

# Monthly Fund Fact Sheet — September 2019



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# HLA Venture Growth Fund (HLAVGF)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

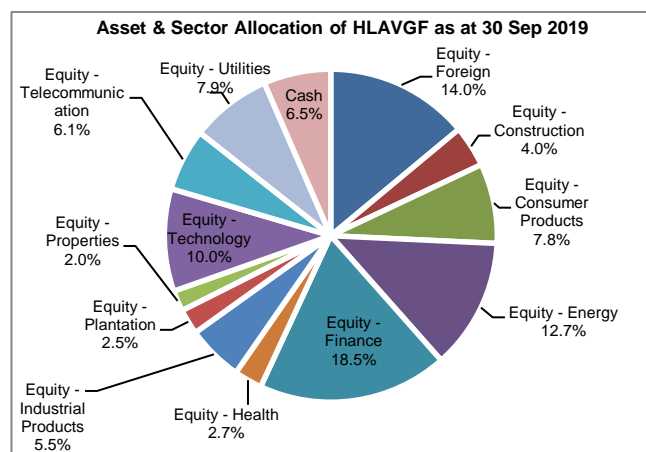
### 4. Target Market

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

## Fund Details

Unit Price (30/9/2019)	:RM2.1977
Fund Size (30/9/2019)	:RM383.8mil
Fund Management Fee (effective as at 01/08/2018)	: 1.39% p.a. (capped at 1.50%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	:19 Jan 2000
Benchmark	:FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	:Daily

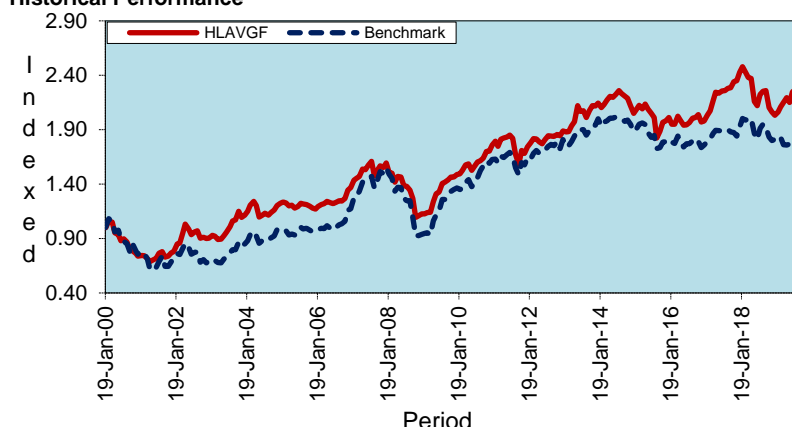
*The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent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



## Top 5 Holdings for HLAVGF as at 30 Sep 2019

	%
1. TENAGA	7.8
2. CIMB	7.7
3. MAYBANK	7.4
4. YINSON	6.6
5. DIALOG	5.0
<b>Total Top 5</b>	<b>34.4</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	8.17%	-0.67%	-2.77%	9.18%	-0.53%	52.75%	119.77%
Benchmark*	-6.31%	-1.75%	-11.67%	-4.15%	-14.21%	31.76%	69.70%
Relative	14.47%	1.08%	8.90%	13.33%	13.68%	20.98%	50.07%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Global equities rose in September on renewed optimism over the US-China trade talks scheduled to be held on October 10th-11th and a realisation of a mini US-Japan trade deal. Sentiment was also lifted when the US President delayed the implementation of fresh tariffs scheduled for October 1st as a gesture of goodwill and China reciprocated by placing a number of US agricultural goods on the exemption list. Investors also seemed to have shrugged off the move by US lawmakers to call for impeachment proceedings against the US President when the US President suggested that a trade deal with China might come sooner than expected. During the month the European Central Bank embarked on a fresh round of stimulus measures which include a 10bps cut to interest rates and a revival of its bond purchase programme. The price of crude was down by 1.7% mom to US\$54.24/barrel despite drone attacks on Saudi Aramco's oil facilities which knocked off 5% of global supply as bulk of the disruption was expected to be resolved by the end of September.

September was a lighter trading month for the domestic market with the market only opened for 18 days vs the YTD average of 20 days. The market continued to be lacklustre as the much anticipated mega merger between Axiata and Telenor fell through with both parties citing complexities involved in the proposed transaction. During the month as well, Bank Negara Malaysia left the Overnight Policy Rate unchanged at 3%. Cabinet has also approved a 10-year masterplan to reform the domestic power industry dubbed as the Malaysia Electricity Supply Industry 2.0 (MESI 2.0). In the fixed income space, Malaysia was retained in FTSE Russell's World Government Bond Index but will remain on the watchlist until the next interim review in Mar 2020.

The FBM KLCI underperformed the broader market with a 1.8% mom decline in September to close at 1,583.91 pts. FBM Emas and Emas Shariah declined by 1.3% mom and 1.2% mom respectively for the month of September. FBM Small Cap outperformed the other indices; +0.8% mom in September.

Domestically, the key events that investors will be keeping an eye out for include the upcoming Budget 2020 on the 11th October and the cabinet's decision on the proposed highway takeover. On the external front, the ongoing US China trade talks will continue to dominate headlines alongside the UK's scheduled departure from the EU on 31st October. Markets will also be watching closely domestic economic data in the US in order to get an indication on whether the spillover effect of the trade war with China would finally have an impact on its domestic economy. We continue to remain defensive - seeking exposure in dividend yielding companies backed by stable earnings trajectory, weak Ringgit beneficiaries and potential prime priming candidates. We also like selected technology and manufacturing players which should ride on the upcoming 5G technological wave.

# HLA Venture Growth Fund (HLAVGF)

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Benchmark</b>	45.2%	19.3%	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%
<b>HLAVGF- Gross</b>	36.7%	21.1%	0.5%	10.7%	16.3%	-3.2%	-0.6%	-0.1%	26.0%	-16.1%
<b>HLAVGF - Net</b>	32.4%	18.0%	-0.9%	8.5%	13.6%	-4.4%	-1.9%	-1.5%	22.5%	-16.2%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### 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 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)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

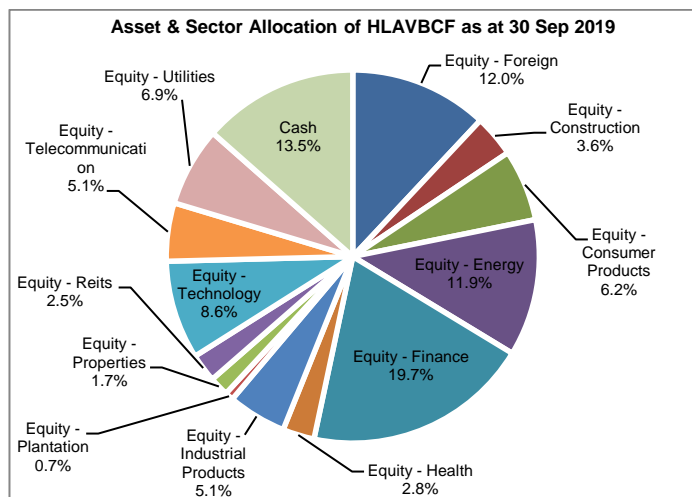
### 4. Target Market

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

## Fund Details

Unit Price (30/9/2019)	: RM2.4806
Fund Size (30/9/2019)	: RM259.8mil
Fund Management Fee (effective as at 01/05/2018)	: 1.43% p.a. (capped at 1.50%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jan 2000
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

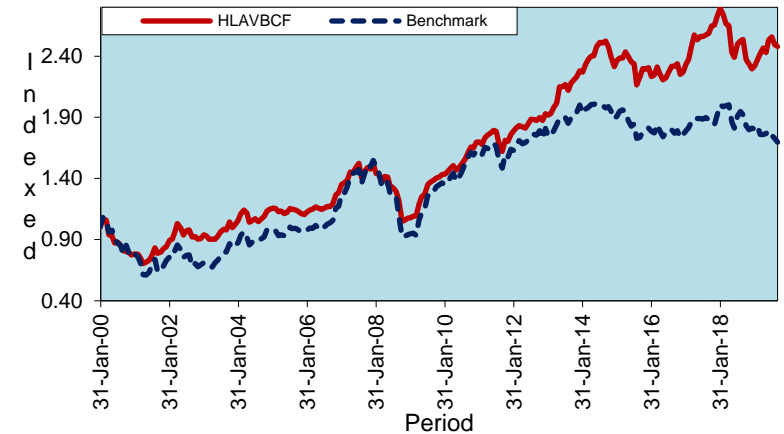
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 5 Holdings for HLAVBCF as at 30 Sep 2019

	%
1. YINSON	7.6
2. TENAGA	6.9
3. MAYBANK	6.2
4. CIMB	6.2
5. RHBBANK	4.5
<b>Total Top 5</b>	<b>31.4</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVBCF	7.99%	-0.60%	-2.25%	7.05%	-1.73%	78.92%	148.06%
Benchmark*	-6.31%	-1.75%	-11.67%	-4.15%	-14.21%	31.76%	69.70%
Relative	14.30%	1.15%	9.42%	11.21%	12.48%	47.16%	78.36%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Global equities rose in September on renewed optimism over the US-China trade talks scheduled to be held on October 10th-11th and a realisation of a mini US-Japan trade deal. Sentiment was also lifted when the US President delayed the implementation of fresh tariffs scheduled for October 1st as a gesture of goodwill and China reciprocated by placing a number of US agricultural goods on the exemption list. Investors also seemed to have shrugged off the move by US lawmakers to call for impeachment proceedings against the US President when the US President suggested that a trade deal with China might come sooner than expected. During the month the European Central Bank embarked on a fresh round of stimulus measures which include a 10bps cut to interest rates and a revival of its bond purchase programme. The price of crude was down by 1.7% mom to US\$54.24/barrel despite drone attacks on Saudi Aramco's oil facilities which knocked off 5% of global supply as bulk of the disruption was expected to be resolved by the end of September.

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The FBM KLCI underperformed the broader market with a 1.8% mom decline in September to close at 1,583.91 pts. FBM Emas and Emas Shariah declined by 1.3% mom and 1.2% mom respectively for the month of September. FBM Small Cap outperformed the other indices; +0.8% mom in September.

Domestically, the key events that investors will be keeping an eye out for include the upcoming Budget 2020 on the 11th October and the cabinet's decision on the proposed highway takeover. On the external front, the ongoing US China trade talks will continue to dominate headlines alongside the UK's scheduled departure from the EU on 31st October. Markets will also be watching closely domestic economic data in the US in order to get an indication on whether the spillover effect of the trade war with China would finally have an impact on its domestic economy. We continue to remain defensive - seeking exposure in dividend yielding companies backed by stable earnings trajectory, weak Ringgit beneficiaries and potential prime priming candidates. We also like selected technology and manufacturing players which should ride on the upcoming 5G technological wave.

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# HLA Venture Blue Chip Fund (HLAVBCF)

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Benchmark</b>	45.2%	19.3%	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%
<b>HLAVBF- Gross</b>	37.4%	21.6%	5.4%	11.9%	21.4%	3.2%	1.1%	-0.1%	23.6%	-15.7%
<b>HLAVBF - Net</b>	33.1%	18.5%	3.6%	9.6%	18.3%	1.5%	-0.4%	-1.6%	20.3%	-15.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### 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.

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### Risk Management

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### Basis of Unit Valuation

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

### 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

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

# HLA Venture Dana Putra (HLAVDP)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

This fund invests in Syariah-approved securities and money market instruments.

### 3. Asset Allocation

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

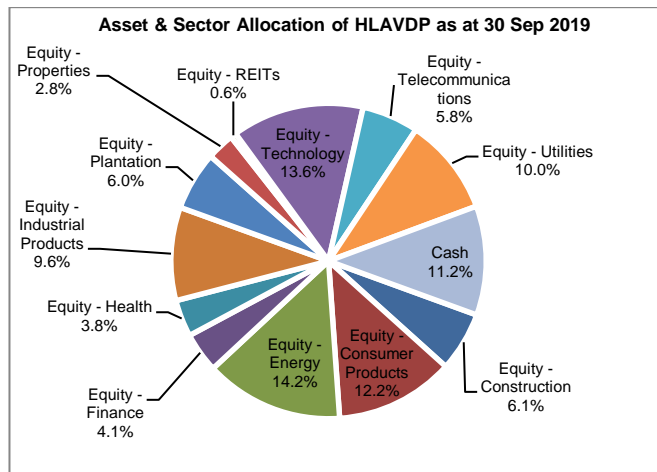
### 4. Target Market

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

## Fund Details

Unit Price (30/9/2019)	: RM2.4247
Fund Size (30/9/2019)	: RM79.1mil
Fund Management Fee (effective as at 01/01/2019)	: 1.34% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

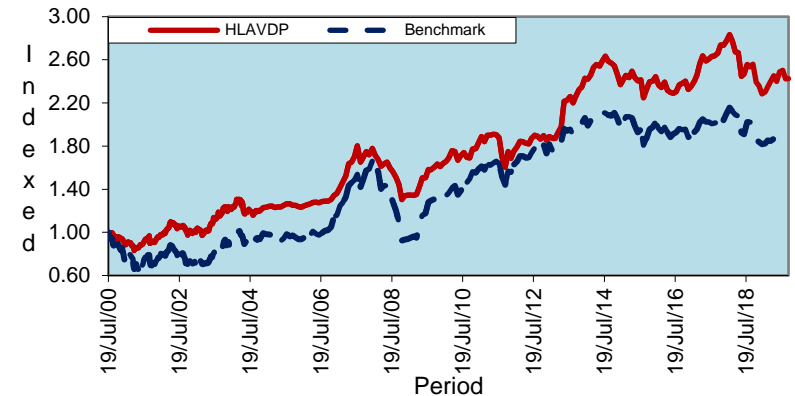
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## Top 5 Holdings for HLAVDP as at 30 Sep 2019

	%
1. TENAGA	8.0
2. YINSON	7.1
3. QL	5.5
4. MYEG	5.4
5. BAUTO	4.5
<b>Total Top 5</b>	<b>30.5</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	6.24%	0.12%	-5.31%	1.78%	-5.61%	51.30%	142.47%
Benchmark*	2.29%	-1.21%	-7.18%	-4.70%	-10.75%	42.28%	85.84%
Relative	3.94%	1.33%	1.86%	6.47%	5.14%	9.02%	56.63%

Source: Bloomberg

## Market Review, Outlook & Strategy

Global equities rose in September on renewed optimism over the US-China trade talks scheduled to be held on October 10th-11th and a realisation of a mini US-Japan trade deal. Sentiment was also lifted when the US President delayed the implementation of fresh tariffs scheduled for October 1st as a gesture of goodwill and China reciprocated by placing a number of US agricultural goods on the exemption list. Investors also seemed to have shrugged off the move by US lawmakers to call for impeachment proceedings against the US President when the US President suggested that a trade deal with China might come sooner than expected. During the month the European Central Bank embarked on a fresh round of stimulus measures which include a 10bps cut to interest rates and a revival of its bond purchase programme. The price of crude was down by 1.7% mom to US\$54.24/barrel despite drone attacks on Saudi Aramco's oil facilities which knocked off 5% of global supply as bulk of the disruption was expected to be resolved by the end of September.

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Domestically, the key events that investors will be keeping an eye out for include the upcoming Budget 2020 on the 11th October and the cabinet's decision on the proposed highway takeover. On the external front, the ongoing US China trade talks will continue to dominate headlines alongside the UK's scheduled departure from the EU on 31st October. Markets will also be watching closely domestic economic data in the US in order to get an indication on whether the spillover effect of the trade war with China would finally have an impact on its domestic economy. We continue to remain defensive - seeking exposure in dividend yielding companies backed by stable earnings trajectory, weak Ringgit beneficiaries and potential prime priming candidates. We also like selected technology and manufacturing players which should ride on the upcoming 5G technological wave.

## HLA Venture Dana Putra (HLAVDP)

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Benchmark</b>	43.0%	18.2%	2.4%	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%
<b>HLAVDP- Gross</b>	25.1%	14.4%	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%
<b>HLAVDP - Net</b>	21.7%	11.9%	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-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)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

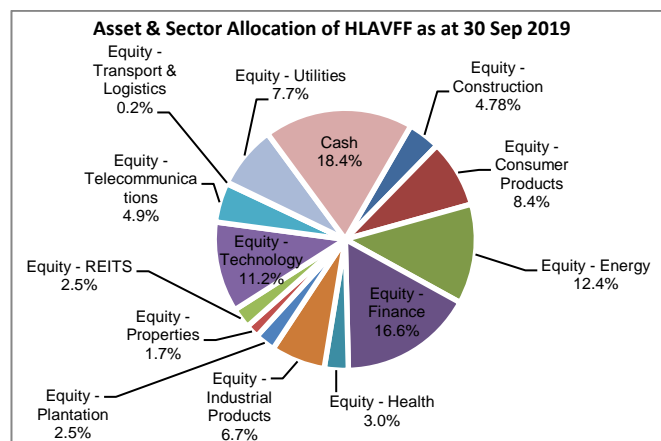
### 4. Target Market

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

## Fund Details

<b>Unit Price (30/9/2019)</b>	: RM0.9079
<b>Fund Size (30/9/2019)</b>	: RM76.1mil
<b>Fund Management Fee (effective as at 01/01/2019)</b>	: 1.31% p.a. (capped at 1.48%)
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 06 April 2009
<b>Benchmark</b>	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	: Daily

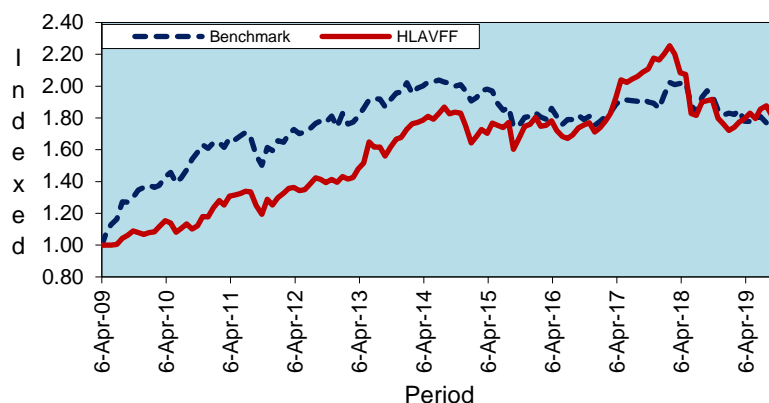
*The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent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



## Top 5 Holdings for HLAVFF as at 30 Sep 2019

	%
1. YINSON	6.4
2. TENAGA	6.1
3. MAYBANK	5.8
4. CIMB	5.5
5. MYEG	4.3
<b>Total Top 5</b>	<b>28.2</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVFF	5.51%	-0.11%	-5.23%	3.42%	-1.08%	66.68%	81.58%
Benchmark*	-6.31%	-1.75%	-11.67%	-4.15%	-14.21%	31.76%	71.46%
Relative	11.82%	1.64%	6.44%	7.57%	13.13%	34.91%	10.12%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Global equities rose in September on renewed optimism over the US-China trade talks scheduled to be held on October 10th-11th and a realisation of a mini US-Japan trade deal. Sentiment was also lifted when the US President delayed the implementation of fresh tariffs scheduled for October 1st as a gesture of goodwill and China reciprocated by placing a number of US agricultural goods on the exemption list. Investors also seemed to have shrugged off the move by US lawmakers to call for impeachment proceedings against the US President when the US President suggested that a trade deal with China might come sooner than expected. During the month the European Central Bank embarked on a fresh round of stimulus measures which include a 10bps cut to interest rates and a revival of its bond purchase programme. The price of crude was down by 1.7% mom to US\$54.24/barrel despite drone attacks on Saudi Aramco's oil facilities which knocked off 5% of global supply as bulk of the disruption was expected to be resolved by the end of September.

September was a lighter trading month for the domestic market with the market only opened for 18 days vs the YTD average of 20 days. The market continued to be lacklustre as the much anticipated mega merger between Axiata and Telenor fell through with both parties citing complexities involved in the proposed transaction. During the month as well, Bank Negara Malaysia left the Overnight Policy Rate unchanged at 3%. Cabinet has also approved a 10-year masterplan to reform the domestic power industry dubbed as the Malaysia Electricity Supply Industry 2.0 (MESI 2.0). In the fixed income space, Malaysia was retained in FTSE Russell's World Government Bond Index but will remain on the watchlist until the next interim review in Mar 2020.

The FBM KLCI underperformed the broader market with a 1.8% mom decline in September to close at 1,583.91 pts. FBM Emas and Emas Shariah declined by 1.3% mom and 1.2% mom respectively for the month of September. FBM Small Cap outperformed the other indices; +0.8% mom in September.

Domestically, the key events that investors will be keeping an eye out for include the upcoming Budget 2020 on the 11th October and the cabinet's decision on the proposed highway takeover. On the external front, the ongoing US China trade talks will continue to dominate headlines alongside the UK's scheduled departure from the EU on 31st October. Markets will also be watching closely domestic economic data in the US in order to get an indication on whether the spillover effect of the trade war with China would finally have an impact on its domestic economy. We continue to remain defensive - seeking exposure in dividend yielding companies backed by stable earnings trajectory, weak Ringgit beneficiaries and potential prime priming candidates. We also like selected technology and manufacturing players which should ride on the upcoming 5G technological wave.

# HLA Venture Flexi Fund (HLAVFF)

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Benchmark</b>	37.8%	19.3%	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%
<b>HLAVFF- Gross</b>	9.9%	17.4%	7.0%	12.7%	24.1%	-3.9%	12.2%	-2.4%	30.6%	-22.2%
<b>HLAVFF - Net</b>	7.8%	14.6%	5.1%	10.2%	20.8%	-5.0%	9.8%	-3.7%	26.7%	-21.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

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

### Investment Risks

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

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

### 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)

Sep 2019

## 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.

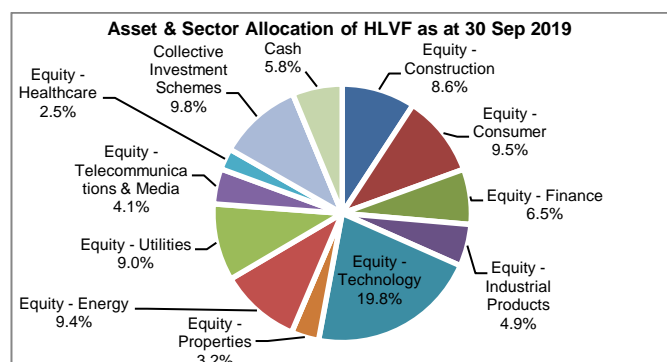
### 5. Target Market

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 (30/9/2019)	: RM 1.2645
Fund Size (30/9/2019)	: RM 89.7mil
Fund Management Fee (effective as at 01/10/2015)	: 1.45% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 October 2015
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

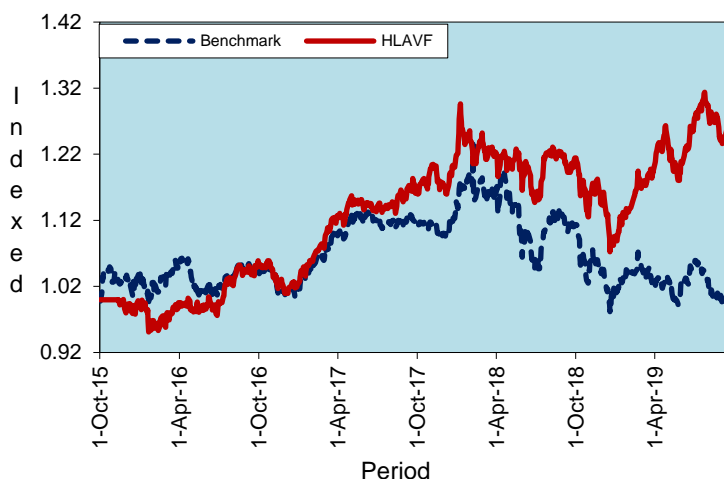
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLVF as at 30 Sep 2019

	%
1. TENAGA NASIONAL BERHAD	9.0
2. PENTAMASTER CORPORATION BHD	7.5
3. IGB REAL ESTATE INVESTMENT TRUST	7.2
4. WESTPORTS HOLDINGS BERHAD	6.9
5. INARI AMERTRON BERHAD	6.3
<b>Total Top 5</b>	<b>36.8</b>

## Historical Performance



	YTD	1 month	1 year	2 years	3 years	Since Inception
HLVF	15.35%	1.37%	4.13%	8.39%	20.30%	26.45%
Benchmark*	-2.61%	-1.28%	-10.61%	-10.59%	-4.14%	-0.62%
Relative	17.97%	2.65%	14.74%	18.99%	24.44%	27.07%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 1.8% to close at 1,584 points. The broader market outperformed as the FTSE BM EMAS Index declined 1.3% to close at 11,204 points. Small caps outperformed as the FTSE BM Small Cap Index rose 0.8% to close at 12,978 points.

Telecommunication stocks performance weighed on the FTSE BM KLCI as both Axiata Group Berhad and Digi.Com Berhad posted sharp losses during the month following the breakdown of the Telenor-Axiata merger.

On the corporate front, IHH Healthcare Berhad announced it will acquire Prince Court Medical Centre from Khazanah Nasional Berhad. Axiata Group Berhad and Telenor ASA have agreed to call off the merger talks. Bumi Armada Berhad announced it is selling its Armada Perdana floating production storage and offloading vessel (FPSO) to Century Energy Services Limited.

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

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

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

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## HLA Value Fund (HLVF)

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

Year	2015	2016	2017	2018
<b>Benchmark</b>	4.6%	-2.8%	12.9%	-11.1%
<b>HLVF- Gross</b>	-0.1%	4.7%	22.2%	-9.3%
<b>HLVF - Net</b>	-0.4%	2.8%	19.0%	-10.0%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past four (4) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Concentration Risk

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

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

#### 6. Country Risk

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

#### 7. Currency Risk

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

### Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Performance</b>	42.6%	20.9%	1.7%	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%

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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### **Disclaimer:**

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

# Hong Leong SMART Invest Fund (HLSIF)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

The indicative asset allocation for 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.

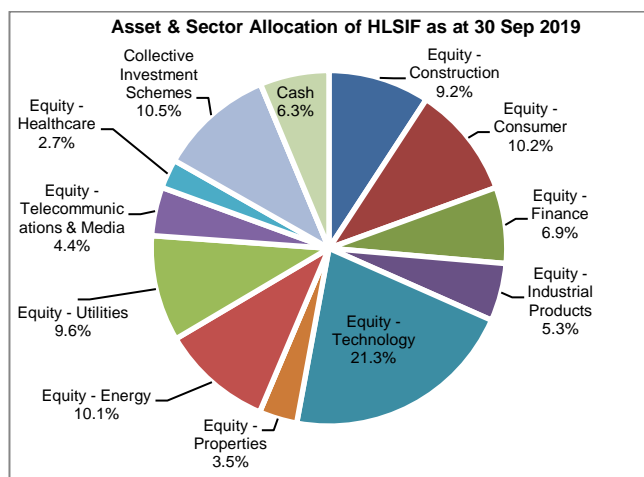
### 4. Target Market

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

## Fund Details

Unit Price (30/9/2019)	: RM1.0581
Fund Size (30/9/2019)	: RM186.9mil
Fund Management Fee (effective as at 23/11/2017)	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 23 November 2017
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

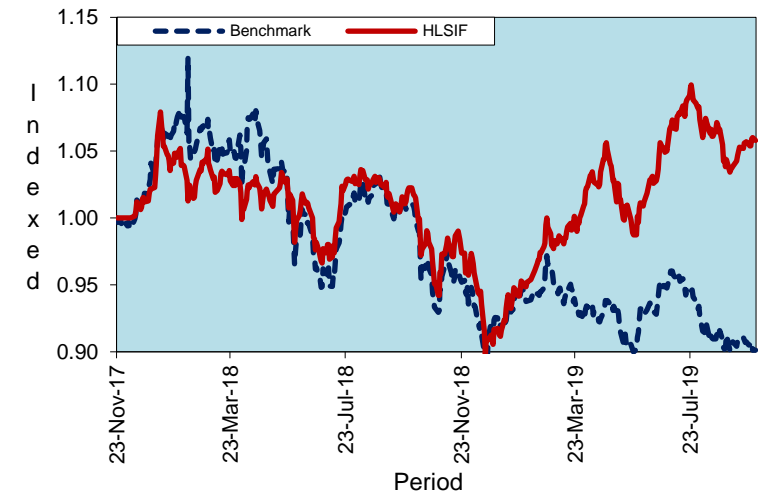
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLSIF as at 30 Sep 2019

	%
1. TENAGA NASIONAL BERHAD	9.0
2. PENTAMASTER CORPORATION BHD	7.5
3. IGB REAL ESTATE INVESTMENT TRUST	7.2
4. WESTPORTS HOLDINGS BERHAD	6.9
5. INARI AMERTRON BERHAD	6.3
<b>Total Top 5</b>	<b>36.8</b>

## Historical Performance



	YTD	1 month	3 months	1 year	Since Inception
HLSIF	15.31%	1.39%	0.77%	3.47%	5.81%
Benchmark*	-2.61%	-1.28%	-4.90%	-10.61%	-9.88%
Relative	17.93%	2.67%	5.68%	14.08%	15.69%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 1.8% to close at 1,584 points. The broader market outperformed as the FTSE BM EMAS Index declined 1.3% to close at 11,204 points. Small caps outperformed as the FTSE BM Small Cap Index rose 0.8% to close at 12,978 points.

Telecommunication stocks performance weighed on the FTSE BM KLCI as both Axiata Group Berhad and Digi.Com Berhad posted sharp losses during the month following the breakdown of the Telenor-Axiata merger.

On the corporate front, IHH Healthcare Berhad announced it will acquire Prince Court Medical Centre from Khazanah Nasional Berhad. Axiata Group Berhad and Telenor ASA have agreed to call off the merger talks. Bumi Armada Berhad announced it is selling its Armada Perdana floating production storage and offloading vessel (FPSO) to Century Energy Services Limited.

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

# Hong Leong SMART Invest Fund (HLSIF)

## Actual Annual Investment Returns for the Past Two (2) Calendar Years

Year	2017	2018
Benchmark	12.9%	-11.1%
HLSIF- Gross	2.5%	-9.4%
HLSIF - Net	2.2%	-10.2%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past two (2) 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 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Performance	42.6%	20.9%	1.7%	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%

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)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

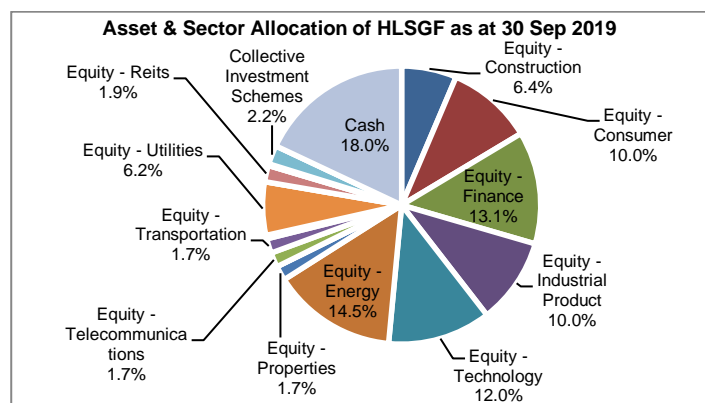
### 4. Target Market

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

## Fund Details

Unit Price (30/9/2019)	: RM1.8086
Fund Size (30/9/2019)	: RM217.3mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 Oct 2012
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

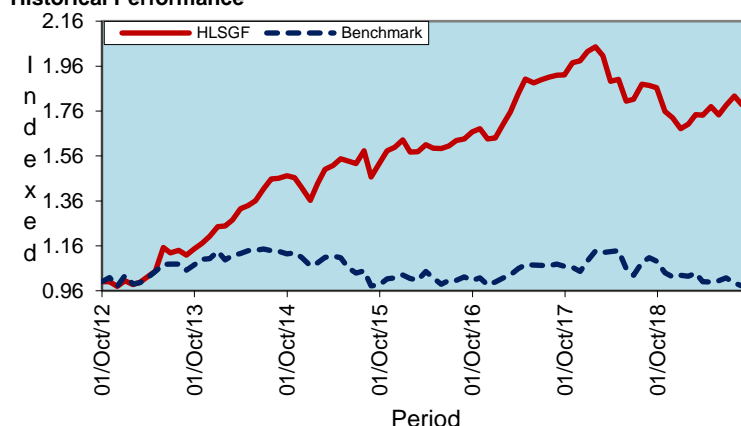
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLSGF as at 30 Sep 2019

1.	TENAGA NASIONAL BHD
2.	YINSON HOLDINGS BHD
3.	DIALOG GROUP BHD
4.	PENTAMASTER CORP BHD
5.	HONG LEONG FINANCIAL GROUP BHD
Total Top 5	

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	7.55%	1.10%	-2.96%	8.51%	22.90%	80.86%
Benchmark*	-6.31%	-1.75%	-11.67%	-4.15%	-14.21%	-3.61%
Relative	13.86%	2.85%	8.71%	12.66%	37.11%	84.47%

Source: Bloomberg

# Hong Leong SMART Growth Fund (HLSGF)

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

Asian equities made a comeback in September alongside major global equities. Global equities reversed some of August losses amid renewed expectations of US-China trade talks and G-3 monetary policy easing. Asia Pacific ex-Japan equities were helped particularly by a rebound in the Technology sector, with markets anticipating a stabilization in memory prices, stronger-than-expected iPhone demand resulting from competitive pricing and accelerated 5G-related demand, coupled with Huawei's drive to localize its supply chain. However, markets lost momentum later in the month following a drone attack on Saudi's oil facilities and political uncertainty stemming from an impeachment inquiry launched against US President Trump.

The MSCI Asia ex-Japan gained 1.5% through the month and outperformed the MSCI ASEAN (-0.91%) by 2.41%. The outperformers led by Korea (+4.8%), India (+3.6%), Taiwan (+2.0%), Hong Kong (+1.3%) and Australia (+1.3%), while underperformers were Indonesia (-2.5%), Philippines (-2.5%), Malaysia (-1.8%) and Thailand (-1.1%). All Asia ex-Japan currencies finished higher against USD in September. The largest appreciation was recorded by the Indian Rupee (+1.5%), the Korean Won (+1.0%) and the Taiwan Dollar (+0.9%). Brent prices soared 14% following the attack on Saudi oil facilities but settled down over the month amid assurances of a speedy capacity restoration. Brent finished the month 1.1% higher.

Locally, Malaysia exports expanded 1.7% year-on-year (YoY) in July compared to contraction of 3.4% YoY in June. The trade balance printed a surplus of RM14.3 billion in July, up from a surplus of RM10.5 billion in June. Malaysia's industrial production expanded 1.2% YoY in July, down from 3.9% YoY in June. KLCI declined 1.8% month-on-month (MoM) to end at 1,584 points. MYR strengthened 0.4% MoM to 4.19, while 10Y MGS was flat at 3.32%. Net equity outflows has moderated to RM0.5 billion compared to August's net outflows of RM2.6 billion, bringing the 9M19 net outflows to RM7.8 billion.

While major central banks have moved towards easing bias providing the necessary liquidity support, the Federal Open Market Committee cut the target range for Fed Funds Rate by 25 basis points (bps)—as almost universally expected—to 1.75% from 2.0%. The Fed said the cut is aimed at shoring up the U.S. economy amid concerns about slowing global growth and trade wars. Asian equity markets are expected to remain volatile in the near term due to the on-going US-China trade tension impacting the already weaker global growth outlook.

Locally, Malaysia's 2Q19 GDP growth of 4.9% was better than expected. Rising external headwinds in the form of elevated US-China trade tensions and decelerating global growth mean domestic fiscal and monetary policies should be adopting an easing bias to support domestic growth. On the monetary front, Bank Negara (BNM) delivered one 25 bps interest-rate cut in May, to 3.0%. This was in line with continuing rate reductions by global central banks and contained domestic Consumer Price Index. The FTSE Russell announced that Malaysia bonds will remain on the watch list for another 6 months, which is a relief for investors. All eyes are on the 2020 Budget announcement on 11th October. We continue to maintain a defensive stance and will focus on stock selection to outperform amid the volatile market. We are positive on selective stocks in the technology, construction, oil and gas and REITs sector.

## Actual Annual Investment Returns for the Past Seven (7) Calendar Years

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

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past seven (7) 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.

# Hong Leong SMART Growth Fund (HLSGF)

## Risk Management

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

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

## Exceptional Circumstances

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

## Target Fund Details

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Performance	33.3%	32.7%	19.1%	14.1%	26.4%	9.3%	20.9%	-0.1%	25.8%	-18.1%

## Basis of Calculation of Past Performance

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

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

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

## Others

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

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

## Disclaimer:

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

# HLA Venture Global Fund (HLAVGLF)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

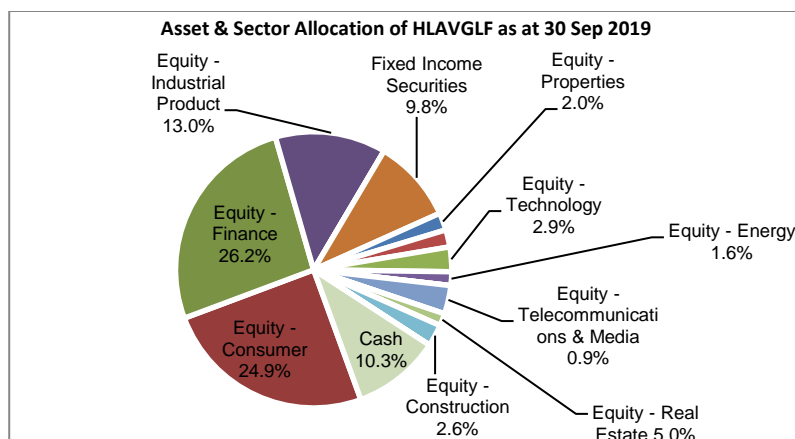
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (30/9/2019)	:RM1.2751
Fund Size (30/9/2019)	:RM28.2mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
Frequency of Unit Valuation	:Daily

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

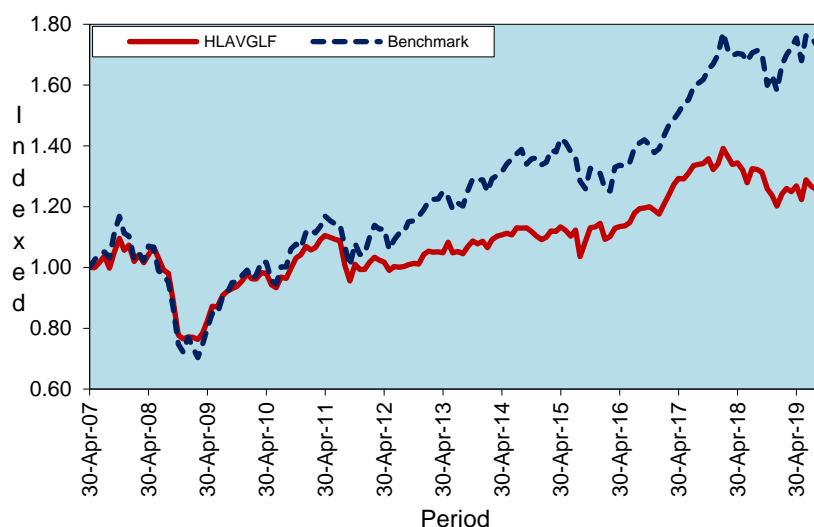
Asset Allocation for HLAVGLF as at 30 Sep 2019	%
Hong Leong Asia-Pacific Dividend Fund	58.8
Hong Leong Strategic Fund	41.1
Cash	0.1
<b>Total</b>	<b>100.0</b>



## Top 5 Holdings for HLAVGLF as at 30 Sep 2019

	%
1. Government Investment Issue	9.8
2. Country Garden Services Holdings Co Ltd	7.1
3. A-Living Services Co Ltd	7.0
4. Nissin Foods Co Ltd	6.2
5. Dufu Technology Corporation Berhad	4.6
<b>Total Top 5</b>	<b>34.6</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
<b>HLAVGLF</b>	6.06%	1.35%	-2.89%	6.66%	12.82%	37.08%	27.51%
<b>Benchmark*</b>	11.02%	1.30%	3.06%	23.67%	31.08%	84.80%	75.60%
<b>Relative</b>	-4.97%	0.05%	-5.95%	-17.01%	-18.26%	-47.42%	-48.09%

Source: Bloomberg, RAM Quantshop



# HLA Venture Global Fund (HLAVGLF)

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

### Equity Review

**Global** – Markets rebounded following a massive sell-off in the previous month. Market sentiment was supported by interest rate cuts by both the European Central Bank (ECB) and the Federal Reserve (Fed). The ECB also stated its commitment to continue with asset purchases and restarting quantitative easing. The Dow Jones Industrial Average Index rose 2.0% and the broader S&P 500 Index rose 1.7%. The Euro Stoxx Index rose 4.2% and the FTSE 100 Index rose 2.8%.

**Asia Pacific** – Most regional markets posted positive returns for the month following a slew of monetary easing measures by the Fed and ECB. However, the market sentiment was dampened by the drone attack on Saudi Arabia's oil facilities and heightened geopolitical tensions. In the region, the India and Korea markets were the leaders while the Indonesia and Philippines markets were the laggards.

**Malaysia** – The performance of the FTSE BM KLCI continued to be weighed down by the financial sector underperformance as banks succumbed to selling pressure while the telecommunication sector declined due to the breakdown of the Axiata-Telenor merger. The FTSE BM KLCI declined 1.8% to close at 1,584 points. The broader market outperformed as the FTSE BM EMAS Index declined 1.3% to close at 11,204 points. Small caps outperformed as the FTSE BM Small Cap Index rose 0.8% to close at 12,978 points.

### Outlook & Strategy

**Global** - Although the economy in the US is still growing, the pace of growth and employment is clearly slowing down. Consumer confidence also declines. In Europe, the business surveys still point towards an economy that is slowing down, particularly in the manufacturing sector. The Fed and ECB's policy easing are part of the effort by the central banks to prolong the economic expansion against a backdrop of a slowdown in the global economy.

**Asia Pacific** - Recent economic data from China suggest that the China economy is looking increasingly fragile. It is unlikely that neither the US nor China will concede to each other's demand on trade. We expect China government to continue to take additional measures to support the economy.

**Malaysia** – We expect some recovery in market sentiment as investors look forward to the upcoming Budget. We prefer to be invested in high-yield stocks and selected consumer and export stocks.

### Fixed Income Review and Outlook

Bond yields stabilised as investors remained optimistic ahead of trade negotiations between the United States (US) and China to be held in Washington in October. The Fed cut its policy rate by 25 basis points (bps) as widely expected but followed up with a hawkish outlook, leading most investors to take profit. Local sovereign bond yields rose in September, tracking global bond yields. There were also profit-taking activities after Bank Negara Malaysia (BNM) held its monetary policy during its September meeting. The 10-year Malaysian Government Securities (MGS) traded weaker during the month where yields rose by 19bps to 3.49%. The 7-year MGS re-opening was one of the weakest tender in the year with a bid-to-cover ratio of only 1.2 times as we expect investors to be cautious ahead of FTSE Russell news.

The Fed's projections were more hawkish than anticipated as investors had expected two more cuts by the end of 2020 but central bank's median forecast was flat. This divergence in expectation may cause near term volatility in the interest rate market. Malaysia's annual inflation rate edged up to 1.5% in August from 1.4% in the previous month and was in line with market expectations. Whilst trade negotiations are scheduled, we think a full resolution is unlikely to happen and thus reaffirm that BNM may ease its monetary policy rate in the near term should the trade conflict remain unresolved. On portfolio positioning, we look to remain defensive given the poor performance in the government bond market. The Funds will maintain a higher corporate bond holding for higher carry yield and to minimise mark-to-market volatility.

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Benchmark</b>	28.8%	12.7%	-6.5%	14.0%	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%
<b>HLAVGLF- Gross</b>	30.6%	11.4%	-5.8%	6.8%	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%
<b>HLAVGLF - Net</b>	26.9%	9.2%	-7.1%	5.0%	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### Investment Risks

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

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

# HLA Venture Global Fund (HLAVGLF)

## Risk Management

The Company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Performance	52.6%	6.4%	-15.0%	15.2%	-4.8%	-1.0%	6.5%	1.8%	19.2%	-13.3%

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Performance	38.9%	18.5%	-0.7%	4.9%	14.5%	-0.7%	4.3%	4.8%	10.9%	-10.3%

Source: Hong Leong Asset Management Berhad (HLAM)

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

## Basis of Calculation of Past Performance

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

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

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

## Others

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

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## Disclaimer:

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

# HLA Venture Managed Fund (HLAVMF)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

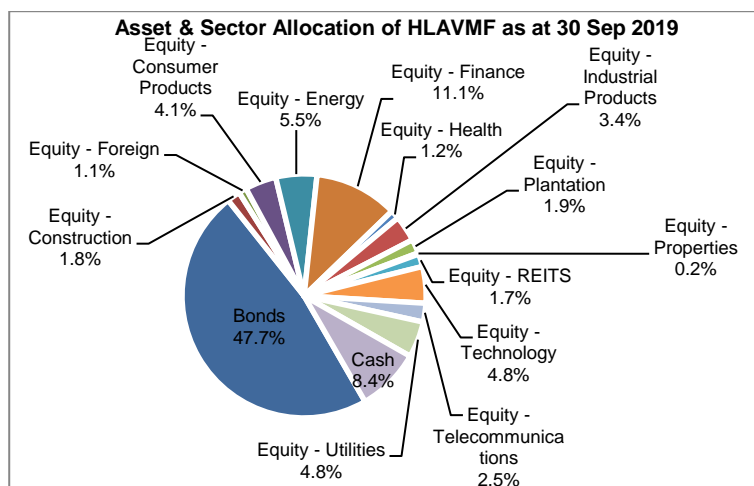
### 4. Target Market

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

## Fund Details

Unit Price (30/9/2019)	:RM2.1701
Fund Size (30/9/2019)	:RM257.7mil
Fund Management Fee (effective as at 01/03/2017)	: 1.23% p.a. (capped at 1.25%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:07 April 2004
Benchmark	:50% FTSE Bursa Malaysia KLCI Index (FBM KLCI)&50% 12-month Fixed Deposit Interest Rates
Frequency of Unit Valuation	:Daily

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

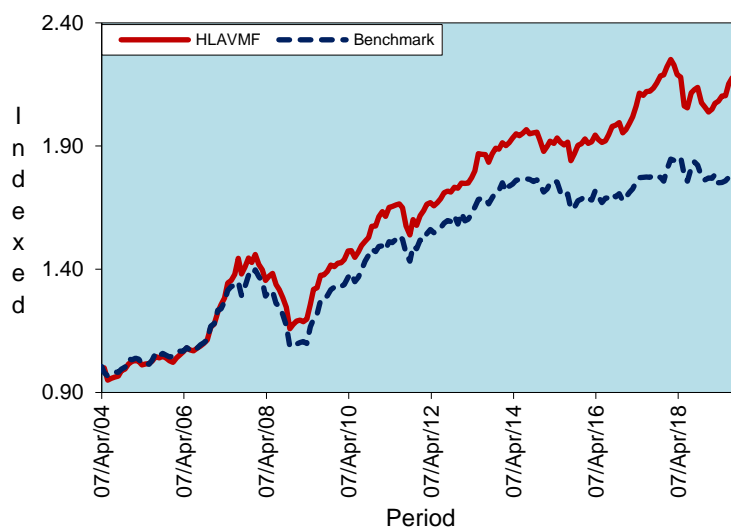


FI : Fixed Income  
EQ : Equities

## Top 5 Holdings for HLAVMF as at 30 Sep 2019

		%
1. TENAGA	EQ	4.8
2. MAYBANK	EQ	4.3
3. MALAYSIA AIRPORTS HOLDINGS 1	FI	3.9
4. CIMB	EQ	3.9
5. YINSON	EQ	3.6
<b>Total Top 5</b>		<b>20.4</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	6.46%	-0.35%	1.51%	9.36%	11.05%	56.01%	117.01%
Benchmark*	-2.31%	-0.79%	-5.06%	2.15%	-1.49%	33.83%	72.14%
Relative	8.77%	0.45%	6.57%	7.21%	12.54%	22.18%	44.87%

\*Source: Bloomberg, Maybank

## HLA Venture Managed Fund (HLAVMF)

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

Global equities rose in September on renewed optimism over the US-China trade talks scheduled to be held on October 10th-11th and a realisation of a mini US-Japan trade deal. Sentiment was also lifted when the US President delayed the implementation of fresh tariffs scheduled for October 1st as a gesture of goodwill and China reciprocated by placing a number of US agricultural goods on the exemption list. Investors also seemed to have shrugged off the move by US lawmakers to call for impeachment proceedings against the US President when the US President suggested that a trade deal with China might come sooner than expected. During the month the European Central Bank embarked on a fresh round of stimulus measures which include a 10bps cut to interest rates and a revival of its bond purchase programme. The price of crude was down by 1.7% mom to US\$54.24/barrel despite drone attacks on Saudi Aramco's oil facilities which knocked off 5% of global supply as bulk of the disruption was expected to be resolved by the end of September.

September was a lighter trading month for the domestic market with the market only opened for 18 days vs the YTD average of 20 days. The market continued to be lacklustre as the much anticipated mega merger between Axiata and Telenor fell through with both parties citing complexities involved in the proposed transaction. During the month as well, Bank Negara Malaysia left the Overnight Policy Rate unchanged at 3%. Cabinet has also approved a 10-year masterplan to reform the domestic power industry dubbed as the Malaysia Electricity Supply Industry 2.0 (MESI 2.0). In the fixed income space, Malaysia was retained in FTSE Russell's World Government Bond Index but will remain on the watchlist until the next interim review in Mar 2020.

The FBM KLCI underperformed the broader market with a 1.8% mom decline in September to close at 1,583.91 pts. FBM Emas and Emas Shariah declined by 1.3% mom and 1.2% mom respectively for the month of September. FBM Small Cap outperformed the other indices; +0.8% mom in September.

Domestically, the key events that investors will be keeping an eye out for include the upcoming Budget 2020 on the 11th October and the cabinet's decision on the proposed highway takeover. On the external front, the ongoing US China trade talks will continue to dominate headlines alongside the UK's scheduled departure from the EU on 31st October. Markets will also be watching closely domestic economic data in the US in order to get an indication on whether the spillover effect of the trade war with China would finally have an impact on its domestic economy. We continue to remain defensive - seeking exposure in dividend yielding companies backed by stable earnings trajectory, weak Ringgit beneficiaries and potential prime priming candidates. We also like selected technology and manufacturing players which should ride on the upcoming 5G technological wave.

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

The 10 year US Treasuries ("UST") yield charted an uptrend in September 2019, up 17bps for the month, marking its biggest monthly rise for the year following the Fed's surprise guidance of no further cuts for 2019. Nonetheless, Q32019 wrapped up with yields lower across the curve with a more prominent decline in the longer end. The 30 year UST tumbled 42 bps between July to September, marking its biggest quarterly drop since Q4 2014. Bond yields fell on quarter-end on a confluence of heightened global uncertainties and rebalancing measures as fund managers sought replacement for government papers to maintain the average maturity of their portfolios before the end of the quarter.

For the month of September, the rally in Malaysian Government Securities ("MGS") curve finally stalled and bear-steepened with yields widening at the longer end of the curve alongside the UST-led rebound in developed market bond yields. Besides the said external forces, the biggest development for the Malaysian bond market was none other than the long-awaited FTSE Russell decision. FTSE Russell decided to keep Malaysia on the watch list until March 2020, and that sent MGS yields lower towards month end.

Trading volumes in the corporate bond space was relatively benign for the month of September. The month concluded with some interest across the government guaranteed segment to the AA-part of the curve and yields edged marginally higher. The prominent new issuance of the month was Danainfra's massive RM2.5 billion of longer-tenured 7y-30y bonds issued at coupons between 3.34%-3.90%, Maybank's perpetual securities amounting to RM2.8 billion with yields ranging between 4.08%-4.13%.

As we approach the final quarter of the year, market-moving factors continue to be driven by geopolitical risk surrounding the US-China trade rivalry which remains fairly fluid at this juncture. While some short-term relief is seen in the recent trade talks, markets are likely to take a cautiously pessimistic stance, and are expected to maintain their preference for safe havens over risky assets. Asset allocation is expected to remain defensive until markets are sufficiently convinced that the risk of either party flip-flopping on their trade negotiations is substantially diminished. Besides, markets are likely to scrutinise economic data releases to gauge for further signs of economic slowdown in their asset allocation reviews.

On the local front, the MGS curve is expected to be supported by the strong reinvestment demand from lumpy maturities and expectation of another rate cut by year end. Nonetheless, as the market has already priced in the expectation of dovish rates as well as higher PDS issuances in Q42019, opportunity for MGS rally may be capped. While the market took a breather from FTSE Russell's decision to not exclude Malaysia in its recent announcement, it is worth noting that the non-removal decision is not concrete and merely a delay as Malaysia remains on the watch list for a potential downgrade. The risk of exclusion may resurface closer to the interim review by FTSE Russell in March 2020 as BNM is unlikely to accommodate lifting the ban on offshore Ringgit non-deliverable forward trading.

On the strategy front, we are looking at opportunities to deploy our excess cash in primary corporate bond issuances that are fundamentally strong and with favourable risk-reward. As we have taken profit on some of our MGS positions, we are constantly on the lookout for favourable windows for investment and trading opportunities.



# HLA Venture Managed Fund (HLAVMF)

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Benchmark</b>	22.5%	11.6%	2.9%	7.0%	7.3%	-2.6%	-1.3%	-0.8%	6.6%	-1.9%
<b>HLAVMF- Gross</b>	22.9%	15.7%	1.6%	10.3%	11.4%	-0.7%	4.3%	3.4%	15.4%	-7.6%
<b>HLAVMF - Net</b>	19.8%	13.2%	0.3%	8.3%	9.3%	-1.9%	2.7%	2.0%	12.9%	-8.3%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past ten (10) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### 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.

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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 Income Fund (HLAVIF)

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

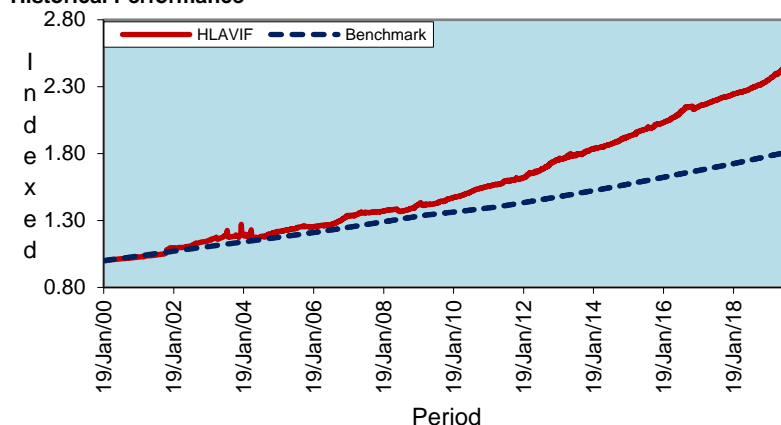
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (30/9/2019)	:RM2.5214
Fund Size (30/9/2019)	:RM202.5mil
Fund Management Fee	: 0.50% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Bond
Fund Inception	:19 Jan 2000
Benchmark	:3-month Fixed Deposit Interest Rates
Frequency of Unit Valuation	:Daily

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

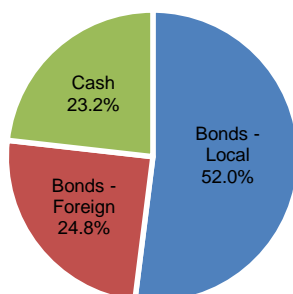
## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVIF	7.66%	-0.17%	9.73%	17.29%	33.37%	74.39%	152.14%
Benchmark*	2.28%	0.25%	3.13%	9.62%	16.79%	34.27%	81.85%
Relative	5.38%	-0.42%	6.60%	7.67%	16.57%	40.12%	70.29%

\*Source: Maybank

## Asset Allocation of HLAVIF as at 30 Sep 2019



## Top 5 Holdings for HLAVIF as at 30 Sep 2019

	%
1. WESTPAC BANKING CORP 2	9.1
2. IND & COM BK CHINA MACAU 1	8.2
3. UBS GROUP AG-	7.5
4. MALAYAN BANKING BERHAD 3	5.2
5. ALLIANCE BANK MALAYSIA BHD 1	4.3
<b>Total Top 5</b>	<b>34.3</b>

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

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## HLA Venture Income Fund (HLAVIF)

### Market Review

The 10 year US Treasuries ("UST") yield charted an uptrend in September 2019, up 17bps for the month, marking its biggest monthly rise for the year following the Fed's surprise guidance of no further cuts for 2019. Nonetheless, Q32019 wrapped up with yields lower across the curve with a more prominent decline in the longer end. The 30 year UST tumbled 42 bps between July to September, marking its biggest quarterly drop since Q4 2014. Bond yields fell on quarter-end on a confluence of heightened global uncertainties and rebalancing measures as fund managers sought replacement for government papers to maintain the average maturity of their portfolios before the end of the quarter.

For the month of September, the rally in Malaysian Government Securities ("MGS") curve finally stalled and bear-steepened with yields widening at the longer end of the curve alongside the UST-led rebound in developed market bond yields. Besides the said external forces, the biggest development for the Malaysian bond market was none other than the long-awaited FTSE Russell decision. FTSE Russell decided to keep Malaysia on the watch list until March 2020, and that sent MGS yields lower towards month end.

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### Market Outlook & Strategy

As we approach the final quarter of the year, market-moving factors continue to be driven by geopolitical risk surrounding the US-China trade rivalry which remains fairly fluid at this juncture. While some short-term relief is seen in the recent trade talks, markets are likely to take a cautiously pessimistic stance, and are expected to maintain their preference for safe havens over risky assets. Asset allocation is expected to remain defensive until markets are sufficiently convinced that the risk of either party flip-flopping on their trade negotiations is substantially diminished. Besides, markets are likely to scrutinise economic data releases to gauge for further signs of economic slowdown in their asset allocation reviews.

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On the strategy front, we are looking at opportunities to deploy our excess cash in primary corporate bond issuances that are fundamentally strong and with favourable risk-reward. As we have taken profit on some of our MGS positions, we are constantly on the lookout for favourable windows for investment and trading opportunities.

# HLA Venture Income Fund (HLAVIF)

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Benchmark</b>	2.3%	2.3%	2.8%	3.1%	3.1%	3.2%	3.2%	3.1%	3.0%	3.3%
<b>HLAVIF- Gross</b>	4.7%	7.0%	4.8%	10.0%	5.4%	5.8%	6.5%	6.9%	5.3%	5.6%
<b>HLAVIF - Net</b>	3.8%	5.9%	3.9%	8.7%	4.5%	4.8%	5.5%	5.8%	4.4%	4.6%

Net returns are adjusted for tax and fund management fees.

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### Investment Risks

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### Risk Management

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### Exceptional Circumstances

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### Basis of Calculation of Past Performance

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

### Others

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

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# HLA Horizon Funds

Sep 2019

## Fund Features

### 1. Investment Objective

The fund is designed to offer customers a Minimum Guaranteed Unit Price upon fund maturity and yet offer the opportunity to enhance returns via a leveraged exposure. The fund will periodically lock in part of the gains (10 years after launch of the fund) and thereby increasing the customers' Minimum Guaranteed Unit Price at fund maturity.

The fund is open ended with three maturity dates to match customer financial planning needs: Horizon28 to be matured in Year 2028, Horizon38 in Year 2038 and Horizon48 in Year 2048.

### 2. Investment Strategy & Approach

The fund will invest into Floating Rate Negotiable Instrument of Deposit (FRNID). FRNID allocate into two major components: Mean Variance Optimization (MVO) Strategy and Zero-coupon Negotiable Instrument of Deposit (ZNID).

To enhance investment return, MVO Strategy will be leveraged by 3 times. This MVO Strategy uses the Efficient Frontier to find the optimal portfolio returns for a defined risk, limiting to basket volatility to around 8%. The portfolio consists of 4 asset classes:

- (i) 4 equities indices (S&P500, Euro Stoxx 50, Hang Seng China Enterprises, MSCI Emerging Market),
- (ii) 2 bond indices (Franklin Templeton & PIMCO),
- (iii) Spot Gold index
- (iv) Cash index

These indices are published at Bloomberg to provide transparency to customer.

The ZNID provides the Minimum Guaranteed Unit Price upon each fund's maturity. The initial Minimum Guaranteed Unit Price as follow:

Fund	Initial Minimum Guaranteed Unit Price at fund maturity
HLA Horizon28	RM 1.00
HLA Horizon38	RM 1.50
HLA Horizon48	RM 2.00

Over time, Minimum Guaranteed Unit Price may go up via a profit taking mechanism. This mechanism will lock the gains provided the condition stated below is met, by transferring portion of gains from the MVO Strategy to the ZNID on a yearly basis as follow:

Fund Year	% of the MVO Strategy Gains
1 to 10	0%
11 to 20	50%
21 to 30	100%

The condition for profit taking:

$$\left( \frac{MVO_t}{MVO_{prevPT}} - 1 \right) > 0$$

Where,

$MVO_t$  is the mark-to-market value of MVO per unit

$MVO_{prevPT}$  is the mark-to-market value of MVO at the time of previous actual executed profit taking per unit

### 3. Target Market

The fund is suitable for investors who wish to engage in mid-term and long-term wealth-planning. The feature of this Minimum Guaranteed Unit Price upon fund maturity will help to safeguard the savings goal for their children's education, retirement planning or wealth-building for future generations.

## Fund Details

<b>Fund Management Fee</b>	: 1.30% p.a.
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Inception</b>	: 9 Oct 2018
<b>Benchmark</b>	: 3-month Klibor *+ 2.65%
<b>Frequency of Unit Valuation</b>	: Weekly

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

\*Source: Bloomberg

## Other Details

Fund Name	Fund Maturity Date	Unit Price @ 24/9/2019	Fund Size 24/9/2019	Guaranteed Unit Price upon Fund Maturity (updated @ 24/9/2019)
HLA Horizon28 Fund	:08/10/2028	RM1.0937	RM1,693,729.07	RM1.00
HLA Horizon38 Fund	:08/10/2038	RM1.1745	RM44,907,975.68	RM1.50
HLA Horizon48 Fund	:08/10/2048	RM1.2395	RM22,908,784.64	RM2.00

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



## HLA Horizon Funds

### Performance Snapshot

Fund	1 Month	1 Year
HLA Horizon28	-0.34%	-
HLA Horizon38	-0.80%	-
HLA Horizon48	-1.09%	-

### Exposure to MVO Strategy

Fund	Exposure as at 24/9/2019
HLA Horizon28	108.99%
HLA Horizon38	125.55%
HLA Horizon48	168.07%

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

With the October FOMC meeting now just a few weeks away, whether or not the data rebound persists will be critical for near-term rate cut prospects. If the data continue to improve through October, the Fed may be able to delay further easing. However, if key data releases remain at softer levels or deteriorate further, we see an October rate cut as firmly in the cards.

Despite the upcoming trade talks in Washington, the RMB continues to face depreciation pressure heading into the week-long holiday, breaking above 7.1 for the first time since August. We remain bearish on the prospects for the RMB, above and beyond whether any mini-deal can be struck. The economy is getting worse, the balance of payments remains under pressure from capital outflows, and the currency is still rich vs the adjustment needed to offset tariffs. In trade-sensitive currencies, we see better value in TWD versus KRW or SGD.

Asian FX has historically been strongly correlated to regional export growth. This relationship is tight in “normal times” and should assume added importance during a trade war. Given recent delays to tariff escalation and upcoming trade talks, the market has rebuilt some optimism and Asian FX has recovered. However, the recent bounce may have gone too far: YoY returns in our Asian FX index are consistent with exports growth similar to the 2017 synchronized growth recovery. This is too sanguine, and Asian FX now looks rich. We focus on the most export-sensitive currencies in Asia, and find a case for TWD outperformance versus SGD and KRW.

The decision by FTSE Russell to keep Malaysia in WGBI would have been a relief to policymakers. We got the sense that BNM remains very open to engagement, to tackling investor and custodian concerns, and to increasing communication about their hedging framework. At least one more rate cut is widely expected. Views on timing and the need for another rate cut thereafter are more divided.

Brexit: At face value, we do not expect the EU27 to agree with the UK proposals as they will require border checks between the North and Republic of Ireland and compromise EU Single Market integrity. If no agreement can be reached, however, then Brexit will revert to a constitutional battle between the UK and Parliament. Our base case remains a caretaker government is formed, followed by an extension to Article 50 to facilitate new elections.

Gains of MVO Strategy (per unit)	HLA Horizon28	HLA Horizon38	HLA Horizon48
Previous actual executed profit taking at -	N/A	N/A	N/A
As at 24 Sep 2019	3.50%	3.72%	4.98%
As at 27 Aug 2019	3.69%	3.95%	5.29%

The next observation date for profit taking is 8 Oct 2029. If this date is not a Business Day, then shall be the Business Day immediately following the date stated.

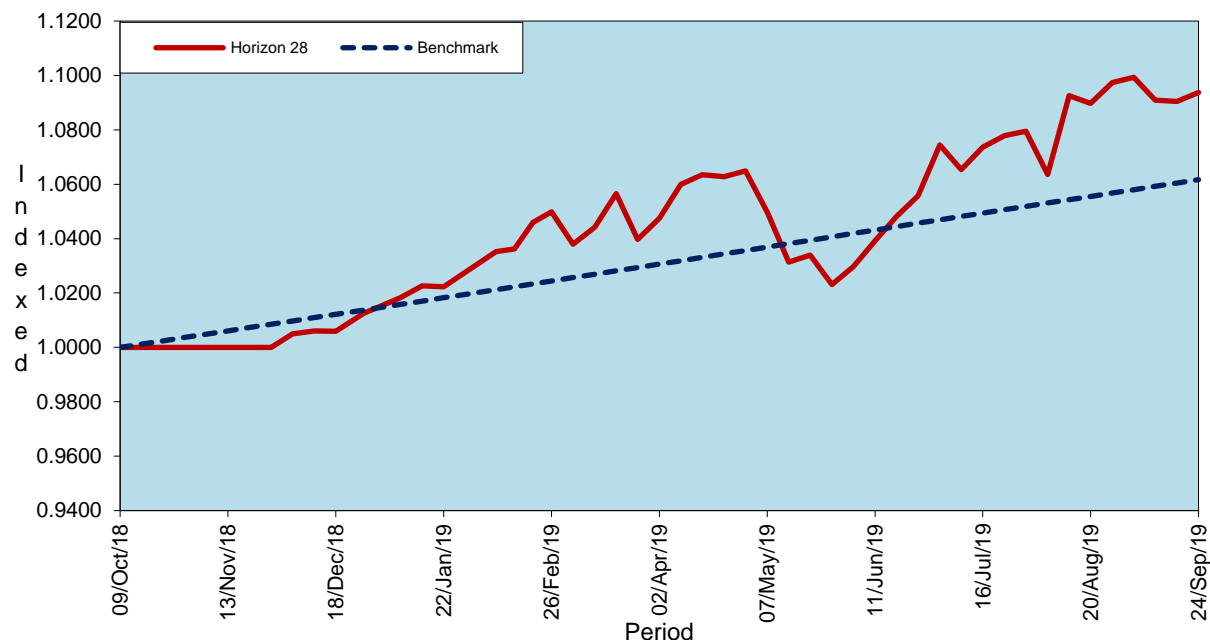
### Underlying Asset in the MVO Strategy as at 24 Sep 2019

Indices	Bloomberg Ticker	Weightage (%)	Monthly Performance
iShares MSCI EM Index Fund	EEM US Equity	0.00%	4.78%
S&P 500 Index	SPX Index	35.00%	3.40%
Euro Stoxx 50 Index	SX5E Index	8.20%	3.90%
Hang Seng China Enterprises Index	HSCEI Index	0.00%	2.81%
Gold	GOLDLNAM Index	25.00%	-0.76%
Templeton Global Bond Fund	FTGBFAC LX Equity	0.00%	0.00%
PIMCO Funds – Total Return Bond Fund	PTRBDFE ID Equity	30.00%	-0.21%
DB Fed Funds Effective Rate TR Index	DBMMFED1 Index	1.80%	0.16%
<b>Total</b>		<b>100.00%</b>	

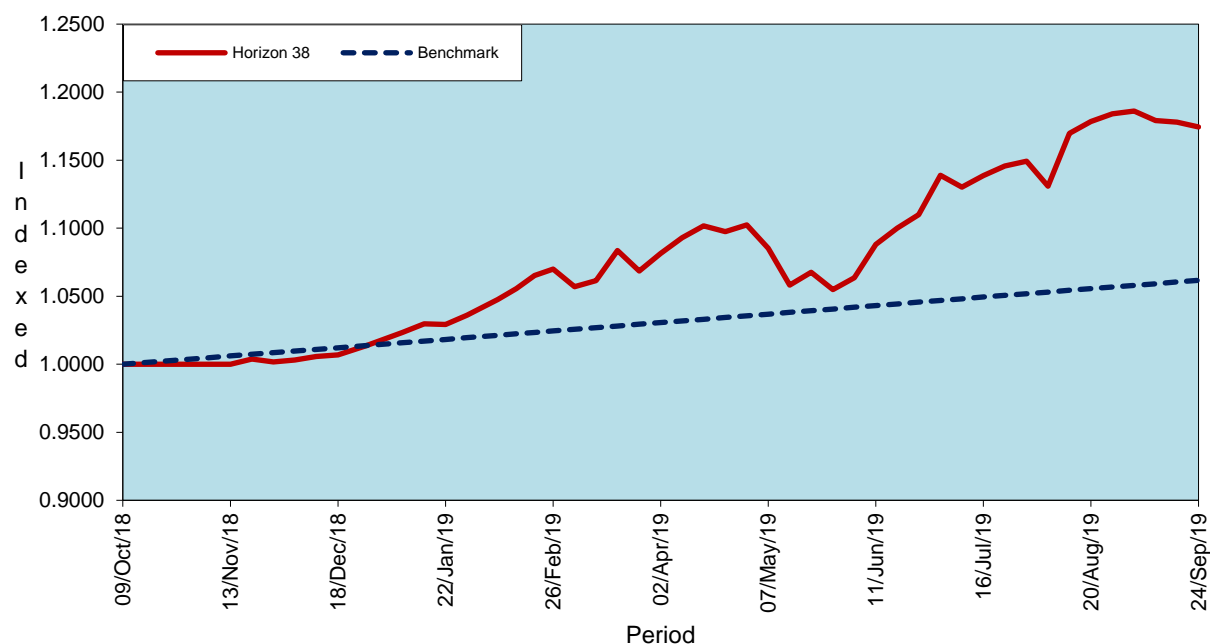
# HLA Horizon Funds

## Historical Performance

HLA Horizon28 Fund						
As of 24/9/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon28	8.02%	-0.34%	-	-	-	9.37%
KLIBOR+2.65% p.a.*	4.73%	0.46%	-	-	-	6.17%
Performance vs Benchmark	3.29%	-0.80%	-	-	-	3.20%

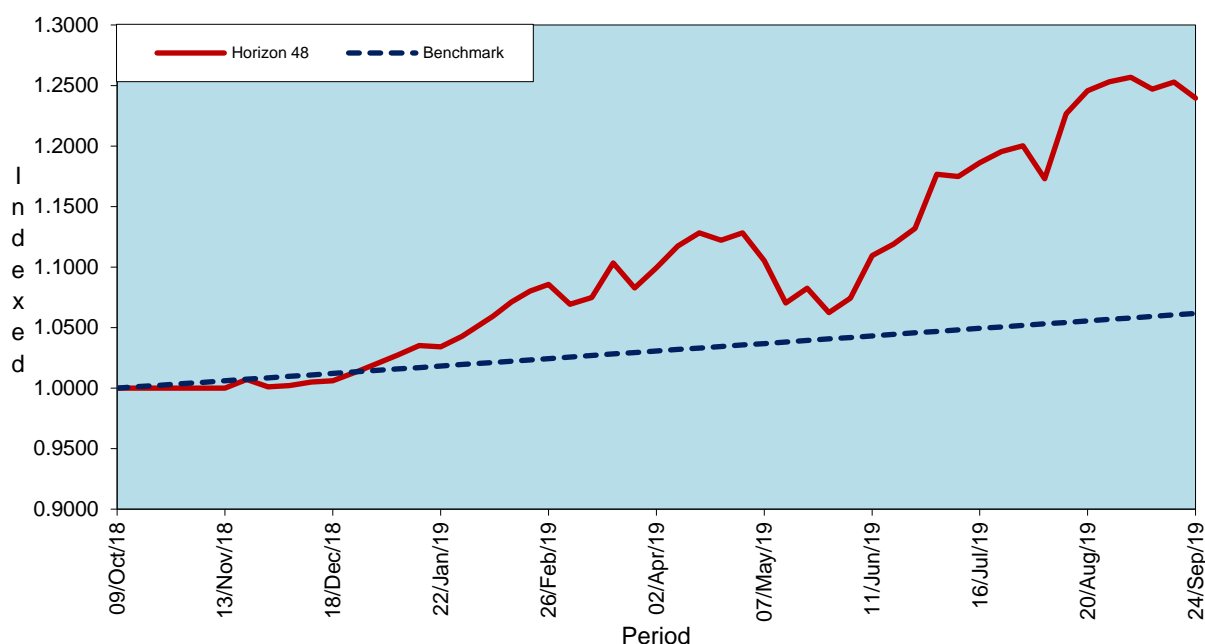


HLA Horizon38 Fund						
As of 24/9/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon38	15.90%	-0.80%	-	-	-	17.45%
KLIBOR+2.65% p.a.*	4.73%	0.46%	-	-	-	6.17%
Performance vs Benchmark	11.17%	-1.27%	-	-	-	11.28%



## HLA Horizon Funds

HLA Horizon48 Fund						
As of 24/9/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon48	22.13%	-1.09%	-	-	-	23.95%
KLIBOR+2.65% p.a.*	4.73%	0.46%	-	-	-	6.17%
Performance vs Benchmark	17.40%	-1.55%	-	-	-	17.78%



\*Source: Bloomberg

### Investment Risks

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

- 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.
- Deleveraging Risk**  
Deleveraging may occur if the bond floor rises due to falling interest rates or due to nearing maturity, or due to sustained underperformance of the underlying asset. When this occurs, the Funds will unwind all allocation to the underlying asset and will effectively become a zero-coupon bond fund.
- 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.
- Country Risk**  
The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

### Risk Management

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

## HLA Horizon Funds

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

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

### Disclaimer:

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

# HLA EverGreen Funds

Sep 2019

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

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

### 3. Asset Allocation

The fund will invest in a FRNID.

### 4. Target Market

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

## Fund Details

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

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

*\*The Company shall cease to charge the Fund Management Fee for HLA EverGreen 2023, HLA EverGreen 2025, HLA EverGreen 2028, HLA EverGreen 2030 and HLA EverGreen 2035 with effective from 22 Jan 2016, 5 Jul 2016, 16 Jan 2019, 7 May 2019 and 14 Aug 2019 respectively.*

## Other Details

Fund Name	Unit Price (24/9/2019)	Fund Size (24/9/2019)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM1.0713	RM25.28 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM1.0338	RM9.92 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM0.9646	RM13.18 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.9242	RM42.85 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8147	RM646.55 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 increased by 1.57% in the reported period with six out of eleven Underlying Assets moving in tandem with the Effective Max InvestSave Weightings. Gains were mainly due to the appreciation of Japanese and European Equities as well as European Real Estate where positive weightings were held by the Effective Max InvestSave Weightings.

September 2019 saw American equities beset by mounting worries about an impending recession. With manufacturing levels contracting and trade war tensions barely receding, concerns about the American economy regressing have been piling up. This has led many investors to allocate more of their money in defensive stocks such as those in the real estate, utilities, and consumer staples industries. As these fears continue to grow, some analysts point to the Federal Reserve as the backstop of the economy. In fact, the Federal Reserve did cut the benchmark interest rate for the second time this year, cognizant of the pressures to growth that the economy was facing. On a related note, the percentage of companies listed on the S&P 500 index that have been cutting earnings forecasts for this year is at its highest since 2016, thus adding fuel to the fire of recession warnings. In Europe, the European Central Bank cut its benchmark interest rate and also announce a new round of asset purchases as a method to spur the flagging Eurozone economy. Industry confidence in the region is at its lowest level in six years thanks to a noticeable manufacturing slowdown in the area. Britain saw its highest court rule against Prime Minister Boris Johnson by deeming it illegal for him to suspend parliament in order to reduce opposition to his Brexit plan. Meanwhile, Japan signed a limited trade agreement with the United States that effectively removed the threat of the US imposing tariffs on the Japanese auto industry. The price of oil surged in the middle of the month after drone strikes on an oil field in Saudi Arabia disrupted supply. The supply has since been almost fully restored. (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%	0.00%	0.00%
Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index	54.51%				
Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in Sep 2019	0.00%	0.00%	0.00%	0.00%	0.00%

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

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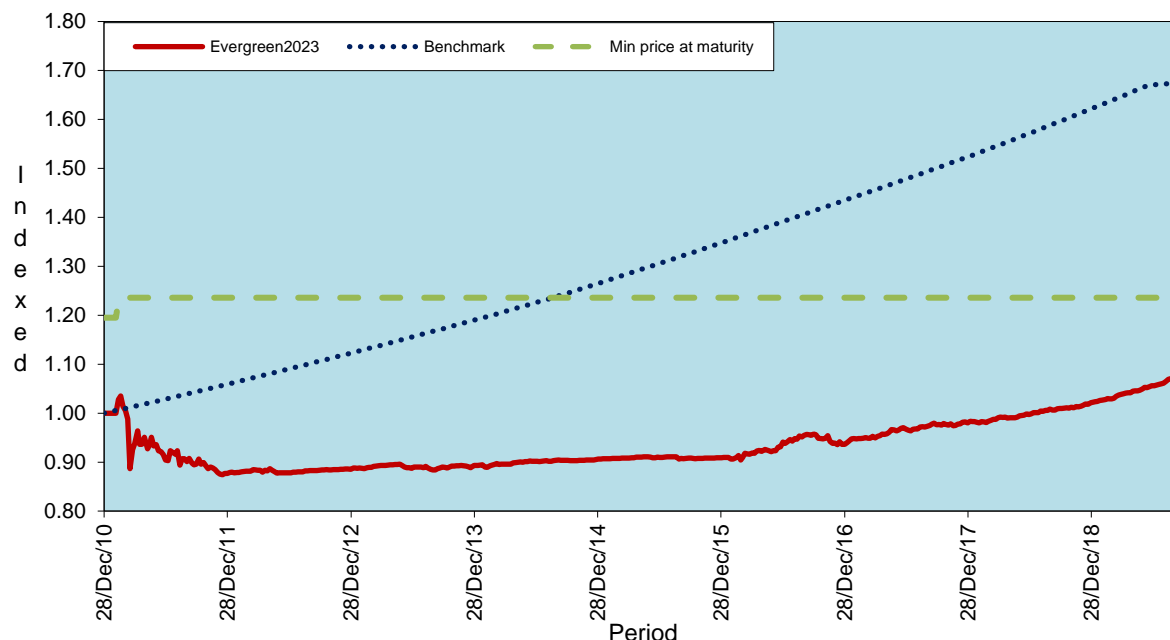
Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299



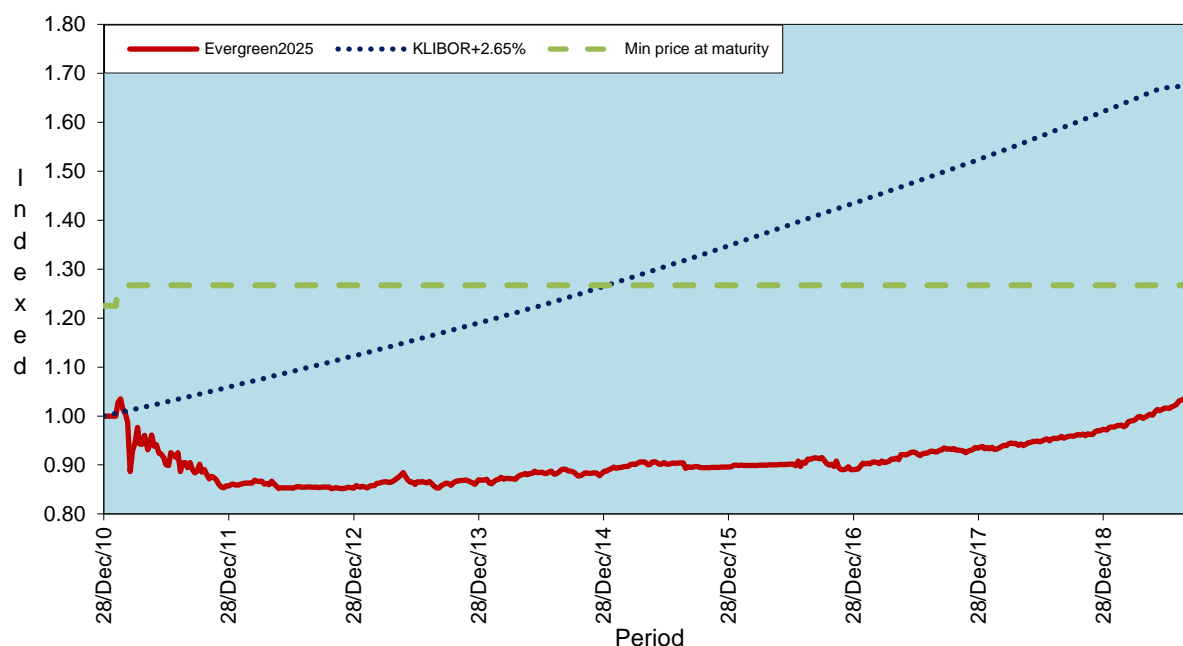
# HLA EverGreen Funds

## Historical Performance

HLA EverGreen 2023 Fund						
As of 24/9/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2023	4.89%	0.03%	6.09%	11.89%	18.59%	7.13%
KLIBOR+2.65% p.a.*	4.72%	0.46%	6.40%	20.17%	36.37%	69.81%
Performance vs Benchmark	0.16%	-0.44%	-0.31%	-8.28%	-17.79%	-62.68%

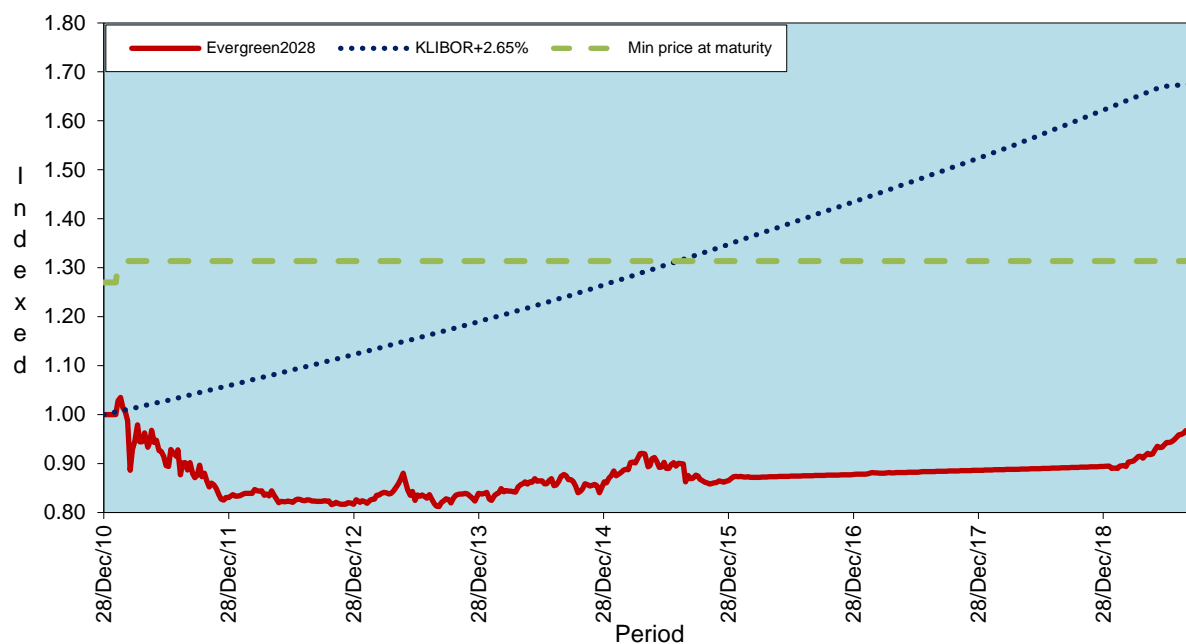


HLA EverGreen 2025 Fund						
As of 24/9/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2025	6.27%	-0.22%	7.78%	12.93%	16.69%	3.38%
KLIBOR+2.65% p.a.*	4.72%	0.46%	6.40%	20.17%	36.37%	69.81%
Performance vs Benchmark	1.55%	-0.69%	1.38%	-7.23%	-19.68%	-66.43%

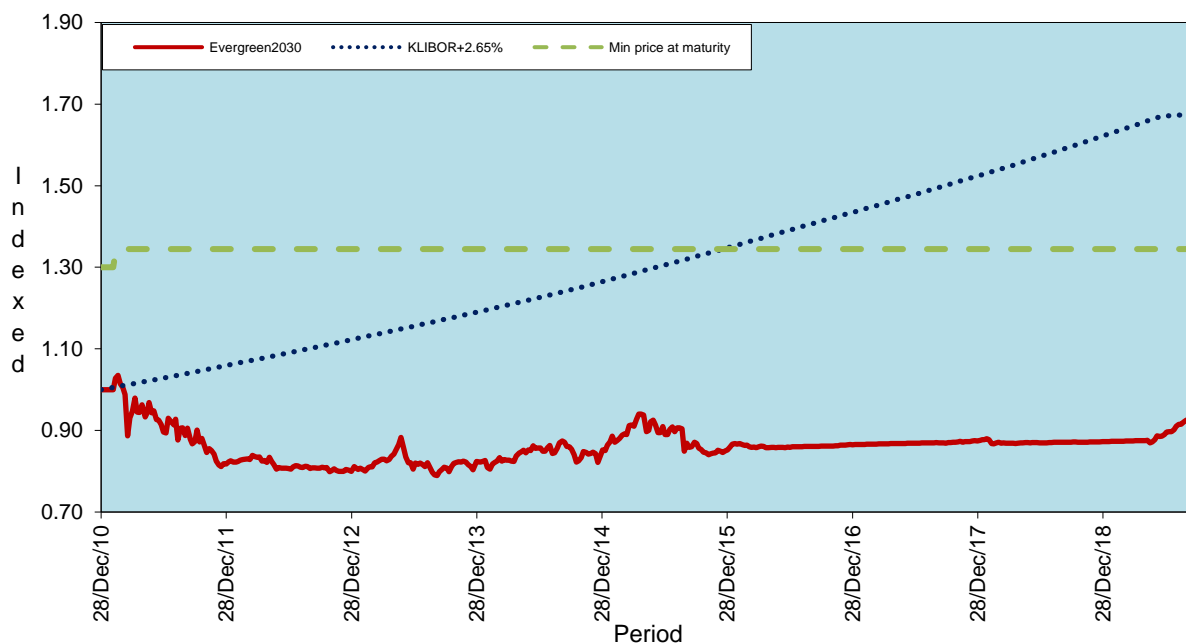


## HLA EverGreen Funds

HLA EverGreen 2028 Fund						
As of 24/9/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2028	7.89%	-0.28%	8.15%	10.14%	11.76%	-3.54%
KLIBOR+2.65% p.a.*	4.72%	0.46%	6.40%	20.17%	36.37%	69.81%
Performance vs Benchmark	3.16%	-0.74%	1.75%	-10.03%	-24.61%	-73.35%

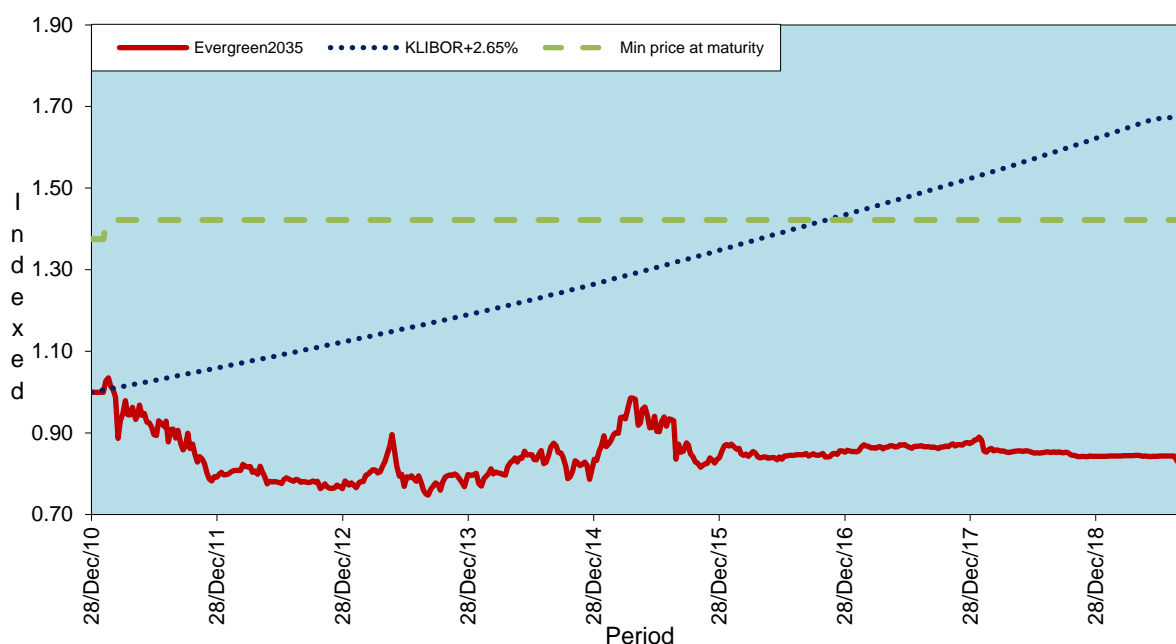


HLA EverGreen 2030 Fund						
As of 24/9/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2030	5.93%	-0.06%	6.08%	7.29%	8.19%	-7.58%
KLIBOR+2.65% p.a.*	4.72%	0.46%	6.40%	20.17%	36.37%	69.81%
Performance vs Benchmark	1.20%	-0.53%	-0.31%	-12.88%	-28.18%	-77.39%



## HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 24/9/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2035	-3.33%	-1.26%	-4.29%	-4.04%	-3.14%	-18.53%
KLIBOR+2.65% p.a.*	4.72%	0.46%	6.40%	20.17%	36.37%	69.81%
Performance vs Benchmark	-8.06%	-1.72%	-10.69%	-24.21%	-39.51%	-88.34%



\*Source: Bloomberg

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

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

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past eight (8) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Deleverage Risk

## HLA EverGreen Funds

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%	-2.06%	-0.96%	-0.29%	-1.63%	-0.14%	0.87%	-1.32%	-8.58%	-1.49%	-1.31%	-17.56%	-
2019	-0.39%	-0.57%	1.67%	1.22%	-3.00%	0.60%	0.69%	-1.52%	1.57%				0.17%	-8.28%

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

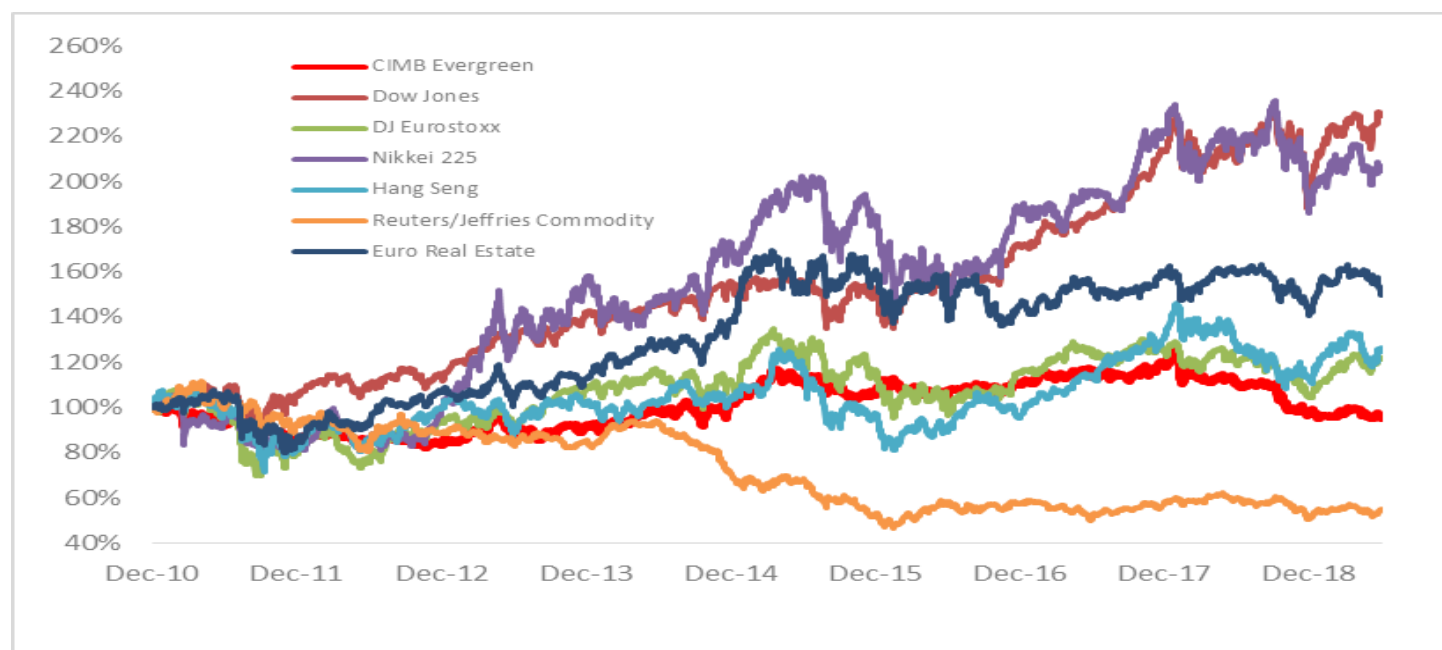
Underlying Performance				
Underlying Asset	30-Aug-19 Closing Px	30-Sep-19 Closing Px	Performance (30 Aug 19 - 30 Sep 19)*	Effective Max InvestSave Weights** (29 Aug 19)
American Equity	5,898.23	6,008.59	1.87%	13.62%
Japanese Equity	2,280.58	2,418.29	6.04%	13.63%
European Equity	7,251.62	7,560.05	4.25%	13.63%
UK Equity	6,602.49	6,798.42	2.97%	-13.63%
Emerging Market Equity	3,960.54	4,015.22	1.38%	0.00%
China Equity	10,083.20	10,200.97	1.17%	0.00%
Commodity Index	768.59	780.38	1.53%	-0.47%
European Real Estate	6,123.44	6,352.09	3.73%	13.63%
American Real Estate	92.46	93.54	1.17%	5.45%
Hedge Fund Strategies	214.27	208.82	-2.54%	-2.73%
Currency	0.91	0.92	0.81%	-13.63%

\* 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)

Sep 2019

## 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.

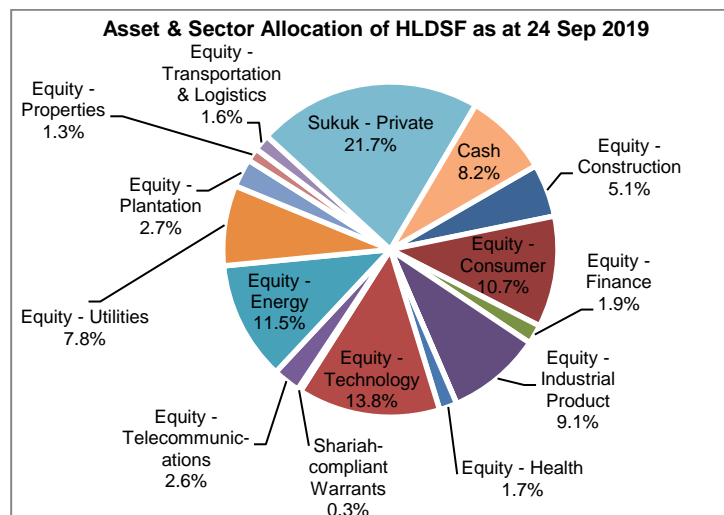
### 4. Target Market

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 (24/9/2019)	:RM1.1137
Fund Size (24/9/2019)	:RM6.8mil
Fund Management Fee	:1.30% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:24 Sept 2013
Benchmark	:(70% x FTSE Bursa Malaysia Emas Shariah Index) + (30% x 3-month Klibor)
Frequency of Unit Valuation	:Weekly

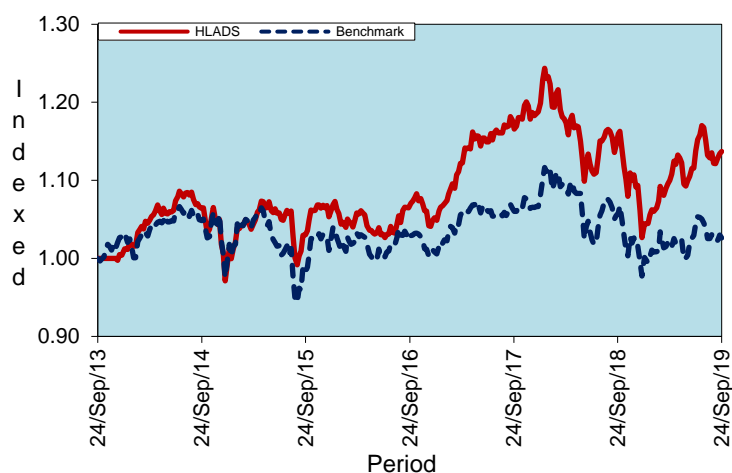
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLADS as at 24 Sep 2019

	%
1. TENAGA	Equity 6.8
2. Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA)	Sukuk 6.1
3. BAUTO	Equity 3.9
4. Pentamaster Corporation Bhd	Equity 3.6
5. TNB Western Energy Berhad	Sukuk 3.4
<b>Total Top 5</b>	<b>23.8</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLADS	8.89%	1.36%	-1.95%	6.22%	6.80%	13.70%
Benchmark*	2.52%	0.37%	-2.97%	-0.27%	-2.30%	2.63%
Relative	6.36%	1.00%	1.02%	6.49%	9.10%	11.07%

\*Source: Bloomberg

## HLA Dana Suria (HLADS)

### Market Review, Outlook & Strategy

Global equities rose in September on renewed optimism over the US-China trade talks scheduled to be held on October 10th-11th and a realisation of a mini US-Japan trade deal. Sentiment was also lifted when the US President delayed the implementation of fresh tariffs scheduled for October 1st as a gesture of goodwill and China reciprocated by placing a number of US agricultural goods on the exemption list. Investors also seemed to have shrugged off the move by US lawmakers to call for impeachment proceedings against the US President when the US President suggested that a trade deal with China might come sooner than expected. During the month the European Central Bank embarked on a fresh round of stimulus measures which include a 10bps cut to interest rates and a revival of its bond purchase programme. The price of crude was down by 1.7% mom to US\$54.24/barrel despite drone attacks on Saudi Aramco's oil facilities which knocked off 5% of global supply as bulk of the disruption was expected to be resolved by the end of September.

September was a lighter trading month for the domestic market with the market only opened for 18 days vs the YTD average of 20 days. The market continued to be lacklustre as the much anticipated mega merger between Axiata and Telenor fell through with both parties citing complexities involved in the proposed transaction. During the month as well, Bank Negara Malaysia left the Overnight Policy Rate unchanged at 3%. Cabinet has also approved a 10-year masterplan to reform the domestic power industry dubbed as the Malaysia Electricity Supply Industry 2.0 (MESI 2.0). In the fixed income space, Malaysia was retained in FTSE Russell's World Government Bond Index but will remain on the watchlist until the next interim review in Mar 2020.

The FBM KLCI underperformed the broader market with a 1.8% mom decline in September to close at 1,583.91 pts. FBM Emas and Emas Shariah declined by 1.3% mom and 1.2% mom respectively for the month of September. FBM Small Cap outperformed the other indices; +0.8% mom in September.

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

The 10 year US Treasuries ("UST") yield charted an uptrend in September 2019, up 17bps for the month, marking its biggest monthly rise for the year following the Fed's surprise guidance of no further cuts for 2019. Nonetheless, Q32019 wrapped up with yields lower across the curve with a more prominent decline in the longer end. The 30 year UST tumbled 42 bps between July to September, marking its biggest quarterly drop since Q4 2014. Bond yields fell on quarter-end on a confluence of heightened global uncertainties and rebalancing measures as fund managers sought replacement for government papers to maintain the average maturity of their portfolios before the end of the quarter.

For the month of September, the rally in Malaysian Government Securities ("MGS") curve finally stalled and bear-steepened with yields widening at the longer end of the curve alongside the UST-led rebound in developed market bond yields. Besides the said external forces, the biggest development for the Malaysian bond market was none other than the long-awaited FTSE Russell decision. FTSE Russell decided to keep Malaysia on the watch list until March 2020, and that sent MGS yields lower towards month end.

Trading volumes in the corporate bond space was relatively benign for the month of September. The month concluded with some interest across the government guaranteed segment to the AA-part of the curve and yields edged marginally higher. The prominent new issuance of the month was Danainfra's massive RM2.5 billion of longer-tenured 7y-30y bonds issued at coupons between 3.34%-3.90%, Maybank's perpetual securities amounting to RM2.8 billion with yields ranging between 4.08%-4.13%.

As we approach the final quarter of the year, market-moving factors continue to be driven by geopolitical risk surrounding the US-China trade rivalry which remains fairly fluid at this juncture. While some short-term relief is seen in the recent trade talks, markets are likely to take a cautiously pessimistic stance, and are expected to maintain their preference for safe havens over risky assets. Asset allocation is expected to remain defensive until markets are sufficiently convinced that the risk of either party flip-flopping on their trade negotiations is substantially diminished. Besides, markets are likely to scrutinise economic data releases to gauge for further signs of economic slowdown in their asset allocation reviews.

On the local front, the MGS curve is expected to be supported by the strong reinvestment demand from lumpy maturities and expectation of another rate cut by year end. Nonetheless, as the market has already priced in the expectation of dovish rates as well as higher PDS issuances in Q42019, opportunity for MGS rally may be capped. While the market took a breather from FTSE Russell's decision to not exclude Malaysia in its recent announcement, it is worth noting that the non-removal decision is not concrete and merely a delay as Malaysia remains on the watch list for a potential downgrade. The risk of exclusion may resurface closer to the interim review by FTSE Russell in March 2020 as BNM is unlikely to accommodate lifting the ban on offshore Ringgit non-deliverable forward trading.

On the strategy front, we are looking at opportunities to deploy our excess cash in primary corporate bond issuances that are fundamentally strong and with favourable risk-reward. As we have taken profit on some of our MGS positions, we are constantly on the lookout for favourable windows for investment and trading opportunities.

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

Year	2013	2014	2015	2016	2017	2018
<b>Benchmark</b>	3.3%	-1.4%	2.2%	0.4%	7.5%	-7.5%
<b>HLADS - Gross</b>	2.7%	1.5%	7.4%	-0.6%	17.0%	-12.6%
<b>HLADS - Net</b>	1.2%	0.1%	5.5%	-1.9%	14.3%	-12.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past six (6) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

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.

## HLA Dana Suria (HLADS)

### 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Performance	31.1%	14.4%	2.8%	6.4%	7.0%	0.1%	9.1%	-1.2%	13.1%	-11.1%

Source: Hong Leong Asset Management Berhad

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Performance	25.1%	14.4%	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%

Source: Hong Leong Assurance Berhad

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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### Disclaimer:

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

# HLA Secure Fund (HLASF)

Sep 2019

## 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.

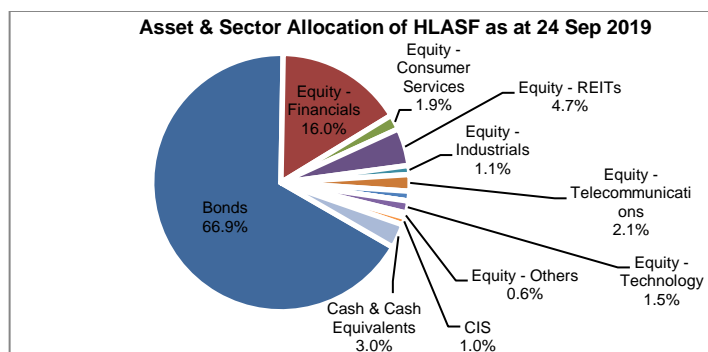
### 4. Target Market

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 (24/9/2019)	:RM1.4021
Fund Size (24/9/2019)	:RM19.5mil
Fund Management Fee	:1.00% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:05 Feb 2013
Benchmark	: (70% x Maybank 12 Months Fixed Deposit Rate) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index)
Frequency of Unit Valuation	:Weekly

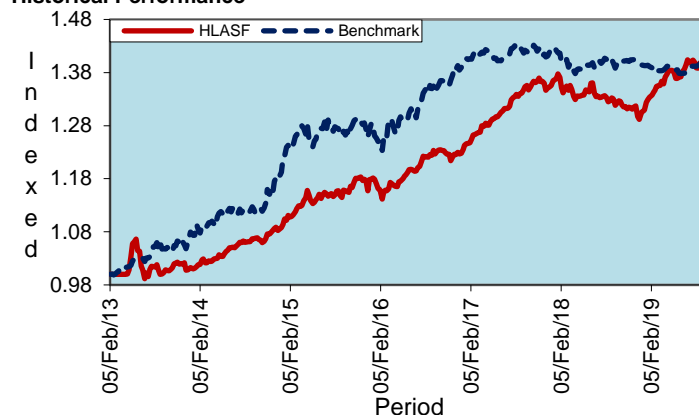
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLASF as at 24 Sep 2019

		%
1.	AIA Group Ltd	Equity 2.9
2.	China Construction Bank Corp	Equity 2.4
3.	United States Treasury	FI 2.4
4.	Ping An Insurance Grp Co China	Equity 2.0
5.	Hong Kong Exchange & Clearing	Equity 1.6
Total Top 5		11.2

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	7.44%	0.29%	5.67%	13.62%	31.57%	40.21%
Benchmark*	0.41%	0.08%	-0.24%	3.24%	25.13%	40.00%
Relative	7.03%	0.21%	5.91%	10.38%	6.43%	0.21%

\*Source: AffinHwang

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

Global bonds are expected to trade range bound as political and trade tension uncertainties continue to dominate. We expect markets to stay flattish until high-level trade negotiations conclude in October, though expectations of further monetary easing as well as anticipation of fiscal stimulus by governments like India and Indonesia could bolster markets. The Fund's fixed income portfolio duration was extended to 4.5 years through purchase of longer dated US Treasuries following the correction at the start of the month. The Fund's equity holdings were slightly increased to 24%, the majority of which is made up of dividend yielding stocks such as China Construction Bank and Singapore Telecom.

Globally markets recovered in September amidst a temporary lull in trade tensions and synchronised easing from global central banks. In the past 6 months, 25 central banks in total delivered rate cuts. The US Federal Reserve delivered a widely expected 25 bps rate cut, bringing its benchmark rate to a target range of 1.75% to 2.0%. The Fed stopped short of guiding for more aggressive easing, where it does not expect to cut rates further in 2019 and 2020, though Fed fund futures are still pricing in 3 more rate cuts by 2020. The ECB announced a fresh stimulus package to prop-up growth, cutting its deposit rate to a record low -0.5 and restarting its quantitative easing programme. The ECB painted a dovish outlook in its projections and pledged to continue its bond buybacks until inflation reaches its targeted rate of 2%. A less-than-dovish announcement by the PBoC, which dismissed the possibility of a near-term rate cut while stating that China's economic conditions are still within a "reasonable range", prompted adverse reactions from investors. Major economic indicators in China point to slower growth, with fixed asset investment growth slowing to 4.2% dragged by weak manufacturing investment, retail sales missed expectations with growth easing to 7.5%, from 7.6% in July, while industrial output growth unexpectedly weakened to 4.4% in August from the same period a year earlier. Asian equities edged higher in September as stimulus measures globally and optimism on trade in the early part of the month buoyed risk assets. The MSCI Asia ex-Japan index was up 1.4% during the month. Towards the end of the month, however, Asian equities gave up some of its earlier gains following reports that the Trump administration is floating with the possibility of restricting investments and capital flows into China, as well as limiting Chinese companies from trading on US exchanges.

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## HLA Secure Fund (HLASF)

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

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

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past six (6) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Performance</b>	19.4%	9.3%	5.6%	15.1%	2.9%	6.9%	8.6%	4.1%	10.5%	-4.2%

Source: Affin Hwang Investment Management

### Basis of Calculation of Past Performance

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

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

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



## HLA Secure Fund (HLASF)

### Others

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

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### Disclaimer:

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Sep 2019

#### Fund Features

##### 1. Investment Objective

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

##### 2. Investment Strategy & Approach

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

##### 3. Asset Allocation

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

##### 4. Target Market

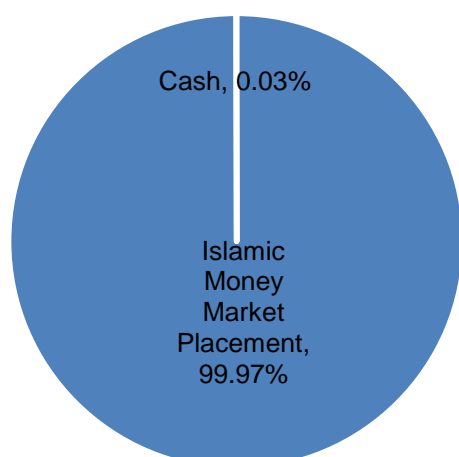
This fund is suitable for investors who are low risk profile.

#### Fund Details

Unit Price (24/9/2019)	: RM1.2396
Fund Size (24/9/2019)	: RM38.2mil
Fund Management Fee	:0.25% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Money Market Fund
Fund Inception	:28 Dec 2010
Benchmark	:Overnight Policy Rate
Frequency of Unit Valuation	:Weekly

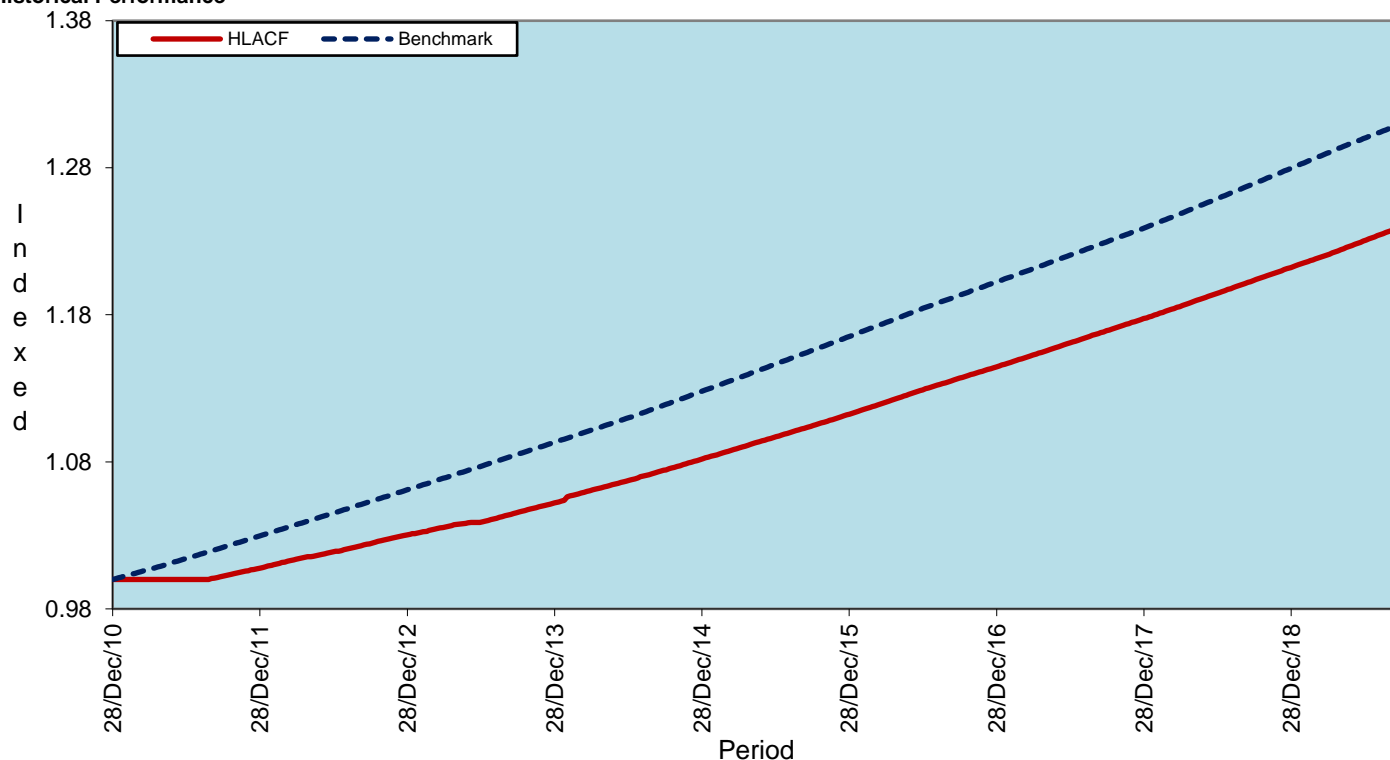
*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*

**Asset & Sector Allocation of HLACF as at 24 Sep 2019**



# HLA Cash Fund (HLACF)

## Historical Performance



As of 24/9/19	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLACF	2.26%	0.23%	3.01%	9.03%	15.35%	23.96%
Benchmark*	2.34%	0.23%	3.18%	9.73%	17.02%	30.95%
Relative	-0.08%	0.00%	-0.17%	-0.70%	-1.66%	-6.99%

\*Source: Bloomberg

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

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

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past eight (8) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

## Investment Risks

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

### 1. Counterparty risk

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

## Risk Management

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

## Basis of Unit Valuation

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

## HLA Cash Fund (HLACF)

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

**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.

# Fund Risk Type & Customer Risk Appetite

