

# Monthly Fund Fact Sheet — October 2019



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# HLA Venture Growth Fund (HLAVGF)

Oct 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.

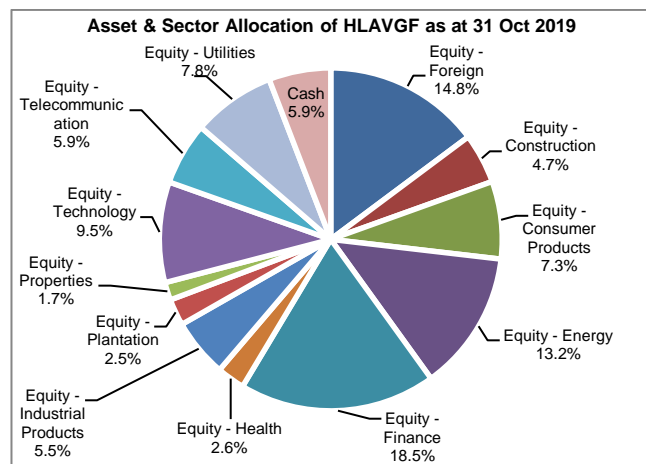
### 4. Target Market

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

## Fund Details

Unit Price (31/10/2019)	:RM2.2402
Fund Size (31/10/2019)	:RM390.5mil
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

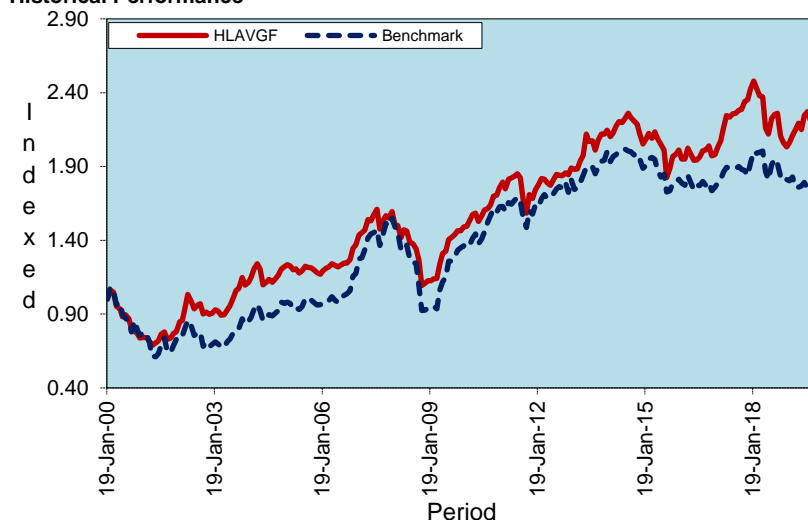
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 5 Holdings for HLAVGF as at 31 Oct 2019

	%
1. CIMB	7.9
2. TENAGA	7.8
3. MAYBANK	7.3
4. YINSON	6.7
5. DIALOG	5.0
<b>Total Top 5</b>	<b>34.7</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	10.26%	1.93%	6.50%	9.88%	2.40%	52.88%	124.02%
Benchmark*	-5.48%	0.89%	-6.51%	-4.45%	-13.86%	28.53%	71.20%
Relative	15.73%	1.05%	13.01%	14.34%	16.26%	24.35%	52.82%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

October was generally an upbeat month. Sentiment was boosted by solid US corporate earnings and good progress on the unexpected US-China Phase 1 trade deal. The US Trade Representative's office issued a statement indicating that it would start a process on 1st November to extend tariff exclusions on US\$34b of Chinese goods and China reciprocated with a statement to confirm that it will purchase at least US\$20b of farm products in the first year if a partial trade deal was signed. The US Fed also cut rates for the third time by 0.25% (this was largely within expectations) as a pre-emptive measure given weak economic data of late. However, the Fed chairman did indicate that there would be a pause in interest rate cuts with the assumption of no downside risks to growth. Over in Europe, the EU agreed to extend the Brexit deadline to 31 Jan 20 despite the initial hard-line tones from both the EU and UK, with the Prime Minister agreeing to the Brexit extension and to hold the general election come December. Given the latest development, a no-deal Brexit seems very unlikely.

Domestically, the key highlight was Budget 2020 which was largely neutral for the market. The key winners in the Budget were technology (tax incentives), selected property (measures to boost property sales) and auto (fuel targeted subsidy programme and plans to reduce toll rates) sectors while losers were the manufacturing and services sectors (exposed to higher minimum wage in major cities). In October, foreign investors bought RM9.5b of equities but sold a higher amount of RM10b of equities, resulting in net outflows of RM0.5b.

For the month, the KLCI performed in line with the broader market but underperformed the small caps. FBM KLCI rose 0.9% mom to 1,598 pts. The FBM Small Cap was the best performing index increasing by 5.4% mom to 13,678.2 pts. FBM Emas Shariah was up by 0.5% mom to 11,829.8 pts and FBM Emas increased by 0.9% mom to 11,305.7 pts.

Among the key events to watch for in November would be the upcoming Monetary Policy Committee meeting, 3Q19's GDP announcement and the upcoming results season for Malaysian corporates. The semi-annual review of the FBM KLCI will take place in December 2019, based on the closing prices as at end Nov 2019. Whereas on the external front, investors will continue to follow closely the outcome of the US-China phase 1 trade deal. We continue to maintain our defensive stance, favoring quality names with resilient earnings and yields. Among the themes that we continue to like include dividend yielders, earnings turnaround and selected technology counters that leverage on the development of 5G.

# 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.

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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 Blue Chip Fund (HLAVBCF)

Oct 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.

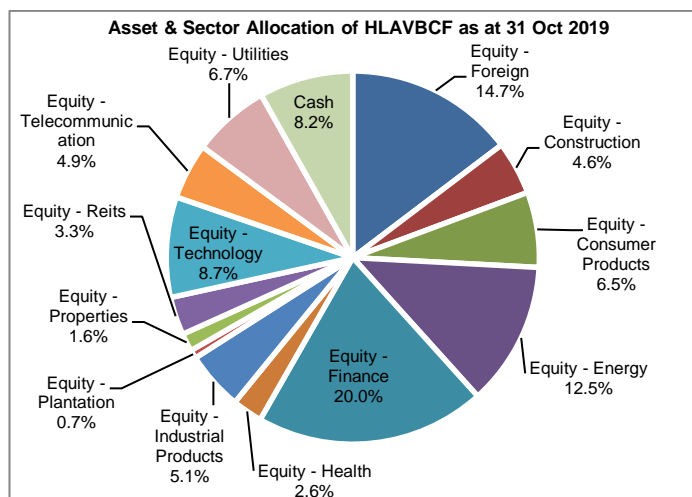
### 4. Target Market

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 (31/10/2019)	: RM2.5240
Fund Size (31/10/2019)	: RM268.0mil
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

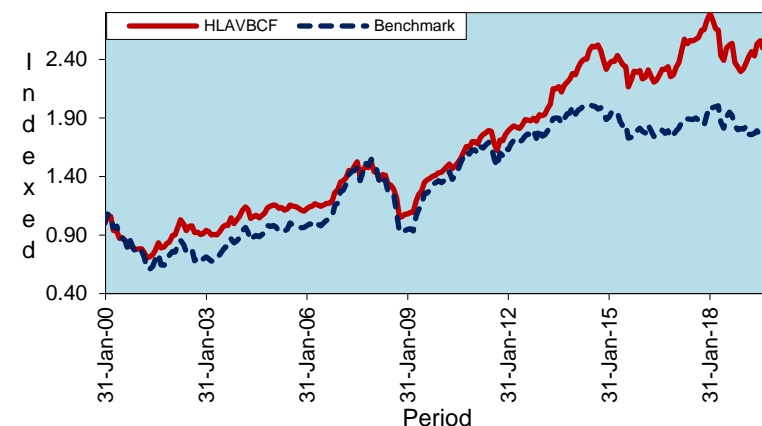
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 5 Holdings for HLAVBCF as at 31 Oct 2019

	%
1. YINSON	7.7
2. TENAGA	6.7
3. CIMB	6.2
4. MAYBANK	6.1
5. RHBANK	4.4
<b>Total Top 5</b>	<b>31.1</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVBCF	9.88%	1.75%	6.39%	7.98%	2.02%	79.94%	152.40%
Benchmark*	-5.48%	0.89%	-6.51%	-4.45%	-13.86%	28.53%	71.20%
Relative	15.36%	0.86%	12.90%	12.44%	15.88%	51.40%	81.20%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

October was generally an upbeat month. Sentiment was boosted by solid US corporate earnings and good progress on the unexpected US-China Phase 1 trade deal. The US Trade Representative's office issued a statement indicating that it would start a process on 1st November to extend tariff exclusions on US\$34b of Chinese goods and China reciprocated with a statement to confirm that it will purchase at least US\$20b of farm products in the first year if a partial trade deal was signed. The US Fed also cut rates for the third time by 0.25% (this was largely within expectations) as a pre-emptive measure given weak economic data of late. However, the Fed chairman did indicate that there would be a pause in interest rate cuts with the assumption of no downside risks to growth. Over in Europe, the EU agreed to extend the Brexit deadline to 31 Jan 20 despite the initial hard-line tones from both the EU and UK, with the Prime Minister agreeing to the Brexit extension and to hold the general election come December. Given the latest development, a no-deal Brexit seems very unlikely.

Domestically, the key highlight was Budget 2020 which was largely neutral for the market. The key winners in the Budget were technology (tax incentives), selected property (measures to boost property sales) and auto (fuel targeted subsidy programme and plans to reduce toll rates) sectors while losers were the manufacturing and services sectors (exposed to higher minimum wage in major cities). In October, foreign investors bought RM9.5b of equities but sold a higher amount of RM10b of equities, resulting in net outflows of RM0.5b.

For the month, the KLCI performed in line with the broader market but underperformed the small caps. FBM KLCI rose 0.9% mom to 1,598 pts. The FBM Small Cap was the best performing index increasing by 5.4% mom to 13,678.2 pts. FBM Emas Shariah was up by 0.5% mom to 11,829.8 pts and FBM Emas increased by 0.9% mom to 11,305.7 pts.

Among the key events to watch for in November would be the upcoming Monetary Policy Committee meeting, 3Q19's GDP announcement and the upcoming results season for Malaysian corporates. The semi-annual review of the FBM KLCI will take place in December 2019, based on the closing prices as at end Nov 2019. Whereas on the external front, investors will continue to follow closely the outcome of the US-China phase 1 trade deal. We continue to maintain our defensive stance, favoring quality names with resilient earnings and yields. Among the themes that we continue to like include dividend yielders, earnings turnaround and selected technology counters that leverage on the development of 5G.

# 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.

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### Investment Risks

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#### 1. Market Risk

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#### 2. Liquidity Risk

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### Others

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# HLA Venture Dana Putra (HLAVDP)

Oct 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

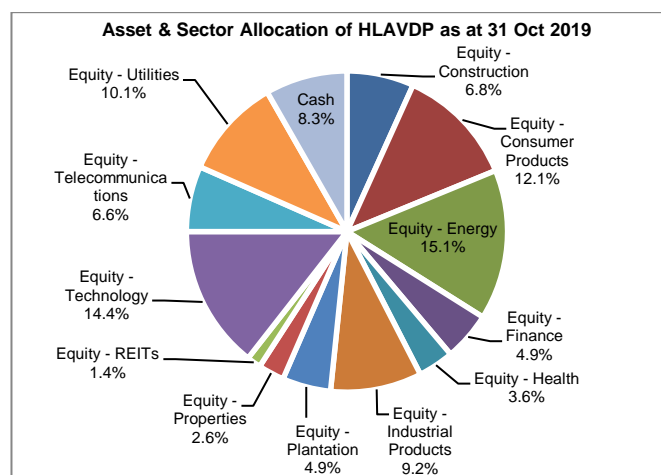
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

<b>Unit Price (31/10/2019)</b>	: RM2.4554
<b>Fund Size (31/10/2019)</b>	: RM81.1mil
<b>Fund Management Fee (effective as at 01/01/2019)</b>	: 1.34% p.a. (capped at 1.40%)
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 19 Jul 2000
<b>Benchmark</b>	: FBM Emas Shariah Index (KL Shariah Index)

**Frequency of Unit Valuation** : Daily

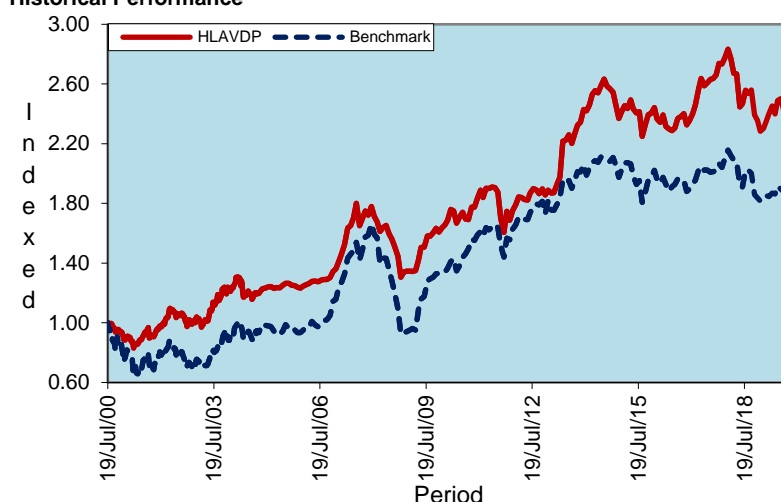
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## Top 5 Holdings for HLAVDP as at 31 Oct 2019

	%
1. TENAGA	7.9
2. YINSON	7.2
3. QL	5.4
4. MYEG	4.7
5. BAUTO	4.4
<b>Total Top 5</b>	<b>29.5</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	7.58%	1.27%	2.63%	2.28%	-3.52%	50.35%	145.54%
Benchmark*	2.83%	0.52%	0.49%	-4.48%	-11.36%	40.60%	86.81%
Relative	4.76%	0.74%	2.14%	6.76%	7.84%	9.75%	58.73%

Source: Bloomberg

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## 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%

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

HLA Venture 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)

Oct 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.

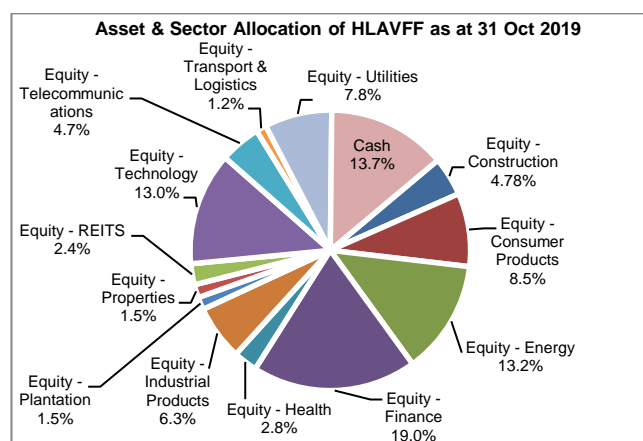
### 4. Target Market

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 (31/10/2019)</b>	: RM0.9227
<b>Fund Size (31/10/2019)</b>	: RM79.2mil
<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

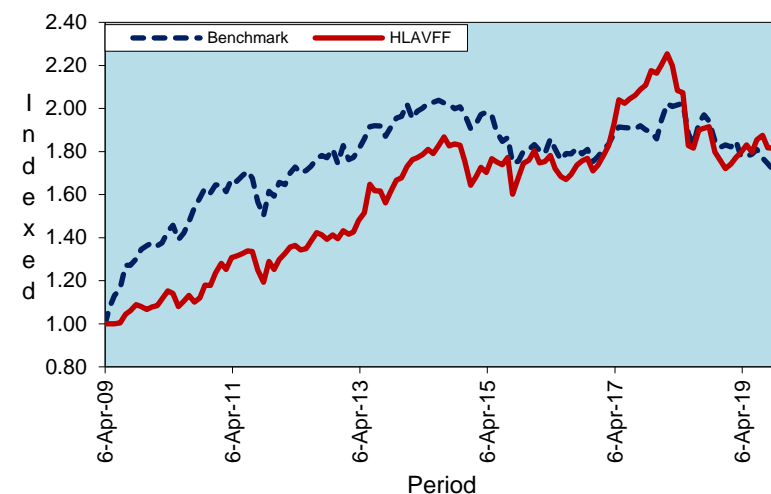
*The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent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



## Top 5 Holdings for HLAVFF as at 31 Oct 2019

	%
1. MAYBANK	7.6
2. YINSON	6.3
3. CIMB	6.2
4. TENAGA	6.0
5. MYEG	4.1
<b>Total Top 5</b>	<b>30.2</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVFF	7.23%	1.63%	2.61%	4.33%	0.87%	70.97%	84.54%
Benchmark*	-5.48%	0.89%	-6.51%	-4.45%	-13.86%	28.53%	72.98%
Relative	12.71%	0.74%	9.12%	8.78%	14.74%	42.43%	11.56%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

October was generally an upbeat month. Sentiment was boosted by solid US corporate earnings and good progress on the unexpected US-China Phase 1 trade deal. The US Trade Representative's office issued a statement indicating that it would start a process on 1st November to extend tariff exclusions on US\$34b of Chinese goods and China reciprocated with a statement to confirm that it will purchase at least US\$20b of farm products in the first year if a partial trade deal was signed. The US Fed also cut rates for the third time by 0.25% (this was largely within expectations) as a pre-emptive measure given weak economic data of late. However, the Fed chairman did indicate that there would be a pause in interest rate cuts with the assumption of no downside risks to growth. Over in Europe, the EU agreed to extend the Brexit deadline to 31 Jan 20 despite the initial hard-line tones from both the EU and UK, with the Prime Minister agreeing to the Brexit extension and to hold the general election come December. Given the latest development, a no-deal Brexit seems very unlikely.

Domestically, the key highlight was Budget 2020 which was largely neutral for the market. The key winners in the Budget were technology (tax incentives), selected property (measures to boost property sales) and auto (fuel targeted subsidy programme and plans to reduce toll rates) sectors while losers were the manufacturing and services sectors (exposed to higher minimum wage in major cities). In October, foreign investors bought RM9.5b of equities but sold a higher amount of RM10b of equities, resulting in net outflows of RM0.5b.

For the month, the KLCI performed in line with the broader market but underperformed the small caps. FBM KLCI rose 0.9% mom to 1,598 pts. The FBM Small Cap was the best performing index increasing by 5.4% mom to 13,678.2 pts. FBM Emas Shariah was up by 0.5% mom to 11,829.8 pts and FBM Emas increased by 0.9% mom to 11,305.7 pts.

Among the key events to watch for in November would be the upcoming Monetary Policy Committee meeting, 3Q19's GDP announcement and the upcoming results season for Malaysian corporates. The semi-annual review of the FBM KLCI will take place in December 2019, based on the closing prices as at end Nov 2019. Whereas on the external front, investors will continue to follow closely the outcome of the US-China phase 1 trade deal. We continue to maintain our defensive stance, favoring quality names with resilient earnings and yields. Among the themes that we continue to like include dividend yielders, earnings turnaround and selected technology counters that leverage on the development of 5G.

# 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)

Oct 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.

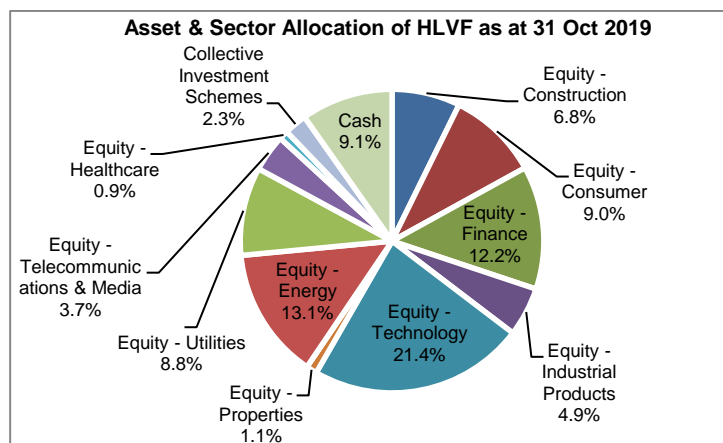
### 5. Target Market

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 (31/10/2019)	: RM 1.2943
Fund Size (31/10/2019)	: RM 91.3mil
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

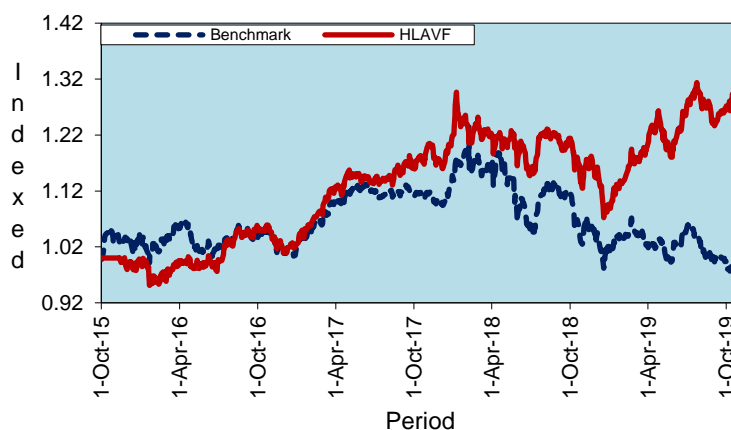
*Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLVF as at 31 Oct 2019

	%
1. TENAGA NASIONAL BERHAD	8.8
2. PENTAMASTER CORPORATION BHD	7.5
3. INARI AMERTRON BERHAD	7.4
4. WESTPORTS HOLDINGS BERHAD	6.8
5. CIMB GROUP HOLDINGS BERHAD	6.5
<b>Total Top 5</b>	<b>37.0</b>

## Historical Performance



	YTD	1 month	1 year	2 years	3 years	Since Inception
HLVF	18.07%	2.36%	13.02%	8.07%	23.69%	29.43%
Benchmark*	-1.73%	0.91%	-3.94%	-10.25%	-4.07%	0.29%
Relative	19.80%	1.45%	16.96%	18.32%	27.76%	29.14%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI rose 0.9% to close at 1,598 points. The FTSE BM EMAS Index also rose 0.9% to close at 11,306 points. Small caps outperformed as the FTSE BM Small Cap Index rose 5.4% to close at 13,678 points.

The financial sector outperformed as bargain hunting activity emerged after a prolonged underperformance for much of the year.

On the corporate front, Gamuda Berhad will purchase a 50% stake in Martinus Rail Pte Ltd as part of collaboration to bid for construction projects in Australia. Lotte Chemical Titan Holding Berhad shareholders voted in favour to divest 49% stake in its Indonesian integrated petrochemical facility project to its parent Lotte Chemical Group.

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

## HLA Value Fund (HLVF)

### Actual Annual Investment Returns for the Past 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:**

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# Hong Leong SMART Invest Fund (HLSIF)

Oct 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.

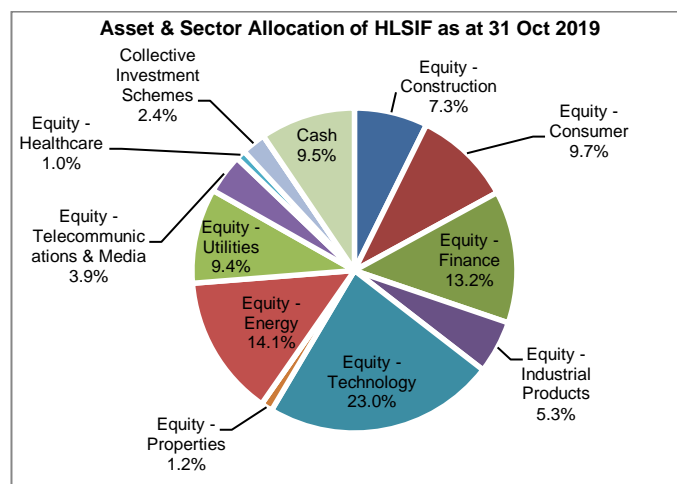
### 4. Target Market

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 (31/10/2019)	: RM1.0785
Fund Size (31/10/2019)	: RM194.9mil
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

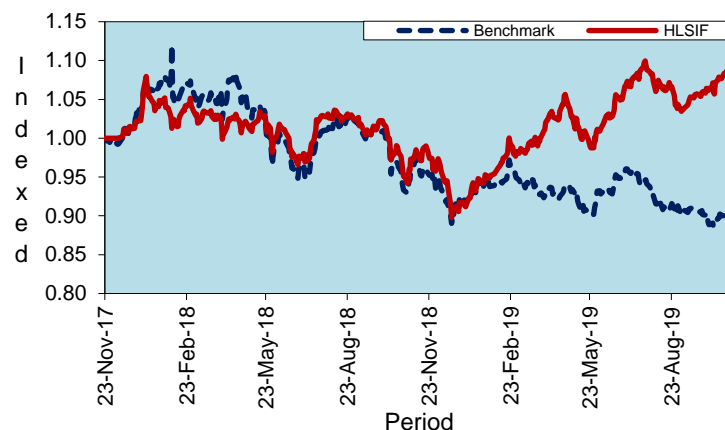
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLSIF as at 31 Oct 2019

	%
1. TENAGA NASIONAL BERHAD	8.8
2. PENTAMASTER CORPORATION BHD	7.5
3. INARI AMERTRON BERHAD	7.4
4. WESTPORTS HOLDINGS BERHAD	6.9
5. CIMB GROUP HOLDINGS BERHAD	6.5
<b>Total Top 5</b>	<b>37.1</b>

## Historical Performance



	YTD	1 month	3 months	1 year	Since Inception
HLSIF	17.53%	1.93%	-0.33%	12.41%	7.85%
Benchmark*	-1.73%	0.91%	-2.45%	-3.94%	-9.06%
Relative	19.26%	1.02%	2.12%	16.36%	16.91%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI rose 0.9% to close at 1,598 points. The FTSE BM EMAS Index also rose 0.9% to close at 11,306 points. Small caps outperformed as the FTSE BM Small Cap Index rose 5.4% to close at 13,678 points.

The financial sector outperformed as bargain hunting activity emerged after a prolonged underperformance for much of the year.

On the corporate front, Gamuda Berhad will purchase a 50% stake in Martinus Rail Pte Ltd as part of collaboration to bid for construction projects in Australia. Lotte Chemical Titan Holding Berhad shareholders voted in favour to divest 49% stake in its Indonesian integrated petrochemical facility project to its parent Lotte Chemical Group.

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

# Hong Leong SMART Invest Fund (HLSIF)

## Actual Annual Investment Returns for the Past 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)

Oct 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

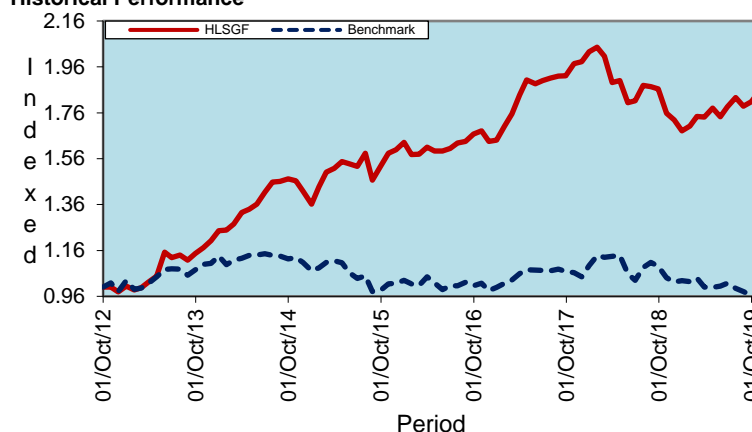
<b>Unit Price (31/10/2019)</b>	: RM1.8549
<b>Fund Size (31/10/2019)</b>	: RM220.4mil
<b>Fund Management Fee</b>	: 1.50% p.a.
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 01 Oct 2012
<b>Benchmark</b>	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	: Daily

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

## Top 5 Holdings for HLSGF as at 31 Oct 2019

	%
1. TENAGA NASIONAL BHD	6.2
2. YINSON HOLDINGS BHD	5.3
3. DIALOG GROUP BHD	4.3
4. PENTAMASTER CORP BHD	4.0
5. HONG LEONG FINANCIAL GROUP BHD	3.7
<b>Total Top 5</b>	<b>23.4</b>

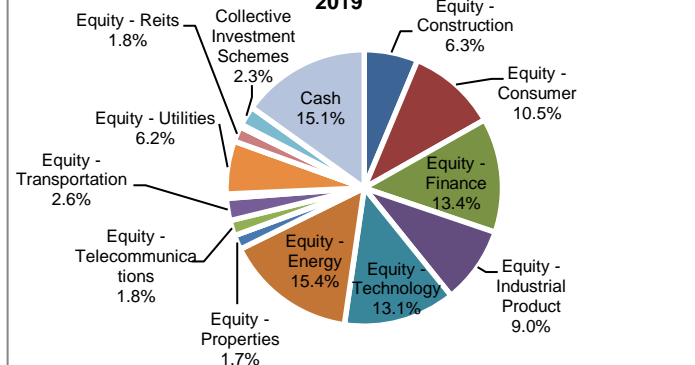
## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	10.31%	2.56%	5.49%	10.29%	26.71%	85.49%
Benchmark*	-5.48%	0.89%	-6.51%	-4.45%	-13.86%	-2.76%
Relative	15.78%	1.67%	12.00%	14.75%	40.57%	88.25%

Source: Bloomberg

## Asset & Sector Allocation of HLSGF as at 31 Oct 2019



**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

# Hong Leong SMART Growth Fund (HLSGF)

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

October was a good month for equity markets amid optimism of a potential US-China partial trade deal, expectations of US interest rate cut and a 3-month Brexit extension. Investors' sentiment were lifted by signs of progress on the trade talks as Trump said phase one of the trade deal was ahead of schedule and officials from both sides saying they were close to finalizing some parts of the trade agreement. US agreed to suspend an increase in tariffs to 30% on USD250 billion in Chinese goods scheduled to take effect on 15 October. In exchange, China agreed to boost purchases of US agricultural products, accelerate the opening up of its financial sector and be more transparent regarding the currency markets. As widely expected, US Federal Reserve cut its key interest rate by 25 basis points (bps) to between 1.50% and 1.75% during the October Federal Open Market Committee (FOMC) meeting. This is the third rate cut by US central bank this year following concerns that the US economy continued to slow, plagued by the on-going trade disputes and weak global growth. However, the Federal Reserve signaled a pause in further rate cuts unless the economic outlook changes materially. Meanwhile in Europe, the European Union (EU) had agreed to extend the Brexit deadline to 31 January 2020. It is the third time the Brexit deadline has been extended since British voters decided in a 2016 referendum to leave the bloc. EU Council President Donald Tusk said what was being offered was a "flexextension", meaning the United Kingdom could leave before the deadline if a deal was approved by Parliament. The UK general election will be held on 12 December, as the prime minister seeks a new parliamentary majority to pass his deal.

The FBMKLCI had a weak start in October but ended on a positive note as it gained 18 points on the last trading day of the month at 1,598 points. Overall, the FBMKLCI rose 14 points or +0.9% month-on-month (MoM) in October 2019 but fell -5.5% in 10M19. Net foreign outflows stood at RM8.4 billion as of end October due to global uncertainties, concerns over corporate earnings risks and policy reforms.

Despite macro uncertainties and synchronised global growth slowdown, we expect equity markets to remain steady as fourth quarter is seasonally strong. Major central banks have moved towards easing bias providing the necessary liquidity support with the wild card still on the direction of US-China trade deal. China is asking the US to roll-back tariffs on USD110bn worth of consumer goods first imposed in September and scale down the tariff rate on some USD250bn worth of goods first imposed last year. In addition, China also requested US to hold off on its planned 15 December tariff increases. Signing of formal trade deal and further extension or removal of tariffs should further boost risk-on sentiment.

On the local front, there was no major surprise from Budget 2020 presented on 11 October. Slight positive is budget deficit target for 2020 has been revised lower at 3.2%, compared to 3.0% in Budget 2019. There was lack of new major infrastructure project announcement which was a disappointment. Meanwhile, Bank Negara kept overnight policy rate unchanged at 3% as expected. Most economists expect BNM to cut rate in 1H2020 to boost growth. In the near term, investors will be focusing on the release of 3Q19 GDP figure on 15 November and the third quarter corporate earnings results.

While keeping a defensive stance, we adopt an active trading strategy to take advantage of the volatility. Corporate earnings have been uninspiring hence we focus on stock selection for outperformance. We continue to focus on stocks with sustained earnings growth, strong balance sheet and consistent dividend payment. We are positive on selective stocks in the technology, oil and gas, REITs and construction sectors.

## **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.

# Hong Leong SMART Growth Fund (HLSGF)

## 6. Currency Risk

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

## 7. Concentration Risk

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

## Risk Management

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

## Basis of Unit Valuation

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

## Exceptional Circumstances

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

## Target Fund Details

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

Year	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)

Oct 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

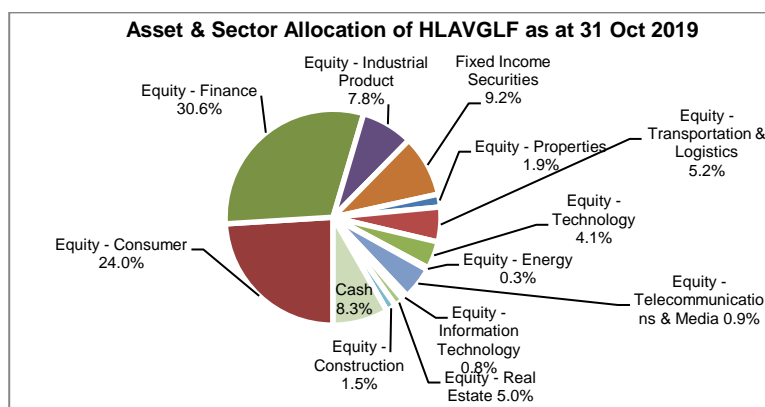
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (31/10/2019)	:RM1.3491
Fund Size (31/10/2019)	:RM29.9mil
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.

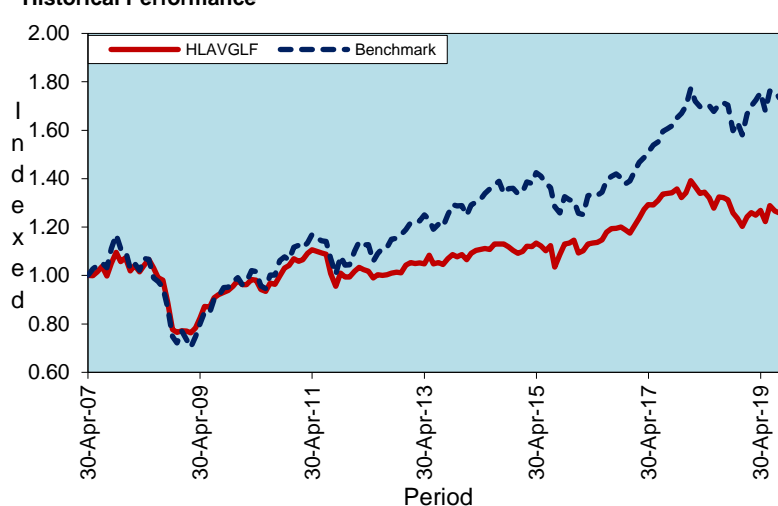
Asset Allocation for HLAVGLF as at 31 Oct 2019	%
Hong Leong Asia-Pacific Dividend Fund	60.1
Hong Leong Strategic Fund	39.0
Cash	0.9
<b>Total</b>	<b>100.0</b>



## Top 5 Holdings for HLAVGLF as at 31 Oct 2019

	%
1. Government Investment Issue	9.2
2. Country Garden Services Holdings Co Ltd	9.0
3. Dufu Technology Corporation Berhad	6.3
4. Westports Holdings Bhd	5.2
5. China Conch Venture Holdings	5.2
<b>Total Top 5</b>	<b>34.9</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
<b>HLAVGLF</b>	12.21%	5.80%	7.20%	12.43%	20.69%	43.84%	34.91%
<b>Benchmark*</b>	13.39%	2.13%	12.19%	27.79%	32.05%	88.39%	79.35%
<b>Relative</b>	-1.18%	3.67%	-4.99%	-15.37%	-11.36%	-44.55%	-44.44%

Source: Bloomberg, RAM Quantshop



# HLA Venture Global Fund (HLAVGLF)

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

### Equity Review

**Global** – Markets continued to rally as investors' sentiment was buoyed by the prospects of a partial agreement between the United States (US) and China authorities. Dovish monetary stance by global central banks and the third interest rate cut for the year by the US Federal Reserve (Fed) also contributed to an improvement in investor confidence. The Dow Jones Industrial Average Index rose 0.5% and the broader S&P 500 Index rose 2.0%. The Euro Stoxx Index rose 1.0% and the FTSE 100 Index declined 2.2%.

**Asia Pacific** – It was a good month for regional markets as the global risk-on rally spilled over to emerging markets. Stronger-than-expected iPhone demand and 5G-related equipment demand gave a boost to the technology sector. In the region, India and Taiwan markets were the leaders while Australia and Thailand markets were the laggards.

**Malaysia** – The FTSE BM KLCI rose along with regional markets as bargain hunting activities emerged in the financial sector after a prolonged period of underperformance. The FTSE BM KLCI rose 0.9% to close at 1,598 points while the FTSE BM EMAS Index also rose 0.9% to close at 11,306 points. Small caps outperformed as the FTSE BM Small Cap Index rose 5.4% to close at 13,678 points.

### Outlook & Strategy

**Global** - Recent announcements by both the US and China authorities suggest that momentum is building up towards a partial trade agreement. Economic data from the US suggest the US economy is losing momentum. The weakness is most severe in the manufacturing sector. Cracks are also starting to appear in the consumer sector. Hence, the Fed's interest rate cut during the month to keep the economy from deteriorating further was highly anticipated. In Europe, the economic slowdown is more pronounced in Germany due to the country's high dependence on international trade.

**Asia Pacific** - China's gross domestic product (GDP) eased in the third quarter as expected. However, certain economic indicators suggest a pickup in economic activity towards the end of the year as industrial production and fixed investment growth show modest improvement.

**Malaysia** – As the FTSE BM KLCI has been one of the worst performing indices in the region, we expect interest to return to the local market should the current risk-on rally continue. We prefer to be invested in high-yield stocks and selected consumer and export stocks.

### Fixed Income Review and Outlook

During the month, the Fed delivered its third rate cut of the year and signaled its intention to stay put for the rest of the year. Risk assets traded choppy in October but there was growing optimism surrounding a potential US-China trade deal by the month end. The 10-year Malaysian Government Securities (MGS) benchmark rose 9 basis points (bps) to 3.42% during the period on increased risk appetite. The re-opening of the 5-year MGS drew a low bid-to-cover ratio as demand has been lukewarm. In the primary corporate bond market, Genting RMTN Berhad issued RM1billion bond closing at 4.18% and 4.38% for the 10-year and 15-year bond respectively. The other notable issuance was CIMB Group Holdings Berhad with a 5-year issue of RM800million which closed at 3.85%.

A potential phase one trade deal between the US and China could be on the horizon, which may increase risk sentiment in the near term. As a result, the Fed is unlikely to ease in the near term, as guided by its outlook statement. Local inflation rose 1.1% in September, slightly moderated from previous months. The Malaysia budget announced in October saw the B40 group as the biggest beneficiary. The government saw this necessary as a way to increase spending and spur demand in the local economy. As a consequence of the budget announced, we think there is less need for Bank Negara Malaysia (BNM) to ease its monetary policy rate in the near term. On portfolio positioning, we look to remain defensive given the poor performance in the government bond market. The Fund 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.

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Currency Risk

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

#### 7. Concentration Risk

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

# HLA Venture Global Fund (HLAVGLF)

## Risk Management

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

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# HLA Venture Managed Fund (HLAVMF)

Oct 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

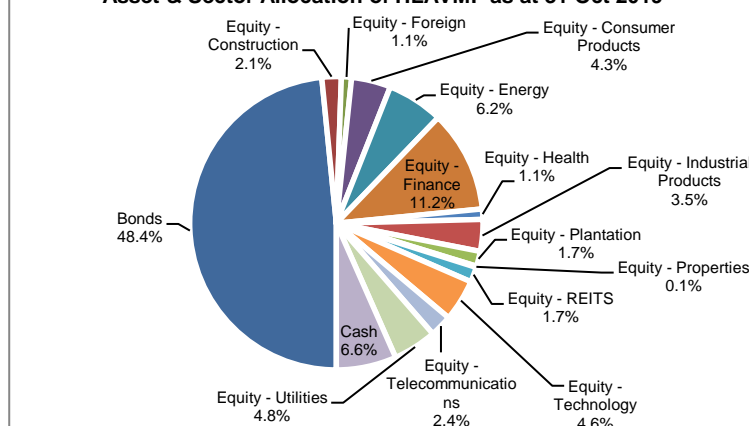
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

Unit Price (31/10/2019)	:RM2.1851
Fund Size (31/10/2019)	:RM260.2mil
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.

**Asset & Sector Allocation of HLAVMF as at 31 Oct 2019**

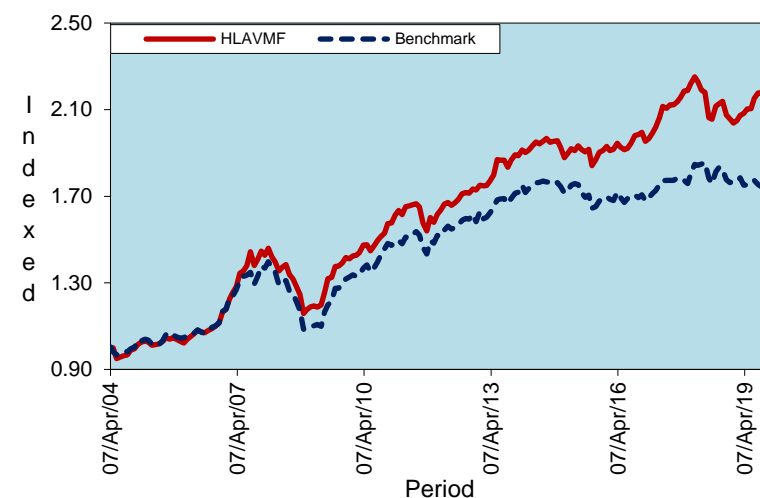


FI : Fixed Income  
EQ : Equities

### Top 5 Holdings for HLAVMF as at 31 Oct 2019

		%
1.	MAYBANK	EQ 4.3
2.	CIMB	EQ 4.0
3.	MALAYSIA AIRPORTS HOLDINGS 1	FI 3.8
4.	YINSON	EQ 3.7
5.	MSIAN GOVERNMENT SECURITIES 0	FI 3.4
<b>Total Top 5</b>		<b>19.1</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	7.20%	0.69%	5.29%	9.53%	11.70%	54.16%	118.51%
Benchmark*	-1.74%	0.58%	-2.08%	1.95%	-1.31%	32.10%	73.14%
Relative	8.94%	0.11%	7.37%	7.58%	13.01%	22.06%	45.37%

\*Source: Bloomberg, Maybank

## HLA Venture Managed Fund (HLAVMF)

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

October was generally an upbeat month. Sentiment was boosted by solid US corporate earnings and good progress on the unexpected US-China Phase 1 trade deal. The US Trade Representative's office issued a statement indicating that it would start a process on 1st November to extend tariff exclusions on US\$34b of Chinese goods and China reciprocated with a statement to confirm that it will purchase at least US\$20b of farm products in the first year if a partial trade deal was signed. The US Fed also cut rates for the third time by 0.25% (this was largely within expectations) as a pre-emptive measure given weak economic data of late. However, the Fed chairman did indicate that there would be a pause in interest rate cuts with the assumption of no downside risks to growth. Over in Europe, the EU agreed to extend the Brexit deadline to 31 Jan 20 despite the initial hard-line tones from both the EU and UK, with the Prime Minister agreeing to the Brexit extension and to hold the general election come December. Given the latest development, a no-deal Brexit seems very unlikely.

Domestically, the key highlight was Budget 2020 which was largely neutral for the market. The key winners in the Budget were technology (tax incentives), selected property (measures to boost property sales) and auto (fuel targeted subsidy programme and plans to reduce toll rates) sectors while losers were the manufacturing and services sectors (exposed to higher minimum wage in major cities). In October, foreign investors bought RM9.5b of equities but sold a higher amount of RM10b of equities, resulting in net outflows of RM0.5b.

For the month, the KLCI performed in line with the broader market but underperformed the small caps. FBM KLCI rose 0.9% mom to 1,598 pts. The FBM Small Cap was the best performing index increasing by 5.4% mom to 13,678.2 pts. FBM Emas Shariah was up by 0.5% mom to 11,829.8 pts and FBM Emas increased by 0.9% mom to 11,305.7 pts.

Among the key events to watch for in November would be the upcoming Monetary Policy Committee meeting, 3Q19's GDP announcement and the upcoming results season for Malaysian corporates. The semi-annual review of the FBM KLCI will take place in December 2019, based on the closing prices as at end Nov 2019. Whereas on the external front, investors will continue to follow closely the outcome of the US-China phase 1 trade deal. We continue to maintain our defensive stance, favoring quality names with resilient earnings and yields. Among the themes that we continue to like include dividend yielders, earnings turnaround and selected technology counters that leverage on the development of 5G.

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

The 10 year US Treasuries ("UST") yield finally stopped flashing a recession red light. The yield curve normalised when greater optimism about the global economy led to a slight increase in longer-term yields. This happened shortly after the US and China trade negotiators conveyed that both parties are working on a "Phase 1" trade deal which could ease the strained tension from the previous trade talks. The month turned brighter when UK Prime Minister Boris Johnson introduced a Brexit deal package with the European Union. While the panic mood has subsided, market players have highlighted that investment conditions remain uncertain which acts as a deterrent for large investment decisions. In response to weaker economic numbers and the cloudy outlook globally, the US Federal Reserve ("Fed") delivered another 25bps rate cut on October 30th, its third consecutive rate cut in three consecutive meetings. The Fed had subsequently provided forward guidance that it is done easing for the time being until any major occurrences that would change the Fed's outlook on the economy.

For the month of October, the sentiment for the local bond market was somewhat bearish. The longer-end of the Malaysian Government Securities ("MGS") curve led the pack with yields 22bps higher in the longest tenure, giving back some year-to-date outperformance. The belly and the shorter-end of the MGS curve performed better, with a milder increase of 6bps and 9bps in yields in the 7-year MGS and 10 year MGS, respectively. As MGS and other Ringgit bonds have staged a significantly rally year-to-date, it is not surprising for investors to lock in some profits in the absence of major catalysts to shift the MGS curve lower.

Trading volumes in the corporate bond space saw weak traction in the month of October. The month concluded with yields higher across the board for AAA and AA segments, trailing the movement in the sovereign yield curve. The prominent new issuances of the month were Pengurusan Air SPV Bhd's massive RM1.6 billion of AAA-rated bonds with tenures ranging from 5-15 years at coupons between 3.6%-4.0% and Cagamas Bhd's RM100 million of AAA-rated papers (1-5 years tenure) at coupons between 3.3%-3.6%.

Recently, we saw some fund rotation into equities away from safe havens which sent major US equity indices to an all-time high in the month of October. We view that the market will gradually shift to a more cautiously optimistic stance where risky assets are preferred over safe haven assets for return enhancements, albeit on a more gradual basis. In line with the guidance conveyed by the Fed in late October, we expect the UST curve to creep higher in the absence of surprises to the current economic landscape in the US. Nonetheless, we believe that the market-moving factors still hinge on the long-standing geopolitical risk surrounding the US-China trade rivalry. While tensions have somewhat eased, the recent doubts cast by the Chinese officials on the prospects of the trade talks sent important hints that negotiations between the two superpowers remains highly uncertain.

On the local front, the MGS curve is expected to be repriced higher via the upcoming auctions instead of movements in the secondary market. As the intensity of the US-China trade tension has somewhat diminished, we think that the urgency for a rate cut by year end is also less prominent. On the strategy front, as we have locked in some profits 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.

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

### Disclaimer:

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



# HLA Venture Income Fund (HLAVIF)

Oct 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

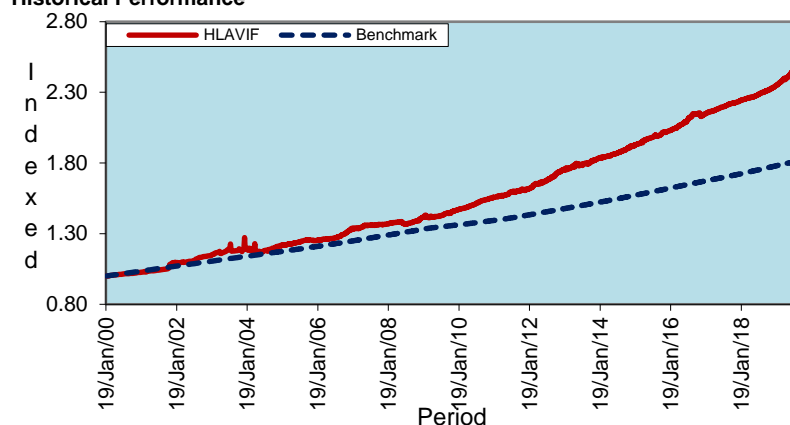
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

<b>Unit Price (31/10/2019)</b>	:RM2.5265
<b>Fund Size (31/10/2019)</b>	:RM208.4mil
<b>Fund Management Fee</b>	: 0.50% p.a.
<b>Fund Manager</b>	:Hong Leong Assurance Berhad
<b>Fund Category</b>	:Bond
<b>Fund Inception</b>	:19 Jan 2000
<b>Benchmark</b>	:3-month Fixed Deposit Interest Rates
<b>Frequency of Unit Valuation</b>	:Daily

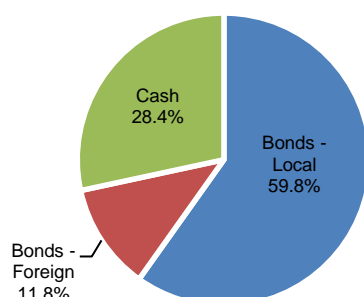
*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLA VIF	7.88%	0.20%	8.93%	17.41%	32.59%	73.81%	152.65%
Benchmark*	2.54%	0.25%	3.09%	9.62%	16.77%	34.38%	82.30%
Relative	5.34%	-0.05%	5.85%	7.79%	15.82%	40.33%	70.35%

Asset Allocation of HLA VIF as at 31 Oct 2019



## Top 5 Holdings for HLA VIF as at 31 Oct 2019

	%
1. MALAYAN BANKING BERHAD 3	9.0
2. UBS GROUP AG-	7.4
3. IND & COM BK CHINA MACAU 1	6.0
4. ALLIANCE BANK MALAYSIA BHD 1	4.2
5. MALAYSIA AIRPORTS HOLDINGS 1	2.8
<b>Total Top 5</b>	<b>29.4</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 finally stopped flashing a recession red light. The yield curve normalised when greater optimism about the global economy led to a slight increase in longer-term yields. This happened shortly after the US and China trade negotiators conveyed that both parties are working on a "Phase 1" trade deal which could ease the strained tension from the previous trade talks. The month turned brighter when UK Prime Minister Boris Johnson introduced a Brexit deal package with the European Union. While the panic mood has subsided, market players have highlighted that investment conditions remain uncertain which acts as a deterrent for large investment decisions. In response to weaker economic numbers and the cloudy outlook globally, the US Federal Reserve ("Fed") delivered another 25bps rate cut on October 30th, its third consecutive rate cut in three consecutive meetings. The Fed had subsequently provided forward guidance that it is done easing for the time being until any major occurrences that would change the Fed's outlook on the economy.

For the month of October, the sentiment for the local bond market was somewhat bearish. The longer-end of the Malaysian Government Securities ("MGS") curve led the pack with yields 22bps higher in the longest tenure, giving back some year-to-date outperformance. The belly and the shorter-end of the MGS curve performed better, with a milder increase of 6bps and 9bps in yields in the 7-year MGS and 10 year MGS, respectively. As MGS and other Ringgit bonds have staged a significantly rally year-to-date, it is not surprising for investors to lock in some profits in the absence of major catalysts to shift the MGS curve lower.

Trading volumes in the corporate bond space saw weak traction in the month of October. The month concluded with yields higher across the board for AAA and AA segments, trailing the movement in the sovereign yield curve. The prominent new issuances of the month were Pengurusan Air SPV Bhd's massive RM1.6 billion of AAA-rated bonds with tenures ranging from 5-15 years at coupons between 3.6%-4.0% and Cagamas Bhd's RM100 million of AAA-rated papers (1-5 years tenure) at coupons between 3.3%-3.6%.

### Market Outlook & Strategy

Recently, we saw some fund rotation into equities away from safe havens which sent major US equity indices to an all-time high in the month of October. We view that the market will gradually shift to a more cautiously optimistic stance where risky assets are preferred over safe haven assets for return enhancements, albeit on a more gradual basis. In line with the guidance conveyed by the Fed in late October, we expect the UST curve to creep higher in the absence of surprises to the current economic landscape in the US. Nonetheless, we believe that the market-moving factors still hinge on the long-standing geopolitical risk surrounding the US-China trade rivalry. While tensions have somewhat eased, the recent doubts cast by the Chinese officials on the prospects of the trade talks sent important hints that negotiations between the two superpowers remains highly uncertain.

On the local front, the MGS curve is expected to be repriced higher via the upcoming auctions instead of movements in the secondary market. As the intensity of the US-China trade tension has somewhat diminished, we think that the urgency for a rate cut by year end is also less prominent. On the strategy front, as we have locked in some profits 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
Benchmark	2.3%	2.3%	2.8%	3.1%	3.1%	3.2%	3.2%	3.1%	3.0%	3.3%
HLAVIF- Gross	4.7%	7.0%	4.8%	10.0%	5.4%	5.8%	6.5%	6.9%	5.3%	5.6%
HLAVIF - Net	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.

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.

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#### 5. Country Risk

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#### 6. Currency Risk

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### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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### Basis of Calculation of Past Performance

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

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

### Others

HLA Venture 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

Oct 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 @ 29/10/2019	Fund Size 29/10/2019	Guaranteed Unit Price upon Fund Maturity (updated @ 29/10/2019)
HLA Horizon28 Fund	:08/10/2028	RM1.0770	RM1,907,332.64	RM1.00
HLA Horizon38 Fund	:08/10/2038	RM1.1575	RM48,941,797.61	RM1.50
HLA Horizon48 Fund	:08/10/2048	RM1.2216	RM25,570,280.51	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	-1.53%	7.70%
HLA Horizon38	-1.45%	15.75%
HLA Horizon48	-1.44%	22.16%

### Exposure to MVO Strategy

Fund	Exposure as at 29/10/2019
HLA Horizon28	107.85%
HLA Horizon38	124.17%
HLA Horizon48	166.26%

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

As expected, the Committee cut rates by 25 basis points for the third consecutive meeting, reaching the historical threshold for a “mid-cycle adjustment” as defined by the mid-1990s experience. However, the statement and Chair Powell’s press conference raised the bar for further cuts more than we anticipated, noting that policy is now in a good place barring a “material reassessment” of the outlook. Specifically, Powell emphasized that the easing done to date will continue to support the economy for some time and that the distribution of risks around the outlook has improved.

It’s been a quick move lower for the USDRMB complex, with the narrative on the US-China trade deal moving this week from ‘ceasefire’ in Phase One to the potential for rollback in tariffs. While the news flow around this remains noisy, the relationship between USDCNH and the changes to weighted average tariffs imposed by the US on imports from China would suggest the markets have already priced in a rollback as part of the deal.

While growth in Asia has slowed below its trend, recent data have been more encouraging and the prospect of a “Phase 1” agreement between the US and China adds to the possibility that the cycle is turning to the positive. Even if the region is only reaching a trough, this may be enough to force a rethink on policy easing. For the time being, dollar weakness in this region still provides an opportunity for rates to go lower here, but that may not last much longer.

The euro area economy will likely be closer to outright stagnation over the next several months than consensus expects. We are particularly worried about rising uncertainty. Our uncertainty indicators have reached new highs in October. Uncertainty is spreading from manufacturing to other sectors. Particularly worrying is the jump in uncertainty among consumers over recent months. With fears of unemployment rising, it comes as no surprise that in Q2 the household saving ratio jumped to its highest level since early 2010. We have downgraded our 2020 growth forecast to 0.8%, as the region stagnates this winter.

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 29 Oct 2019	1.87%	1.85%	2.48%
As at 24 Sep 2019	3.50%	3.72%	4.98%

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

### Underlying Asset in the MVO Strategy as at 29 Oct 2019

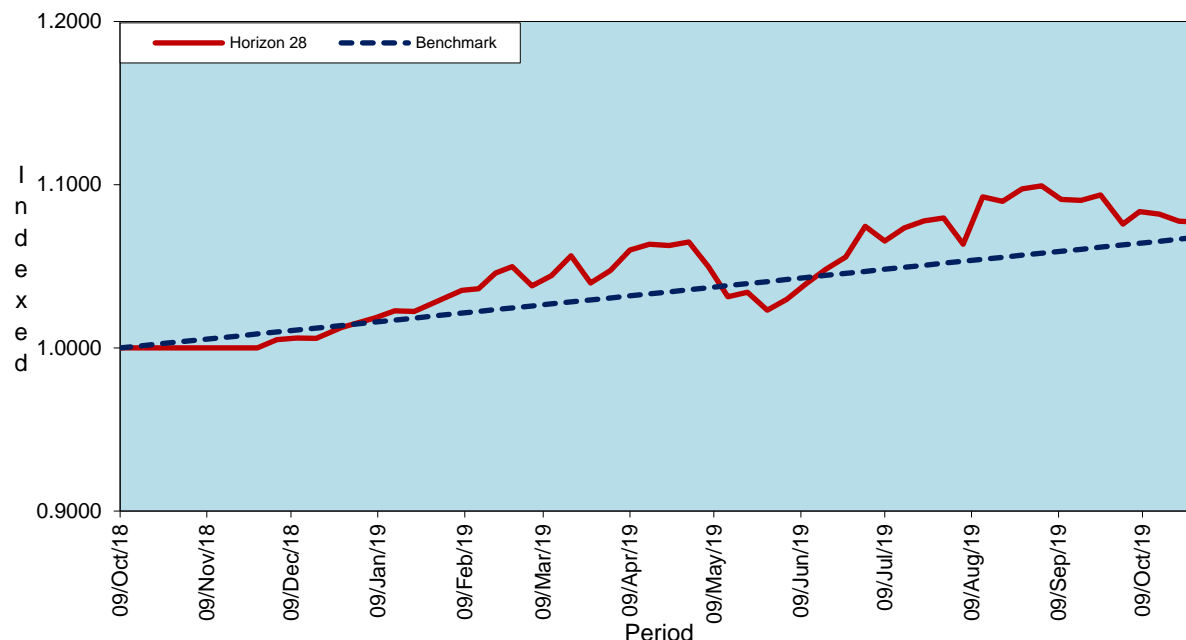
Indices	Bloomberg Ticker	Weightage (%)	Monthly Performance
iShares MSCI EM Index Fund	EEM US Equity	0.00%	3.69%
S&P 500 Index	SPX Index	11.67%	2.37%
Euro Stoxx 50 Index	SX5E Index	0.00%	3.58%
Hang Seng China Enterprises Index	HSCEI Index	0.00%	2.69%
Gold	GOLDLNAM Index	25.00%	-1.81%
Templeton Global Bond Fund	FTGBFAC LX Equity	0.00%	0.44%
PIMCO Funds – Total Return Bond Fund	PTRBDFE ID Equity	30.00%	-0.57%
DB Fed Funds Effective Rate TR Index	DBMMFED1 Index	33.33%	0.18%
<b>Total</b>		<b>100.00%</b>	



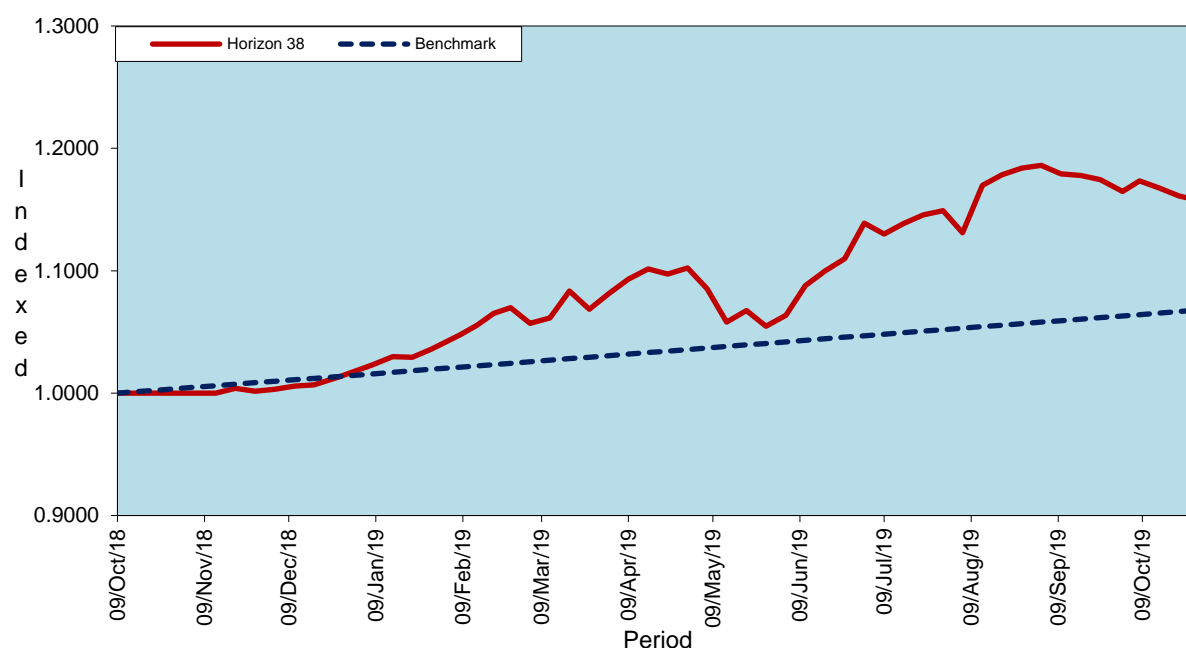
# HLA Horizon Funds

## Historical Performance

HLA Horizon28 Fund						
As of 29/10/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon28	6.37%	-1.53%	7.70%	-	-	7.70%
KLIBOR+2.65% p.a.*	5.34%	0.58%	6.39%	-	-	6.78%
Performance vs Benchmark	1.03%	-2.11%	1.31%	-	-	0.92%

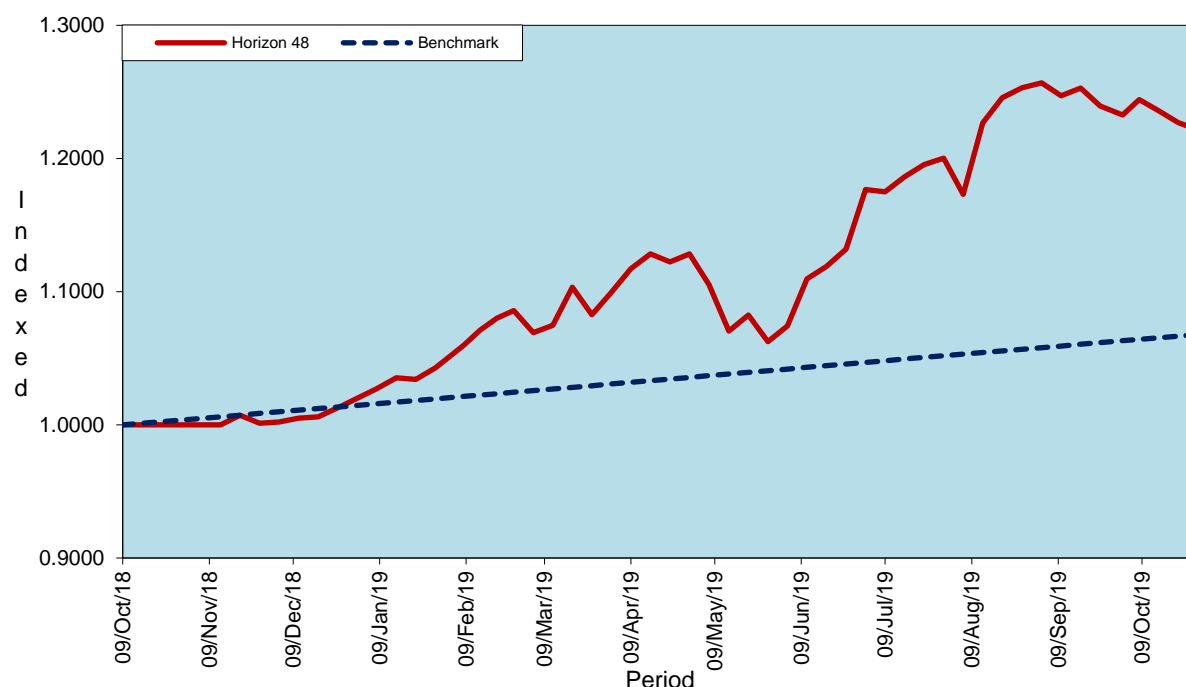


HLA Horizon38 Fund						
As of 29/10/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon38	14.22%	-1.45%	15.75%	-	-	15.75%
KLIBOR+2.65% p.a.*	5.34%	0.58%	6.39%	-	-	6.78%
Performance vs Benchmark	8.88%	-2.03%	9.36%	-	-	8.97%



## HLA Horizon Funds

HLA Horizon48 Fund						
As of 29/10/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon48	20.37%	-1.44%	22.16%	-	-	22.16%
KLIBOR+2.65% p.a.*	5.34%	0.58%	6.39%	-	-	6.78%
Performance vs Benchmark	15.03%	-2.02%	15.77%	-	-	15.38%



\*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.

#### 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. Deleverage Risk

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

#### 6. Currency Risk

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

#### 7. Country Risk

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

### Risk Management

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

## HLA Horizon Funds

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.

### 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

Oct 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 (29/10/2019)	Fund Size (29/10/2019)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM1.0737	RM25.02 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM1.0354	RM9.95 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM0.9644	RM13.46 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.9225	RM43.38 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8142	RM659.12 mil	26 Dec 2035	1.4221

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

## Market Review (by CIMB Bank Berhad)

Max InvestSave increased by 1.52% in the reported period with seven out of eleven Underlying Assets moving in tandem with the Effective Max InvestSave Weightings. Gains were mainly due to the appreciation of Japanese Equities as well as European Real Estate where positive weightings were held by the Effective Max InvestSave Weightings.

American Equities soared to all new highs in October 2019. With the United States and China announcing the completion of the first phase of a trade deal, equity markets rallied in response to the positive news. In addition, the Federal Reserve cut the benchmark interest rate for the third time this year to keep monetary policy accommodative to growth. The Fed also indicated that they might not change the benchmark interest rate in the near future. Earnings season has been faring well for companies listed on the S&P 500 index as most companies have been surpassing expectations. The labour market has also showed strength as hiring reports have been favourable. In Britain, an election is now scheduled in December with the hopes of refreshing the membership of Parliament in order to get the Brexit deal approved before the new deadline of January 31. On the other hand, the Bank of Japan maintained their monetary policy stance and indicated that rates could remain at the same or lower levels in the near future to foster growth.

In Malaysia, the national budget for 2020 was unveiled. The economy is forecasted to grow by 4.8% next year, with inflation expected to rise to 2% in 2020 in contrast to levels below 1.5% for 2019. Malaysia is aiming to attract more foreign direct investment as evidenced by the 97% growth from Q1 2018 to Q1 2019. Bond yields registered a general increase over the month in conjunction with positive developments in the global economy. (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 Oct 2019	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

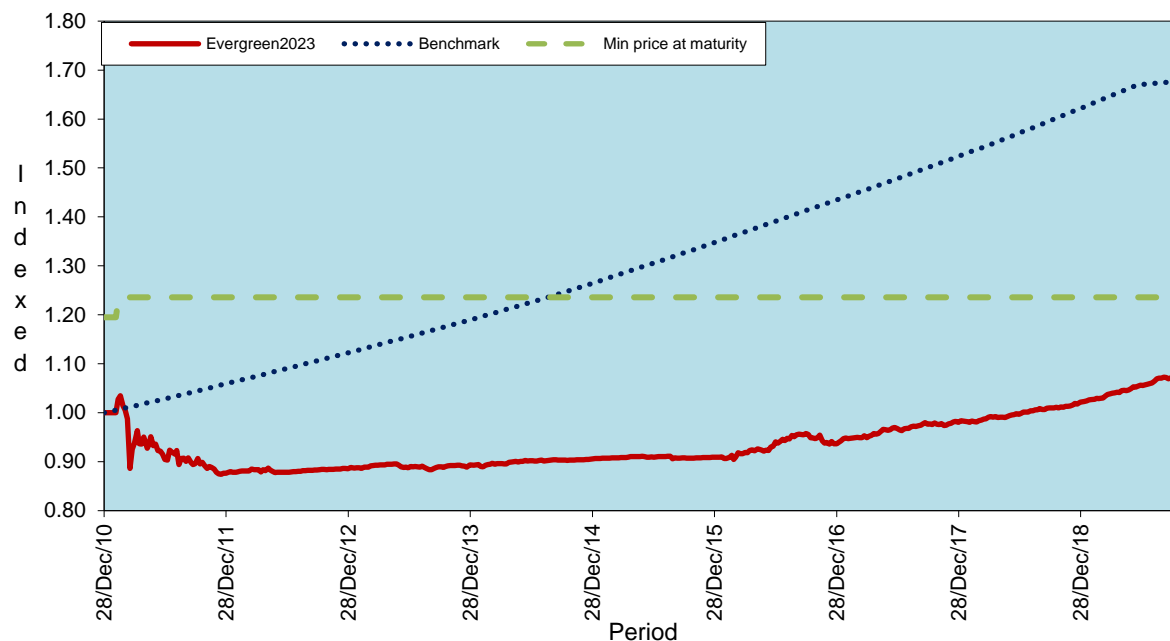
Telephone 03-7650 1818 Facsimile 03-7650 1991

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

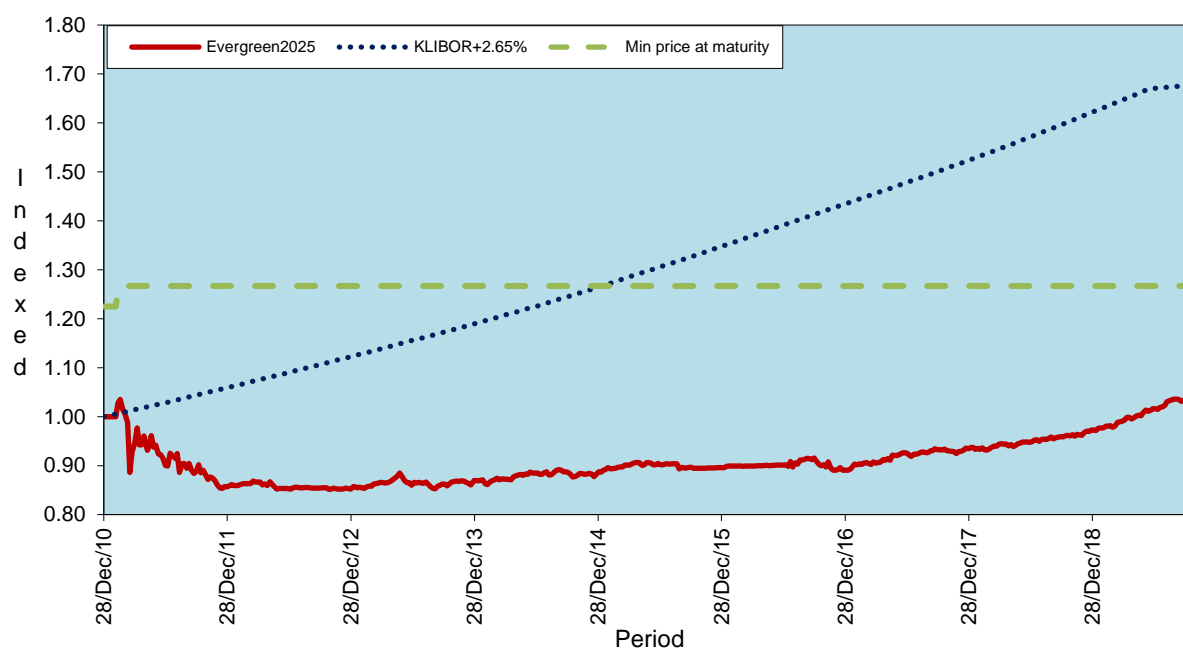
# HLA EverGreen Funds

## Historical Performance

HLA EverGreen 2023 Fund						
As of 29/10/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2023	5.12%	0.22%	6.09%	13.34%	18.86%	7.37%
KLIBOR+2.65% p.a.*	5.33%	0.58%	6.39%	20.30%	36.50%	70.79%
Performance vs Benchmark	-0.21%	-0.35%	-0.30%	-6.96%	-17.63%	-63.42%



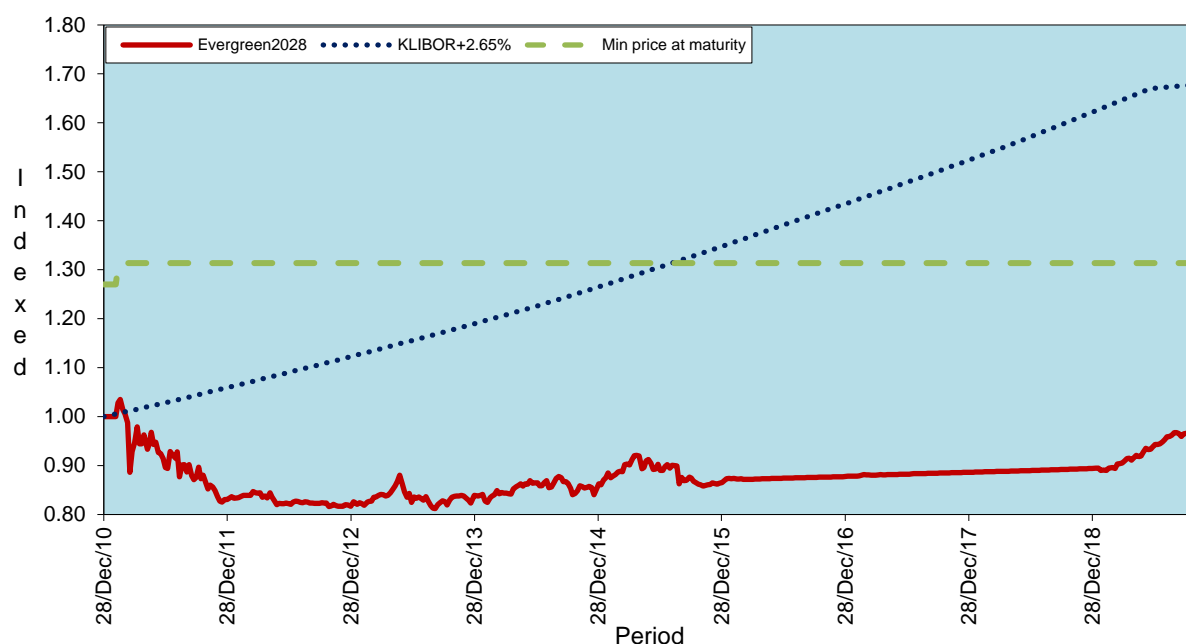
HLA EverGreen 2025 Fund						
As of 29/10/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2025	6.44%	0.15%	7.51%	14.81%	17.66%	3.54%
KLIBOR+2.65% p.a.*	5.33%	0.58%	6.39%	20.30%	36.50%	70.79%
Performance vs Benchmark	1.10%	-0.42%	1.12%	-5.49%	-18.84%	-67.25%



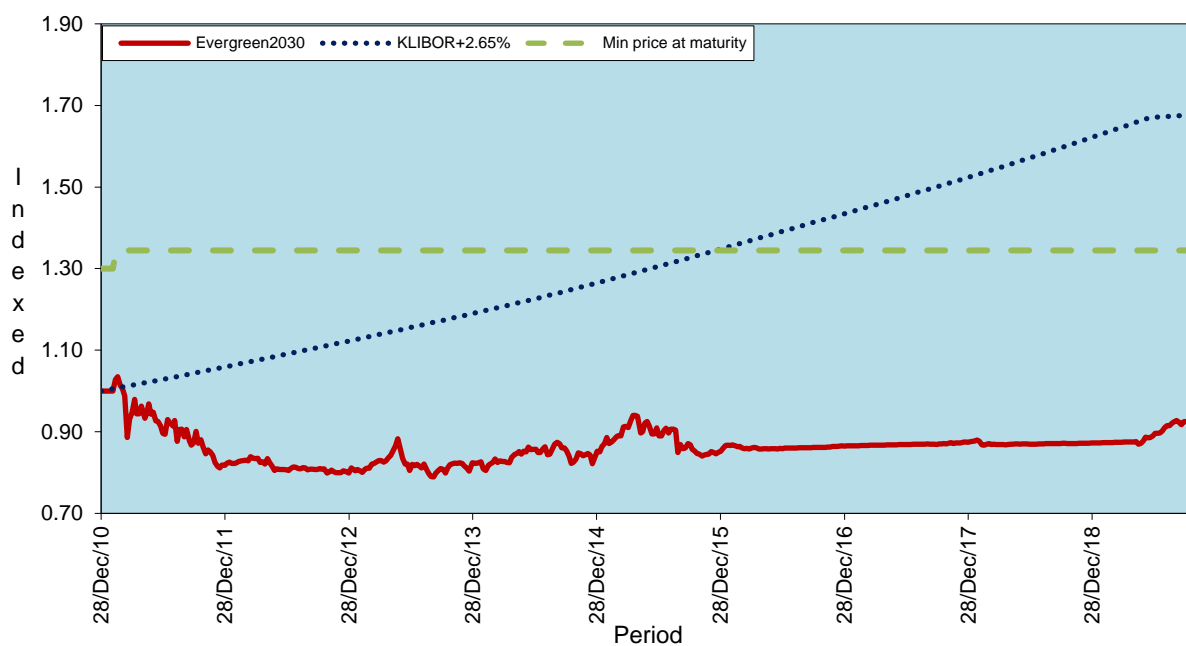


## HLA EverGreen Funds

HLA EverGreen 2028 Fund						
As of 29/10/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2028	7.86%	-0.02%	8.03%	10.05%	13.70%	-3.56%
KLIBOR+2.65% p.a.*	5.33%	0.58%	6.39%	20.30%	36.50%	70.79%
Performance vs Benchmark	2.53%	-0.60%	1.65%	-10.25%	-22.80%	-74.35%

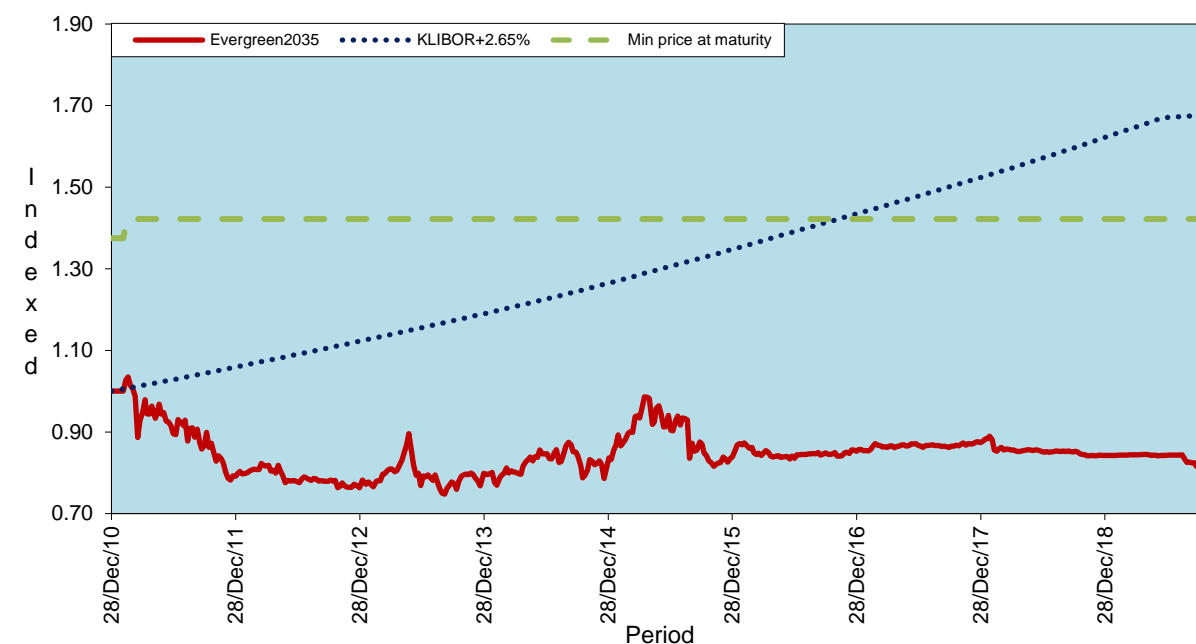


HLA EverGreen 2030 Fund						
As of 29/10/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2030	5.73%	-0.18%	5.89%	7.03%	10.70%	-7.75%
KLIBOR+2.65% p.a.*	5.33%	0.58%	6.39%	20.30%	36.50%	70.79%
Performance vs Benchmark	0.40%	-0.76%	-0.50%	-13.27%	-25.79%	-78.54%



## HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 29/10/19	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2035	-3.39%	-0.06%	-3.55%	-4.14%	0.95%	-18.58%
KLIBOR+2.65% p.a.*	5.33%	0.58%	6.39%	20.30%	36.50%	70.79%
Performance vs Benchmark	-8.72%	-0.64%	-9.94%	-24.45%	-35.54%	-89.37%



\*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%	<b>-18.00%</b>	-
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%	<b>-1.98%</b>	-
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%	<b>9.50%</b>	-
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%	<b>9.51%</b>	-
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%	<b>4.39%</b>	-
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%	<b>2.84%</b>	-
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%	<b>7.32%</b>	-
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%	<b>-17.56%</b>	-
2019	-0.39%	-0.57%	1.67%	1.22%	-3.00%	0.60%	0.69%	-1.52%	1.57%	1.52%			<b>1.69%</b>	<b>-6.88%</b>

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

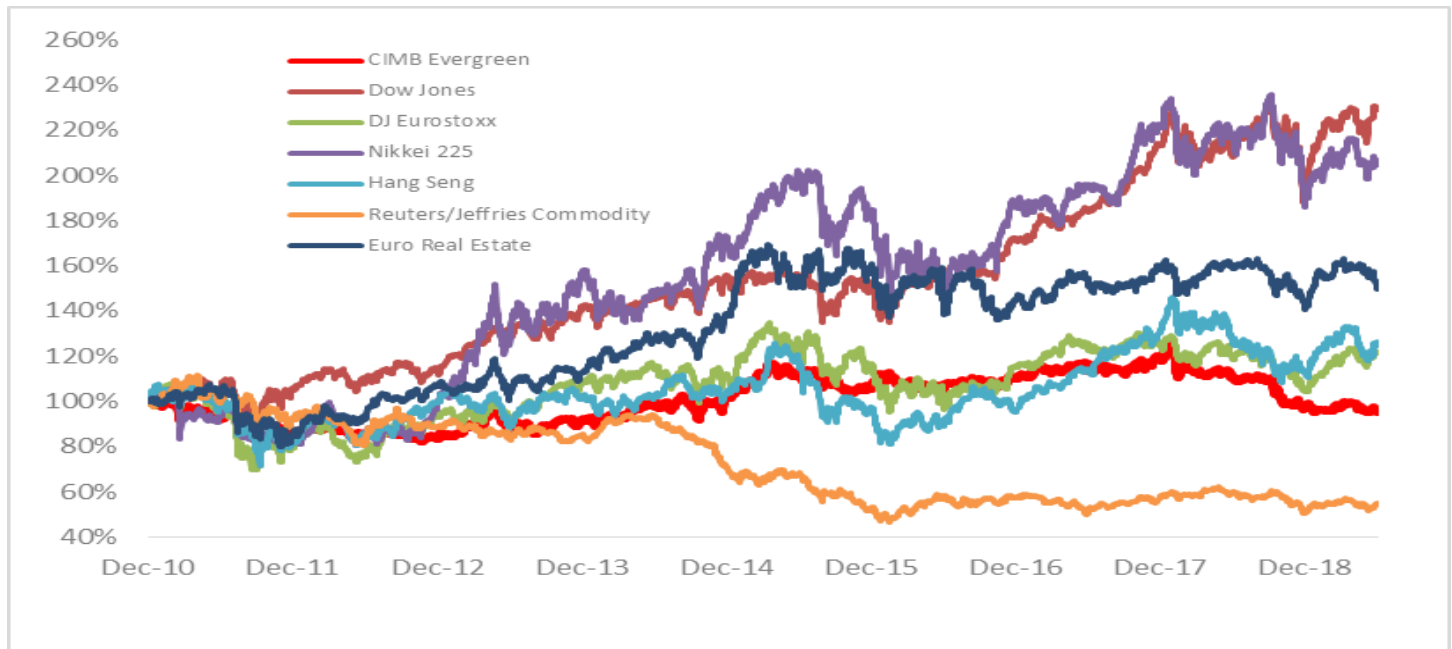
Underlying Performance				
Underlying Asset	30-Sep-19 Closing Px	31-Oct-19 Closing Px	Performance (30 Sep 19 - 31 Oct 19)*	Effective Max InvestSave Weights** (26 Sep 19)
American Equity	6,008.59	6,138.74	2.17%	-5.34%
Japanese Equity	2,418.29	2,539.02	4.99%	13.63%
European Equity	7,560.05	7,641.69	1.08%	13.63%
UK Equity	6,798.42	6,671.59	-1.87%	13.63%
Emerging Market Equity	4,015.22	4,184.73	4.22%	5.45%
China Equity	10,200.97	10,533.24	3.26%	-5.45%
Commodity Index	780.38	792.64	1.57%	3.72%
European Real Estate	6,352.09	6,544.38	3.03%	13.63%
American Real Estate	93.54	94.26	0.77%	5.45%
Hedge Fund Strategies	208.82	210.05	0.59%	-2.73%
Currency	0.92	0.90	-2.28%	-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)

Oct 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.

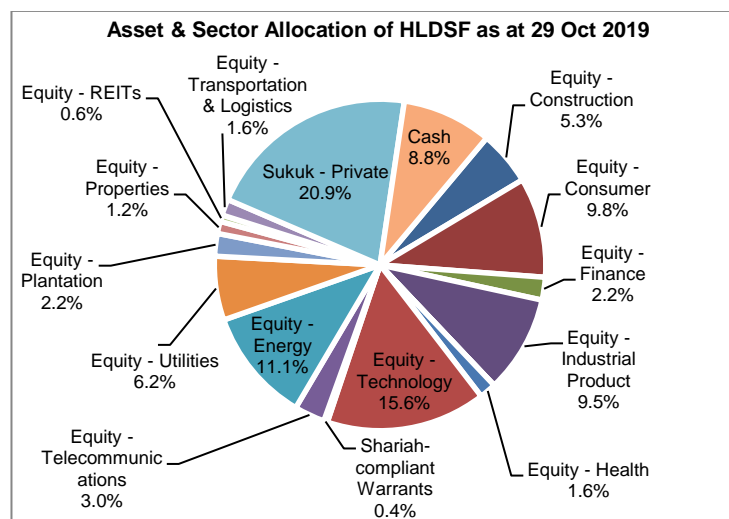
### 4. Target Market

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 (29/10/2019)	:RM1.1605
Fund Size (29/10/2019)	:RM6.9mil
Fund Management Fee	:1.30% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:24 Sept 2013
Benchmark	:(70% x FTSE Bursa Malaysia EmasShariah Index) + (30% x 3-month Klibor)
Frequency of Unit Valuation	:Weekly

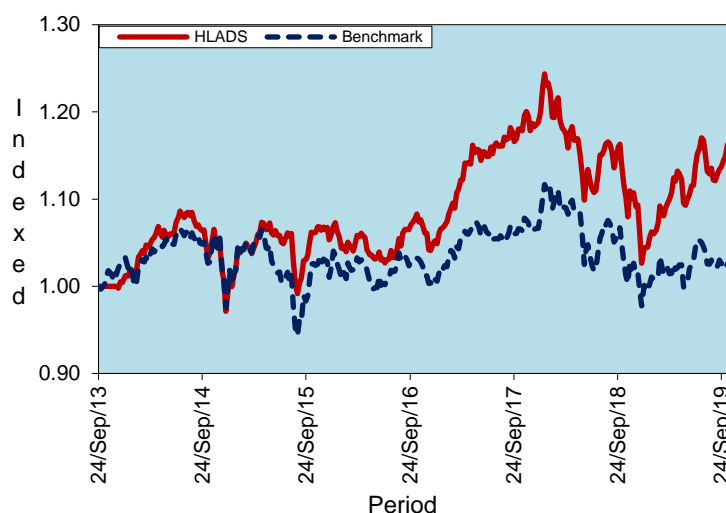
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLADS as at 29 Oct 2019

		%
1.	Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA)	Sukuk 5.9
2.	BAUTO	Equity 3.8
3.	TENAGA	Equity 3.6
4.	TNB Western Energy Berhad	Sukuk 3.3
5.	YINSON	Equity 3.2
<b>Total Top 5</b>		<b>19.8</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLADS	11.14%	2.07%	7.50%	8.08%	10.36%	16.05%
Benchmark*	2.75%	0.22%	2.54%	-0.24%	-1.66%	2.86%
Relative	8.39%	1.85%	4.97%	8.32%	12.01%	13.19%

\*Source: Bloomberg



## HLA Dana Suria (HLADS)

### Market Review, Outlook & Strategy

October was generally an upbeat month. Sentiment was boosted by solid US corporate earnings and good progress on the unexpected US-China Phase 1 trade deal. The US Trade Representative's office issued a statement indicating that it would start a process on 1st November to extend tariff exclusions on US\$34b of Chinese goods and China reciprocated with a statement to confirm that it will purchase at least US\$20b of farm products in the first year if a partial trade deal was signed. The US Fed also cut rates for the third time by 0.25% (this was largely within expectations) as a pre-emptive measure given weak economic data of late. However, the Fed chairman did indicate that there would be a pause in interest rate cuts with the assumption of no downside risks to growth. Over in Europe, the EU agreed to extend the Brexit deadline to 31 Jan 20 despite the initial hard-line tones from both the EU and UK, with the Prime Minister agreeing to the Brexit extension and to hold the general election come December. Given the latest development, a no-deal Brexit seems very unlikely.

Domestically, the key highlight was Budget 2020 which was largely neutral for the market. The key winners in the Budget were technology (tax incentives), selected property (measures to boost property sales) and auto (fuel targeted subsidy programme and plans to reduce toll rates) sectors while losers were the manufacturing and services sectors (exposed to higher minimum wage in major cities). In October, foreign investors bought RM9.5b of equities but sold a higher amount of RM10b of equities, resulting in net outflows of RM0.5b.

For the month, the KLCI performed in line with the broader market but underperformed the small caps. FBM KLCI rose 0.9% mom to 1,598 pts. The FBM Small Cap was the best performing index increasing by 5.4% mom to 13,678.2 pts. FBM Emas Shariah was up by 0.5% mom to 11,829.8 pts and FBM Emas increased by 0.9% mom to 11,305.7 pts.

Among the key events to watch for in November would be the upcoming Monetary Policy Committee meeting, 3Q19's GDP announcement and the upcoming results season for Malaysian corporates. The semi-annual review of the FBM KLCI will take place in December 2019, based on the closing prices as at end Nov 2019. Whereas on the external front, investors will continue to follow closely the outcome of the US-China phase 1 trade deal. We continue to maintain our defensive stance, favoring quality names with resilient earnings and yields. Among the themes that we continue to like include dividend yielders, earnings turnaround and selected technology counters that leverage on the development of 5G.

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

The 10 year US Treasuries ("UST") yield finally stopped flashing a recession red light. The yield curve normalised when greater optimism about the global economy led to a slight increase in longer-term yields. This happened shortly after the US and China trade negotiators conveyed that both parties are working on a "Phase 1" trade deal which could ease the strained tension from the previous trade talks. The month turned brighter when UK Prime Minister Boris Johnson introduced a Brexit deal package with the European Union. While the panic mood has subsided, market players have highlighted that investment conditions remain uncertain which acts as a deterrent for large investment decisions. In response to weaker economic numbers and the cloudy outlook globally, the US Federal Reserve ("Fed") delivered another 25bps rate cut on October 30th, its third consecutive rate cut in three consecutive meetings. The Fed had subsequently provided forward guidance that it is done easing for the time being until any major occurrences that would change the Fed's outlook on the economy.

For the month of October, the sentiment for the local bond market was somewhat bearish. The longer-end of the Malaysian Government Securities ("MGS") curve led the pack with yields 22bps higher in the longest tenure, giving back some year-to-date outperformance. The belly and the shorter-end of the MGS curve performed better, with a milder increase of 6bps and 9bps in yields in the 7-year MGS and 10 year MGS, respectively. As MGS and other Ringgit bonds have staged a significantly rally year-to-date, it is not surprising for investors to lock in some profits in the absence of major catalysts to shift the MGS curve lower.

Trading volumes in the corporate bond space saw weak traction in the month of October. The month concluded with yields higher across the board for AAA and AA segments, trailing the movement in the sovereign yield curve. The prominent new issuances of the month were Pengurusan Air SPV Bhd's massive RM1.6 billion of AAA-rated bonds with tenures ranging from 5-15 years at coupons between 3.6%-4.0% and Cagamas Bhd's RM100 million of AAA-rated papers (1-5 years tenure) at coupons between 3.3%-3.6%.

Recently, we saw some fund rotation into equities away from safe havens which sent major US equity indices to an all-time high in the month of October. We view that the market will gradually shift to a more cautiously optimistic stance where risky assets are preferred over safe haven assets for return enhancements, albeit on a more gradual basis. In line with the guidance conveyed by the Fed in late October, we expect the UST curve to creep higher in the absence of surprises to the current economic landscape in the US. Nonetheless, we believe that the market-moving factors still hinge on the long-standing geopolitical risk surrounding the US-China trade rivalry. While tensions have somewhat eased, the recent doubts cast by the Chinese officials on the prospects of the trade talks sent important hints that negotiations between the two superpowers remains highly uncertain.

On the local front, the MGS curve is expected to be repriced higher via the upcoming auctions instead of movements in the secondary market. As the intensity of the US-China trade tension has somewhat diminished, we think that the urgency for a rate cut by year end is also less prominent. On the strategy front, as we have locked in some profits 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.

## HLA Dana Suria (HLADS)

### 2. Liquidity Risk

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

### 3. Country Risk

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

### 4. Currency Risk

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

### 5. Concentration Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

Year	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:

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# HLA Secure Fund (HLASF)

Oct 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

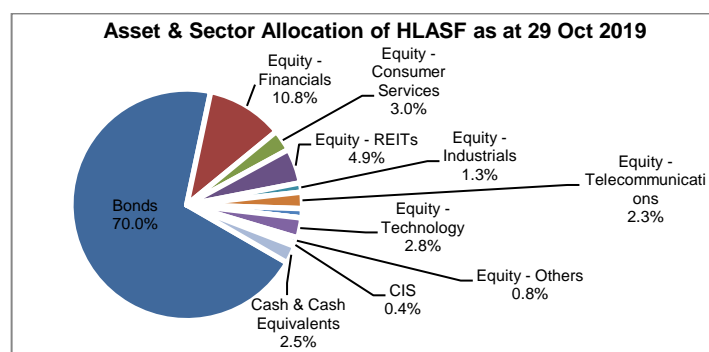
The fund is suitable for investors who are relatively conservative and wish to have a steady and stable return that meets their retirement needs.

## Fund Details

Unit Price (29/10/2019)	:RM1.4146
Fund Size (29/10/2019)	:RM20.0mil
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

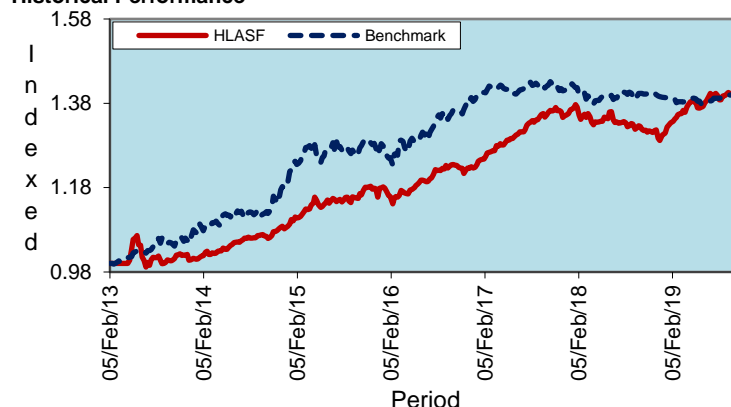
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLASF as at 29 Oct 2019

		%
1.	China Construction Bank Corp	Equity 2.6
2.	United States Treasury	FI 2.2
3.	Ping An Insurance Grp Co China	Equity 2.1
4.	AIA Group Ltd	Equity 1.7
5.	Hong Kong Exchange & Clearing	Equity 1.7
Total Top 5		10.3

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	8.40%	0.89%	7.84%	15.16%	32.61%	41.46%
Benchmark*	0.37%	-0.04%	-0.23%	2.69%	23.45%	39.94%
Relative	8.03%	0.93%	8.06%	12.46%	9.17%	1.52%

\*Source: AffinHwang

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

Easing geopolitical tensions during the month spurred a risk on rally in October, with markets generally up during the month. A partial 'phase-one trade deal' were announced following bilateral negotiations in early October. Concessions were made from both sides with the US agreeing to suspend a planned tariff increase on Chinese goods while China reciprocated by agreeing to purchase US agricultural products. Q3 US GDP was more positive than expected, with a 1.9% growth seen. However, continued weakening of the manufacturing sector as indicated by the latest PMI, and slowing pace of jobs growth may indicate a slowing momentum in US growth. The US Federal Reserve delivered another round of rate cut, bringing its benchmark rate to a target range of 1.50% to 1.75%. Markets took the subsequent commentaries by the Fed Chair as a signal that there would likely be no further rate movement for the time being. Asian equities had a positive run in October as markets were buoyed by positive trade developments and synchronised monetary easing by global central banks. The Hong Hang Seng index climbed 3.12%, whilst the broader MSCI Asia ex-Japan index rose 4.49%. Data released during the month showed Hong Kong's retail sales slump by a record low of 23% y-o-y in August, as the effects of the on-going protests continues to weigh on its economy. China reported weaker-than-expected GDP for 3Q2019 as economic growth slowed to just 6.0%, its slowest quarterly expansion in 27 years, though still within the government's target range of 6.0-6.5% for 2019. China's Producer Price Index ("PPI") meanwhile continues its negative trend, detracting by another 1.2% in September. Fiscal policy support were seen in several Asian countries to counter the impact of waning global demand, including tax holiday rule revisions in Indonesia and the approval of several phases of stimulus by the Thai cabinet.

Whilst the partial trade deal helped provide a lift in sentiment, the temporary trade truce could be easily upended as seen before. Structural issues and more challenging areas in negotiations such as intellectual property and technology transfer has not been addressed yet. The last mile negotiations in the trade talks would be the most critical to look out for. The overall macro environment remains weak as global economies are still showing weak data. Going forward, we believe there is limited room for further monetary policy easing given already low interest rates. Central banks are more inclined to "save some bullets" for future, i.e. in the event whereby a recession materialises, as well as adopting a "wait-and-see" approach to assess impact post recent rate cuts. Therefore, expectations are that global interest rates are close to bottoming out in the near term. Having said that, we do not foresee central banks reverting to an interest rate hike cycle anytime soon. The biggest risks (both upside and downside) to my view would be ongoing trade negotiations and US inflation.

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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:

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



## HLA Cash Fund (HLACF)

Oct 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

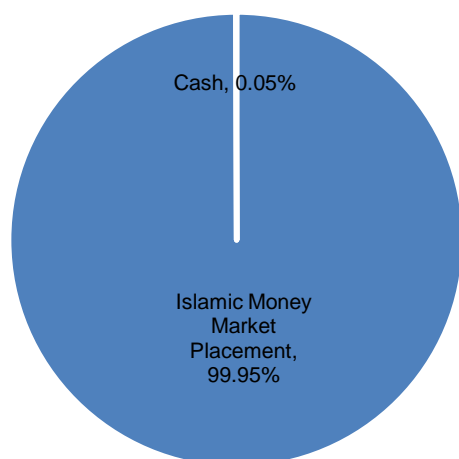
This fund is suitable for investors who are low risk profile.

### Fund Details

Unit Price (29/10/2019)	: RM1.2432
Fund Size (29/10/2019)	: RM37.1mil
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

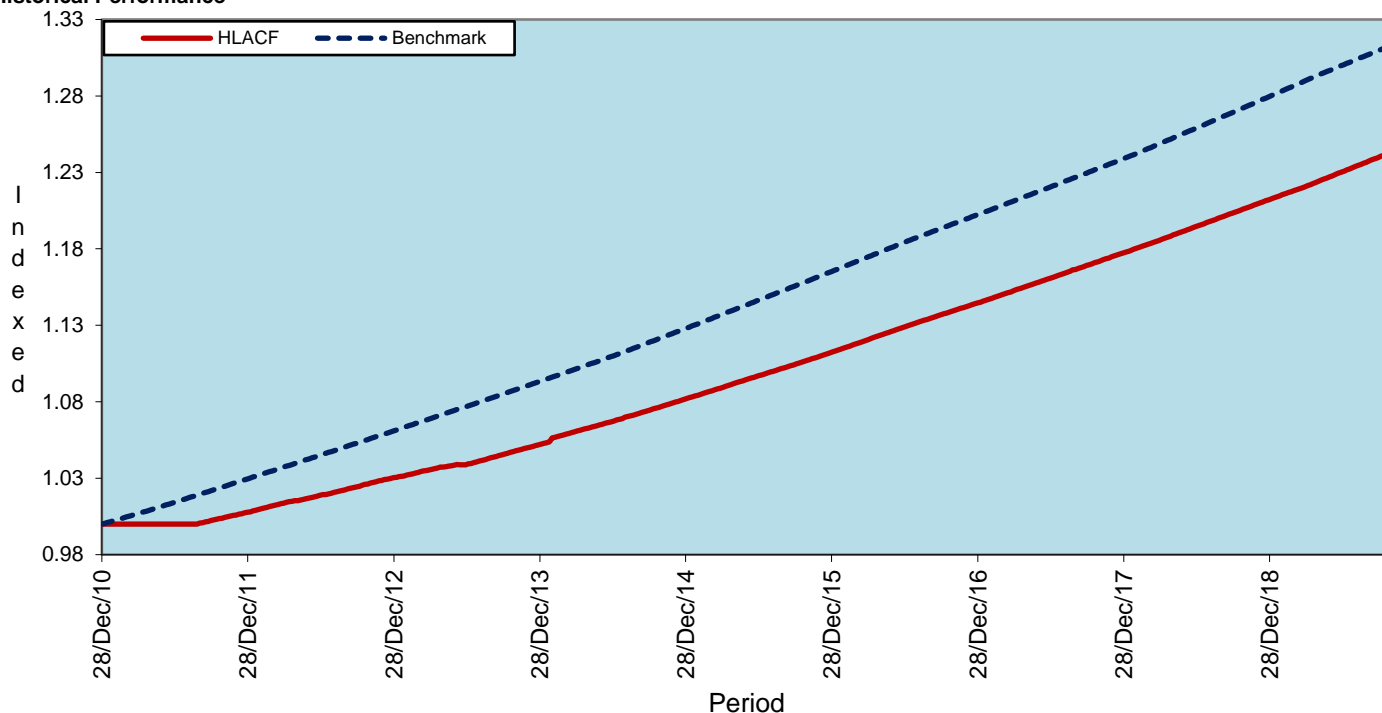
*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*

Asset & Sector Allocation of HLACF as at 29 Oct 2019



## HLA Cash Fund (HLACF)

### Historical Performance



As of 29/10/19	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLACF	2.56%	0.29%	3.03%	9.12%	15.44%	24.32%
Benchmark*	2.63%	0.29%	3.16%	9.80%	17.06%	31.33%
Relative	-0.08%	0.00%	-0.13%	-0.68%	-1.62%	-7.01%

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

### Risk Management

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

### Basis of Unit Valuation

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

