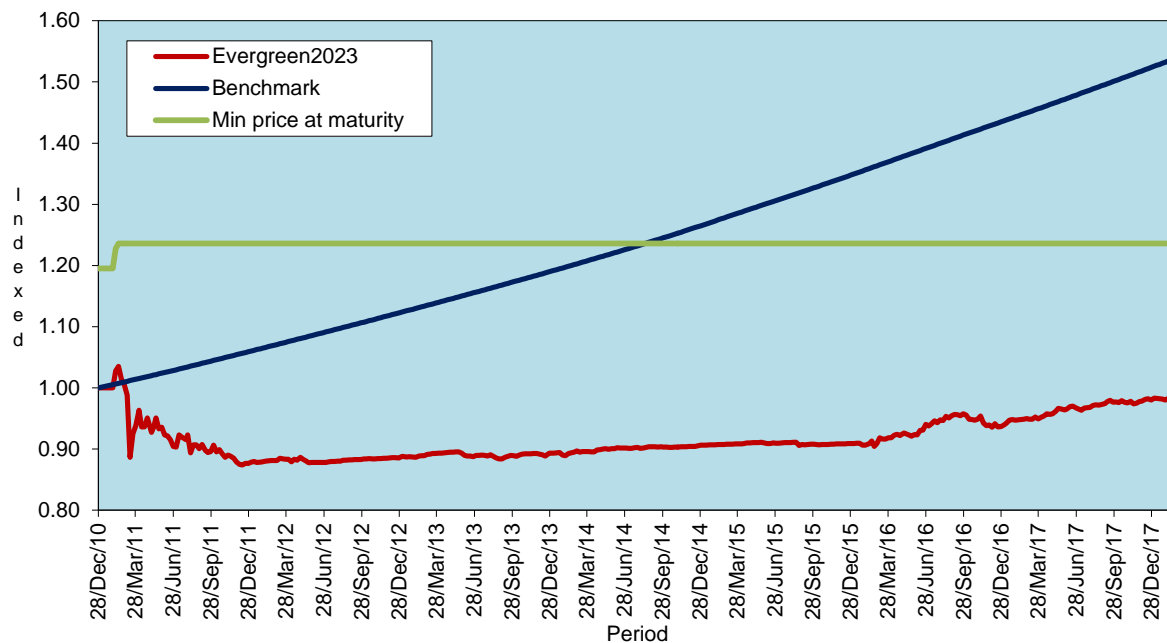
Telephone 03-7650 1818 Facsimile 03-7650 1991

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

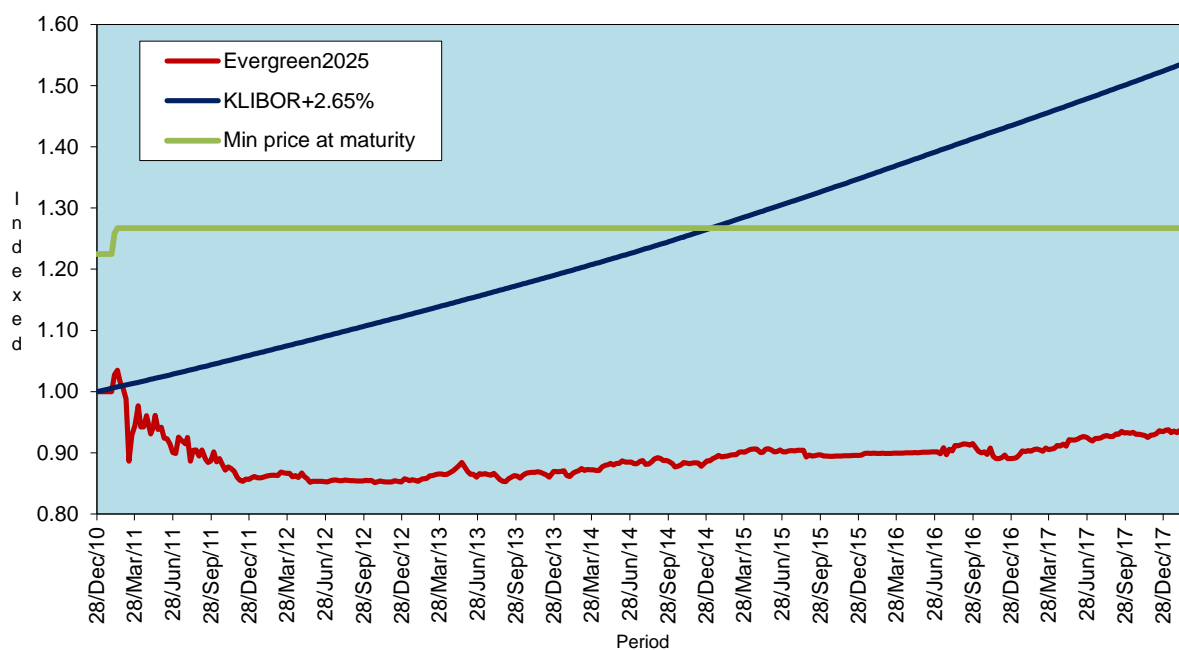
# HLA EverGreen Funds

## Historical Performance

HLA EverGreen 2023 Fund						
As of 27/2/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2023	0.33%	0.32%	3.55%	8.35%	10.61%	-1.65%
KLIBOR+2.65% p.a.*	1.03%	0.46%	6.20%	20.46%	35.80%	53.93%
Performance vs Benchmark	-0.71%	-0.15%	-2.65%	-12.11%	-25.20%	-55.58%

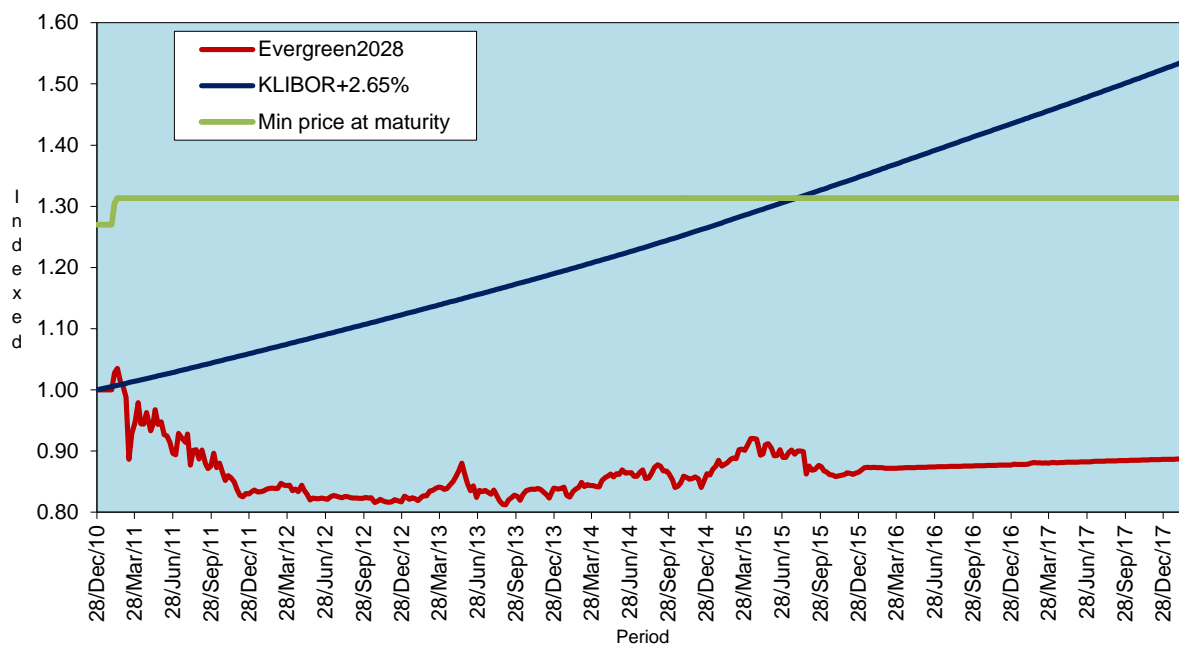


HLA EverGreen 2025 Fund						
As of 27/2/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2025	0.04%	0.17%	3.17%	4.27%	8.96%	-6.52%
KLIBOR+2.65% p.a.*	1.03%	0.46%	6.20%	20.46%	35.80%	53.93%
Performance vs Benchmark	-0.99%	-0.29%	-3.03%	-16.19%	-26.84%	-60.45%

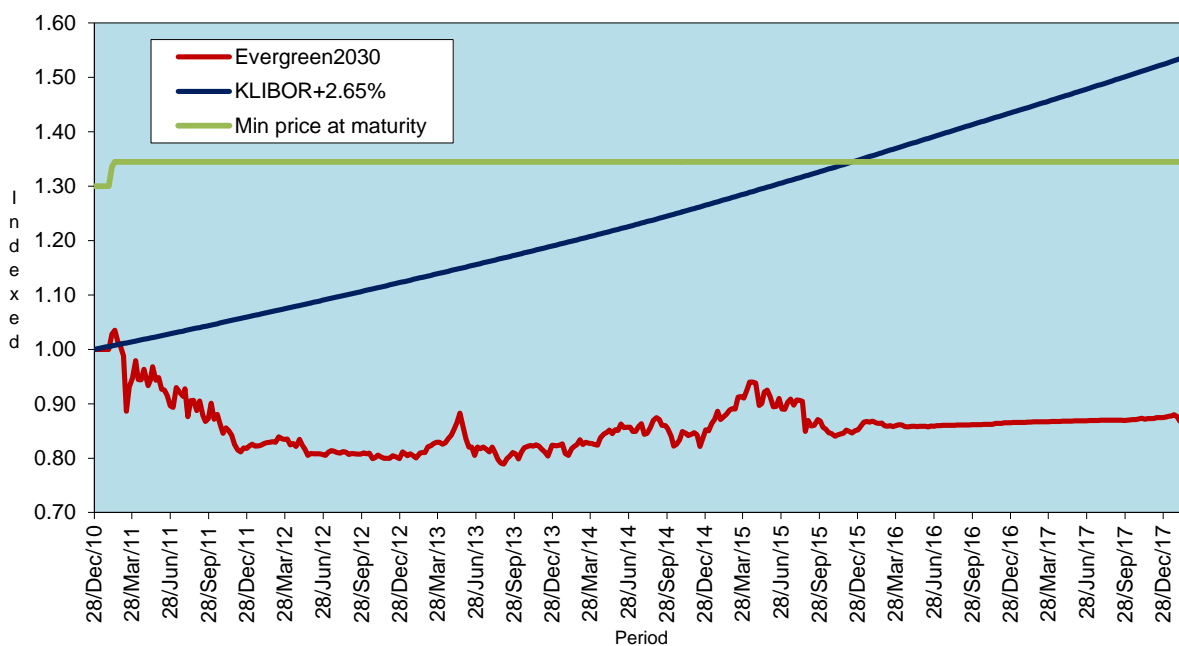


## HLA EverGreen Funds

HLA EverGreen 2028 Fund						
As of 27/2/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2028	0.15%	0.08%	0.77%	0.09%	7.31%	-11.24%
KLIBOR+2.65% p.a.*	1.03%	0.46%	6.20%	20.46%	35.80%	53.93%
Performance vs Benchmark	-0.89%	-0.39%	-5.43%	-20.37%	-28.49%	-65.17%

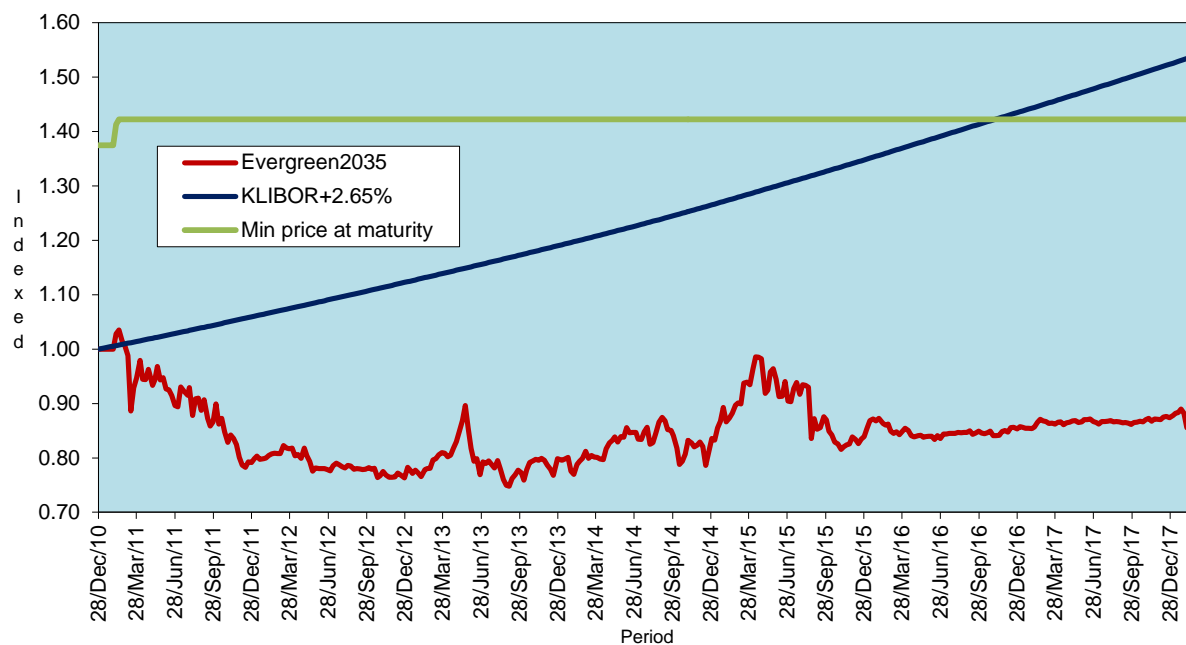


HLA EverGreen 2030 Fund						
As of 27/2/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2030	-0.39%	-0.71%	0.48%	-2.01%	7.43%	-12.92%
KLIBOR+2.65% p.a.*	1.03%	0.46%	6.20%	20.46%	35.80%	53.93%
Performance vs Benchmark	-1.42%	-1.17%	-5.72%	-22.48%	-28.37%	-66.85%



## HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 27/2/18	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2035	-1.34%	-2.24%	-0.63%	-3.87%	10.45%	-13.77%
KLIBOR+2.65% p.a.*	1.03%	0.46%	6.20%	20.46%	35.80%	53.93%
Performance vs Benchmark	-2.37%	-2.71%	-6.84%	-24.33%	-25.35%	-67.70%



\*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.

- Market Risk**  
Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.
- Liquidity Risk**  
Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.
- Credit Risk**  
This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.
- Interest Rate Risk**  
The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.
- Country Risk**  
The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

## HLA EverGreen Funds

### 6. Deleverage Risk

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

### 7. Currency Risk

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

### 8. Performance Risk

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

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework 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^	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%											-1.90%	8.96%

\*Note that calculation for YTD starts from first day of the year to the last day of the same year

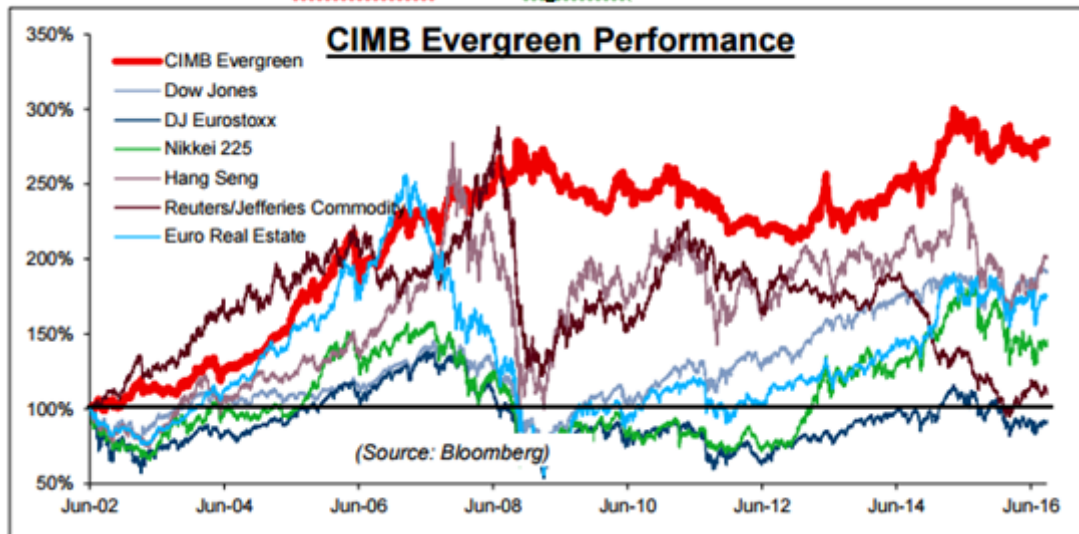
Underlying Performance				
Underlying Asset	30-Jan-18 Closing Px	28-Feb-18 Closing Px	Performance (30 Jan 18 - 28 Feb 18)*	Effective Max InvestSave Weights** (25 Jan 18)
American Equity	5,508.36	5,308.09	-3.64%	25.88%
Japanese Equity	2,705.01	2,574.87	-4.81%	25.88%
European Equity	7,261.26	6,931.43	-4.54%	25.88%
UK Equity	6,438.29	6,175.04	-4.09%	25.88%
Emerging Market Equity	4,711.77	4,498.85	-4.52%	10.35%
China Equity	13,389.38	12,382.08	-7.52%	10.35%
Commodity Index	822.80	802.99	-2.41%	-15.49%
European Real Estate	5,901.59	5,611.95	-4.91%	25.84%
American Real Estate	77.34	73.33	-5.18%	0.00%
Hedge Fund Strategies	216.84	218.06	0.56%	-5.18%
Currency	0.81	0.82	1.71%	-25.88%

\* 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)

Feb 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

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

### 3. Asset Allocation

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

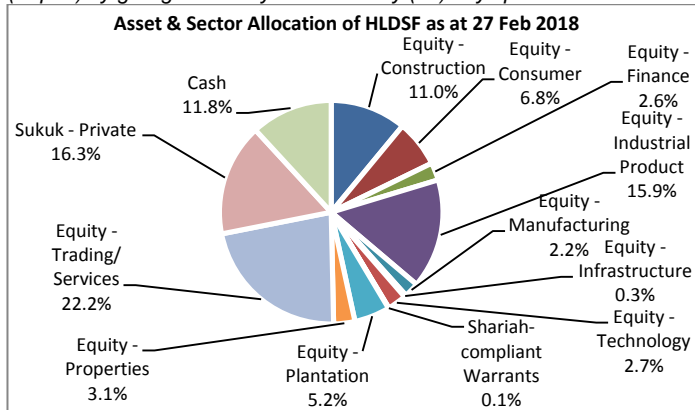
### 4. Target Market

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

## Fund Details

Unit Price (27/2/2018)	:RM1.2162
Fund Size (27/2/2018)	:RM6.73mil
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

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 27 Feb 2018

		%
1. TENAGA NASIONAL BERHAD	Sukuk	6.6
2. TENAGA	Equity	4.7
3. LEMBAGA PEMBIAYAAN PERUMAHAN SEKTOR AWAM	Sukuk	4.6
4. KESAS SDN BHD IMTN 2020	Sukuk	2.4
5. SEPANGAR BAY POWER CORP 2022	Sukuk	2.4
6. SARAWAK HIDRO SDN BHD	Sukuk	2.3
7. VS	Equity	2.2
8. INARI	Equity	2.2
9. QL	Equity	2.2
10. KERJAYA	Equity	2.0
<b>Total Top 10</b>		<b>31.6</b>

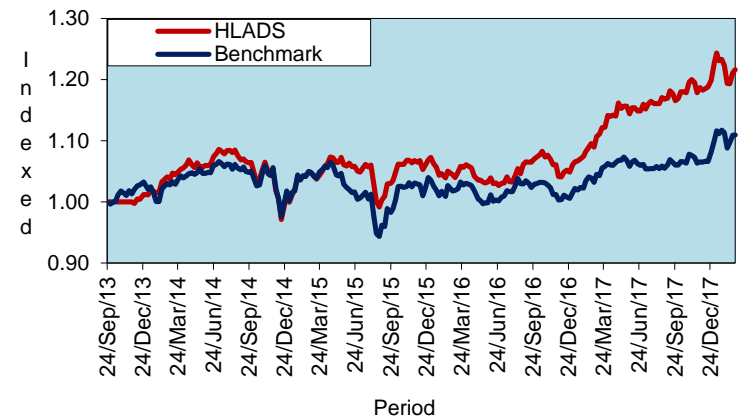
## Hong Leong Assurance Berhad (94613-X)

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

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## Historical Performance



Period	YTD	1 month	1 Year	3 Years	Since Inception
HLADS	1.43%	-0.60%	11.61%	15.86%	21.62%
Benchmark*	2.60%	-0.29%	7.52%	5.69%	10.98%
Relative	-1.17%	-0.31%	4.09%	10.17%	10.64%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Regional markets corrected in February triggered by a US payroll report which saw wages rising, leading to expectations of higher inflation and more Fed hikes than anticipated. As such, there was a sell-off in US bonds over fears of rising rates which also caused the Dow Jones Industrial Average to follow suit, losing nearly 1,900 points over a two day period. This fear was compounded by the optimistic view of the newly appointed Fed Chairman Jerome Powell on the economy, which has left market participants anticipating a faster pace of rate hikes in the US. Market participants are now weighing the possibility of 4 rate hikes in 2018 and a possible rise of the 10-year Treasury yield to 3.25%. In China, investors will be watching for the outcome of the Chinese People's Political Consultative Conference which starts on 3<sup>rd</sup> March and also the National People's Congress which will open on 5<sup>th</sup> March. Media reports have been speculating on the combining or reshuffling of various government organisations to form super regulators in finance, environment, public security, intellectual property and healthcare.

Meanwhile, the Malaysian market was not spared the volatility in regional markets. While the start of the year saw strong net foreign inflows, it quickly reversed in February on the back of rising interest rate expectations in the US. The recently concluded 4Q2017 earnings reporting season showed that it was finally a year of earnings recovery. Banks and plantation sectors were the main drivers contributing to the recovery; other notable sectors which posted stronger earnings included technology, gloves, construction, petrochemical and gaming. Meanwhile, Ringgit weakened slightly to RM3.917/US\$ on the back of slightly lower crude oil price of US\$61.55/barrel. Interestingly there were a few measures announced by the government to stimulate the vibrancy in the equity market. Key measures include allowing intraday short selling for all investors, liberalising the margin financing rules and establishing Malaysia-Singapore connect.

During the month, the KLCI fell -0.7% mom to close at 1,856.20pts. The broader market underperformed, with the FBM Emas falling by -1.1% mom to 13,218pts and FBM Shariah Index falling by 1.7% mom to 13,427.51pts. Small cap performance was much weaker as the FBM Small cap index fell by -2.1% mom to 16,720pts, indicating declining risk appetite which was also apparent for the ACE market which tumbled -4.4%. Average daily value traded on Bursa fell 17% mom but rose 14% yoy to RM2.87b.

As we move into March, two macro events for Malaysia are the upcoming Monetary Policy Committee meeting and the release of Bank Negara Malaysia's 2017 annual report. In addition, there are rising expectations that Parliament could be dissolved soon to pave the way for general elections. As a result there could be more volatility ahead. Nonetheless, we continue to favour quality stocks on pullbacks and will remain invested in the following themes which include 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

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

Generally, February is quiet for the local bond market with thin liquidity prior to and after the festive season. However, this February bucked the trend when US Treasury (UST) yields hit a high of 2.95% after the FOMC minutes from the latest meeting indicated that Fed officials are expecting inflation to rise in 2018. Markets also grew concerned over the heavy debt issuances in the US to finance the widening budget deficit. As such, the volatile sharp rise in UST triggered uneasiness in this region and among EM investors. With that, MGS yields rose by 2-8bps month on month across the curve with the exception of 5 years and 30 years MGS.

On the economic front, Malaysia's 4Q2017 GDP was reported at 5.9% yoy versus consensus of 5.8%. With further bolstered domestic economic optimism, pundits are not ruling out another Overnight Policy Rate (OPR) hike in 2018. Meanwhile, foreign MGS holdings rose further to 45.1% in January 2018 versus 44.3% in December 2017.

As for the government guaranteed and private debt bond space, there were several primary issuances like DanaInfra, MKD Kencana, Ambank Group and Cagamas during the month which spooked the market. While on the secondary market, interest was skewed towards AAA and AA papers especially in the power and finance sectors as investors looked for liquidity and yield requirement.

Moving forward, we expect the bond market to be volatile. There may be correction in the near term but it will be temporary as economic data in the US will continue to drive sentiment. The key event to watch for is the March FOMC meeting where the reading of the tone of the Fed chairman is critical as it will indicate the pace of Fed hikes for the remainder of 2018. This will inevitably spillover to emerging market sentiment and yield movement.

In the corporate bonds space, primary pipeline will continue to be dominated by the GG segment, financial/banking and infrastructure/utilities. With 4 Malaysia govies to be tendered in March, it will be interesting to observe where the yield will close at as this may potentially affect the primary levels of the GG issuances later especially since one is a 30 year GII.

Thus, we will continue to take advantage of all the primary issuances that meet our investment criteria and pace our purchases at every level to average up the portfolio yield should yields continue to rise. Meanwhile, we will take profit on short tenure bonds with the plan to reinvest higher in the longer tenure issues.

## HLA Dana Suria (HLADS)

### 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.

#### 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 Balanced 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

## HLA Dana Suria (HLADS)

### **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)

Feb 2018

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

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

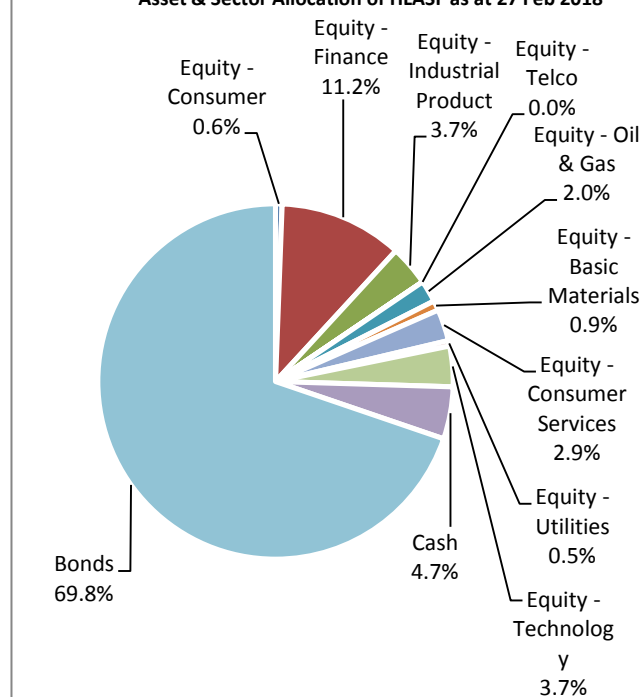
## Fund Details

Unit Price (27/2/2018)	:RM1.3543
Fund Size (27/2/2018)	:RM13.6mil
Fund Management Fee	:1.00% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Bond
Fund Inception	:05 Feb 2013
Benchmark	:(70% x Maybank 12 Months Fixed Deposit Rate) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index)

Frequency of Unit Valuation :Weekly

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

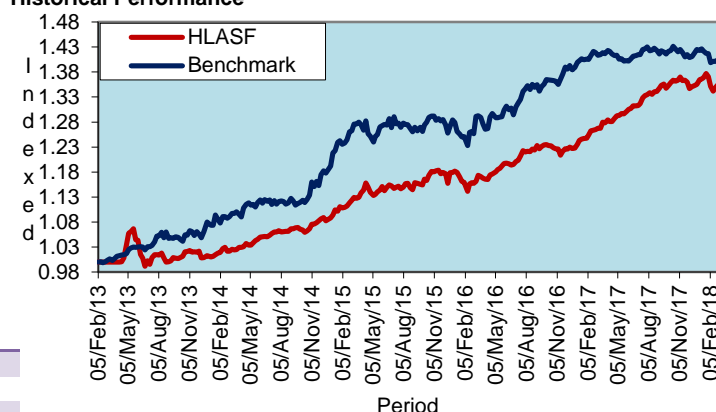
## Asset & Sector Allocation of HLASF as at 27 Feb 2018



## Top 10 Holdings for HLASF as at 27 Feb 2018

		%
1.	Alibaba Group Holding Ltd	Equity 2.0
2.	DBS Group Hldgs Ltd	Equity 1.8
3.	Indust & Comm Bank of China	Equity 1.6
4.	China Construction Bank Corp	Equity 1.3
5.	3.26% MGS (01.03.18)	Bond 1.3
6.	4.38% JGSH Philippines Ltd (23.01.23)	Bond 1.2
7.	3.95% Shenzhen International Holding (29.11.49)	Bond 1.2
8.	3.95% Shenzhen International Holding (29.11.49)	Bond 1.1
9.	Keppel Corporation Ltd	Equity 1.1
10.	4.88% PTT Exploration & Production (18.06.49)	Bond 1.1
<b>Total Top 10</b>		<b>13.4</b>

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	-0.08%	-1.20%	7.06%	21.09%	35.43%	35.43%
Benchmark*	-1.44%	-0.89%	-1.00%	11.39%	40.35%	40.43%
Relative	1.36%	-0.31%	8.06%	9.70%	-4.92%	-5.00%

\*Source: AffinHwang

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

Global financial markets took a breather in February, ending its 10-month winning streak. The stronger US wage inflation data triggered concerns on a possibility for more rapid hikes from the US Feds. Market weakness triggered a spike in the volatility index, leading to leverage short volatility strategies closing their position and leaving markets to be dragged lower. News broke on China's President Xi's intention to remove the 2-term limit in the constitution. The move which may lead to President Xi remaining in power indefinitely left investors taking on a more cautious stance, leaving the broader Shanghai Composite to close 6.4% lower in local currency terms. Yields whereas, climbed higher with the US 10-year Treasury yields jumping from 2.70% to 2.86%, with the 5-year, and 3-year papers rising at similar pace.

We expect the regional markets to remain well supported by fundamentals. US Dollar weakness, coupled with a solid outlook on exports would likely put the region in a better position to ride through the rising rate cycle. We expect stronger corporate earnings to provide market support, and will continue to have a higher market exposure in the interim. Believe that the rising rate environment will be a healthy welcome over the longer term. We will be taking the opportunity to gradually add exposure after the earlier cautious stance with higher cash levels.

**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.

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

### Disclaimer:

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

# HLA Cash Fund (HLACF)

**Feb 2018**

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

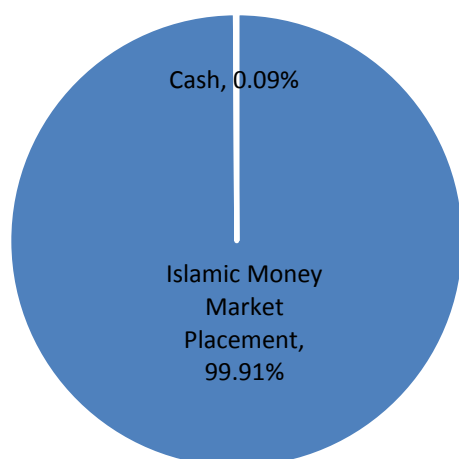
This fund is suitable for investors who are low risk profile.

## Fund Details

<b>Unit Price (27/2/2018)</b>	: RM1.1831
<b>Fund Size (27/2/2018)</b>	: RM34.5mil
<b>Fund Management Fee</b>	: 0.25% p.a.
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Money Market Fund
<b>Fund Inception</b>	: 28 Dec 2010
<b>Benchmark</b>	: Overnight Policy Rate
<b>Frequency of Unit Valuation</b>	: Weekly

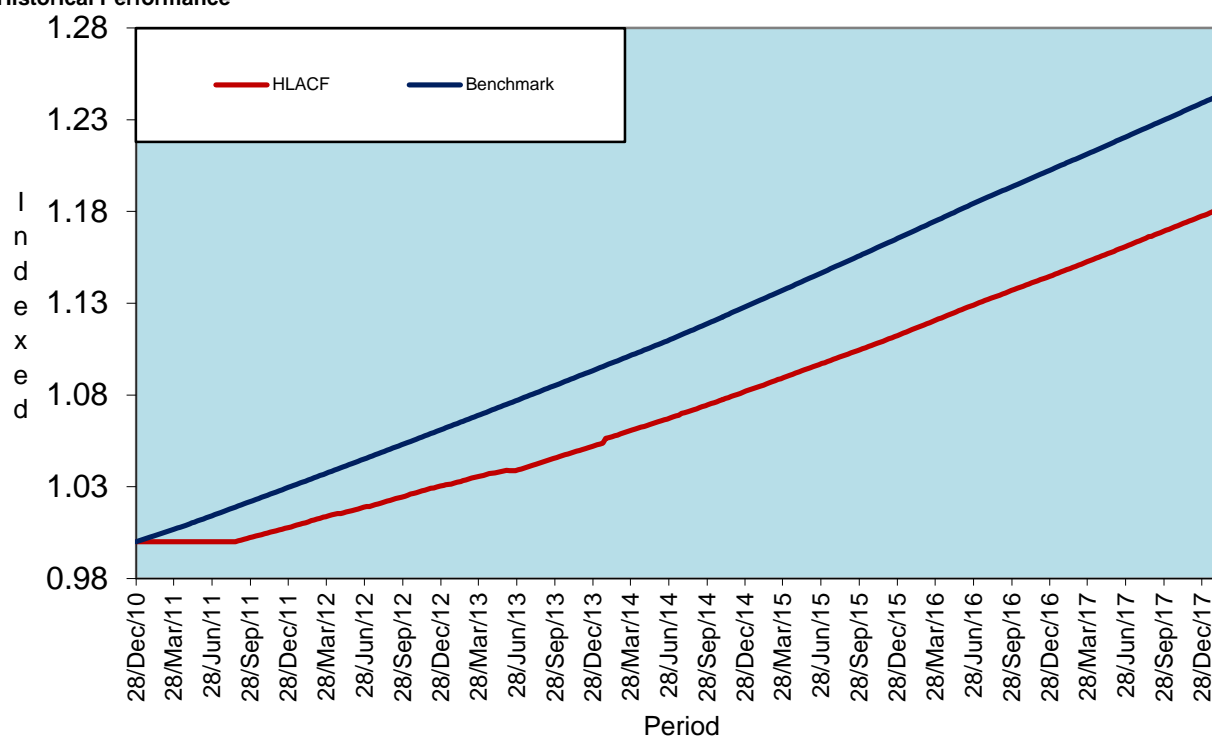
*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*

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



## HLA Cash Fund (HLACF)

### Historical Performance



As of 27/2/18	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLACF	0.48%	0.23%	2.87%	8.87%	14.45%	18.31%
Benchmark*	0.53%	0.25%	3.06%	9.85%	16.81%	24.55%
Relative	-0.05%	-0.02%	-0.19%	-0.97%	-2.36%	-6.24%

\*Source: Bloomberg

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

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

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

#### 1. Counterparty risk

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

### Risk Management

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

### Basis of Unit Valuation

- The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
- 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.

## HLA Cash Fund (HLACF)

### 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 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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