

# Monthly Fund Fact Sheet

## — July 2017



## Contents

### Daily Valuation Funds

HLA Venture Growth Fund.....	3
HLA Venture Blue Chip Fund.....	5
HLA Venture Dana Putra.....	7
HLA Venture Flexi Fund.....	9
HLA Value Fund.....	11
Hong Leong Smart Growth Fund.....	14
HLA Venture Global Fund.....	17
HLA Venture Managed Fund.....	20
HLA Venture Income Fund.....	22

### Weekly Valuation Funds

HLA EverGreen Funds.....	24
HLA Dana Suria.....	30
HLA Secure Fund.....	33
HLA Cash Fund.....	36

Fund Risk Type & Customer Risk Appetite.....	39
--	----

# HLA Venture Growth Fund (HLAVGF)

Jul 2017

## 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.

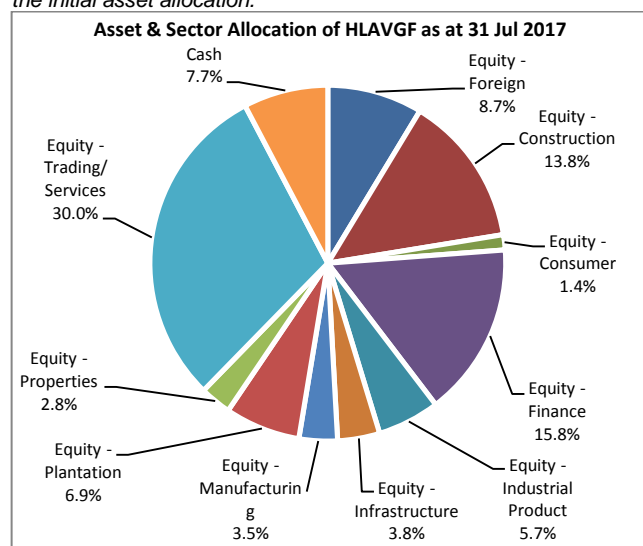
### 4. Target Market

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

## Fund Details

Unit Price (31/7/2017)	:RM2.2601
Fund Size (31/7/2017)	:RM407.5mil
Fund Management Fee (effective as at 01/11/2016)	: 1.45% p.a. (capped at 1.50%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	:19 Jan 2000
Benchmark	:FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	:Daily

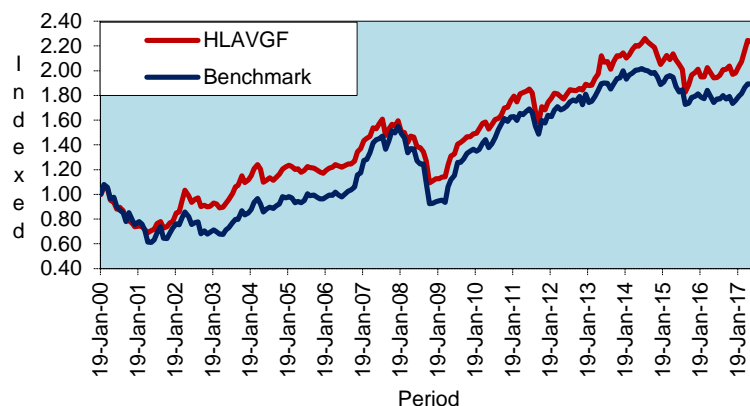
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 10 Holdings for HLAVGF as at 31 Jul 2017

	%
1. MAYBANK	8.1
2. TENAGA	7.6
3. CIMB	7.5
4. SIME	5.1
5. DIALOG	3.9
6. INARI	3.5
7. YINSON	3.3
8. TENCENT	2.9
9. GENTING	2.7
10. AXIATA	2.6
<b>Total Top 10</b>	<b>47.2</b>

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVGF	0.14%	14.09%	15.07%	22.45%	40.47%	126.01%
Benchmark	-0.21%	7.21%	6.46%	7.87%	28.12%	88.57%
Relative	0.35%	6.89%	8.61%	14.58%	12.35%	37.44%

## Market Review, Outlook & Strategy

Regional markets remained on a steady uptrend on the back of positive economic growth globally amidst a subdued inflationary environment. The US economy grew at an annual rate of 2.6% in 2Q17, rebounding from its soft patch in 1Q17, while inflation slowed qoq. During the recent Federal Open Market Committee (FOMC) meeting, the Fed's inflation assessment sounded more dovish than expected, reiterating its intention to proceed with the balance sheet reduction "relatively soon". As a result, the probability of a rate hike has also reduced dramatically since, which is positive for equities.

Meanwhile, China's 2Q17 GDP of 6.9% also came in above expectations, prompting some speculation that there may be more financing regulations being imposed to prevent systemic financial risk.

However, Malaysia experienced a flattish month in July, with the FBM KLCI range bound within 1,755 to 1,770 points due to lack of market catalysts. The Annual Invest Malaysia conference that was held on the 25-26 July saw the government unveiling measures such as the: 1) launch of the Leading Entrepreneur Accelerator Platform (LEAP) market, 2) plans to establish an integrity and governance unit at government-linked companies (GLCs) and state- or ministry-owned businesses, 3) plans for a single regulator for the property sector, 4) greater gender diversity, corporate governance in Corporate Malaysia, and 5) next-stage development push under TN50. Despite these positive announcements, there were no immediate catalysts to the market from this conference.

For the month, the KLCI fell 0.2% or 3.6pts to close at 1,760pts. The broader market underperformed the KLCI, with the FBM Emas falling 0.4% mom to 12,552pts. The FBM Small cap index also underperformed the KLCI, falling 1% to 17,274pts. Average daily value traded on Bursa in July declined 15% mom to RM2.05bn.

As we move into August, we believe the market has entered into a more subdued period that reflects moderate macro headwinds due to; 1) RM49bn worth of government bonds expiring in 2H17 (1H17: RM29bn), 2) lower crude palm oil and crude oil prices (the latter accounting for 13.8% of the federal government's 2017 projected revenue), and 3) in the US, rising interest rates and reversal of quantitative easing through 2018. This offers us an opportunity to accumulate stocks with earnings certainty and tangible structural improvements during periods of any market weakness as we remain positive on the Malaysian equity market in the long term.

# HLA Venture Growth Fund (HLAVGF)

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

Year	2012	2013	2014	2015	2016
Benchmark	10.3%	10.5%	-5.7%	-3.9%	-3.0%
HLAVGF- Gross	10.7%	16.3%	-3.2%	-0.6%	-0.1%
HLAVGF - Net	8.5%	13.6%	-4.4%	-1.9%	-1.5%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

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

#### 6. Currency Risk

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

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

### Disclaimer:

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



# HLA Venture Blue Chip Fund (HLAVBCF)

Jul 2017

## 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.

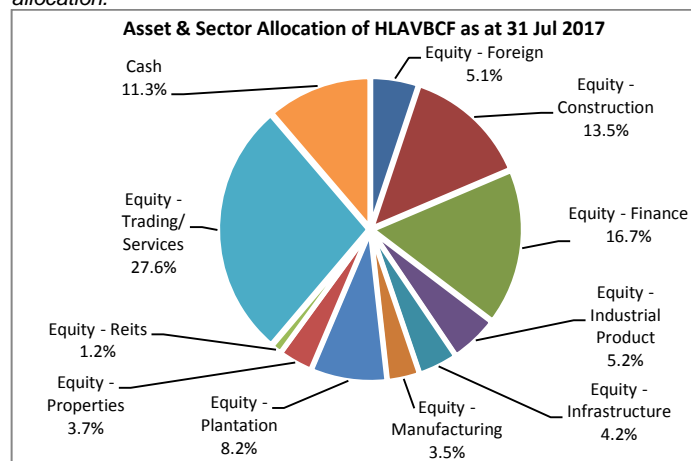
### 4. Target Market

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 (31/7/2017)	: RM2.5607
Fund Size (31/7/2017)	: RM210.2mil
Fund Management Fee (effective as at 01/05/2016)	: 1.41% 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 10 Holdings for HLAVBCF as at 31 Jul 2017		%
1.	MAYBANK	8.3
2.	TENAGA	6.9
3.	CIMB	6.8
4.	YINSON	6.2
5.	SIME	4.9
6.	INARI	3.6
7.	DIGI	2.9
8.	TENCENT	2.6
9.	GAMUDA	2.4
10.	LITRAK	2.3
Total Top 10		46.9

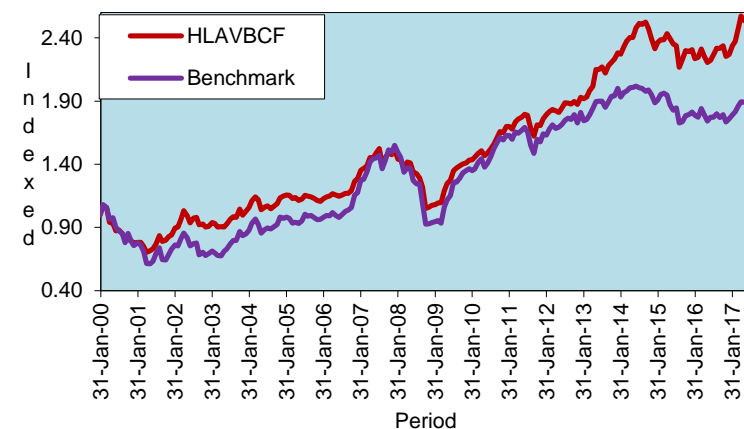
## Hong Leong Assurance Berhad (94613-X)

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVBCF	-0.02%	12.82%	12.99%	35.81%	67.95%	156.07%
Benchmark	-0.21%	7.21%	6.46%	7.87%	28.12%	88.57%
Relative	0.19%	5.61%	6.53%	27.94%	39.83%	67.50%

## Market Review, Outlook & Strategy

Regional markets remained on a steady uptrend on the back of positive economic growth globally amidst a subdued inflationary environment. The US economy grew at an annual rate of 2.6% in 2Q17, rebounding from its soft patch in 1Q17, while inflation slowed qoq. During the recent Federal Market Open Committee (FOMC) meeting, the Fed's inflation assessment sounded more dovish than expected, reiterating its intention to proceed with the balance sheet reduction "relatively soon". As a result, the probability of a rate hike has also reduced dramatically since, which is positive for equities.

Meanwhile, China's 2Q17 GDP of 6.9% also came in above expectations, prompting some speculation that there may be more financing regulations being imposed to prevent systemic financial risk.

However, Malaysia experienced a flattish month in July, with the FBM KLCI range bound within 1,755 to 1,770 points due to lack of market catalysts. The Annual Invest Malaysia conference that was held on the 25-26 July saw the government unveiling measures such as the: 1) launch of the Leading Entrepreneur Accelerator Platform (LEAP) market, 2) plans to establish an integrity and governance unit at government-linked companies (GLCs) and state- or ministry-owned businesses, 3) plans for a single regulator for the property sector, 4) greater gender diversity, corporate governance in Corporate Malaysia, and 5) next-stage development push under TN50. Despite these positive announcements, there were no immediate catalysts to the market from this conference.

For the month, the KLCI fell 0.2% or 3.6pts to close at 1,760pts. The broader market underperformed the KLCI, with the FBM Emas falling 0.4% mom to 12,552pts. The FBM Small cap index also underperformed the KLCI, falling 1% to 17,274pts. Average daily value traded on Bursa in July declined 15% mom to RM2.05bn.

As we move into August, we believe the market has entered into a more subdued period that reflects moderate macro headwinds due to: 1) RM49bn worth of government bonds expiring in 2H17 (1H17: RM29bn), 2) lower crude palm oil and crude oil prices (the latter accounting for 13.8% of the federal government's 2017 projected revenue), and 3) in the US, rising interest rates and reversal of quantitative easing through 2018. This offers us an opportunity to accumulate stocks with earnings certainty and tangible structural improvements during periods of any market weakness as we remain positive on the Malaysian equity market in the long term.

# HLA Venture Blue Chip Fund (HLAVBCF)

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

Year	2012	2013	2014	2015	2016
Benchmark	10.3%	10.5%	-5.7%	-3.9%	-3.0%
HLAVBF- Gross	11.9%	21.4%	3.2%	1.1%	-0.1%
HLAVBF - Net	9.6%	18.3%	1.5%	-0.4%	-1.6%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this Investment. The following are the 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. 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 Blue Chip Fund is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner in equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the equity, fixed income, collective investment scheme, foreign asset, derivatives and money market instruments defaults or insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

**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 Dana Putra (HLAVDP)

Jul 2017

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

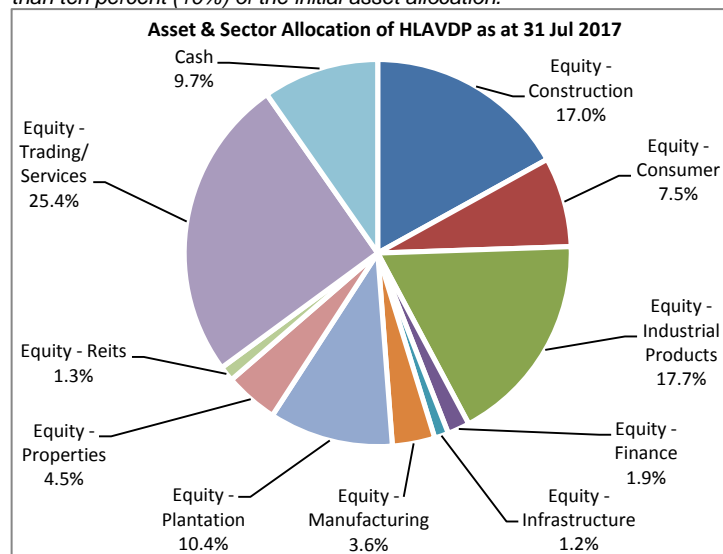
### 4. Target Market

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

## Fund Details

Unit Price (31/7/2017)	: RM2.6314
Fund Size (31/7/2017)	: RM70.4mil
Fund Management Fee (effective as at 01/09/2016)	: 1.40% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Balanced
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

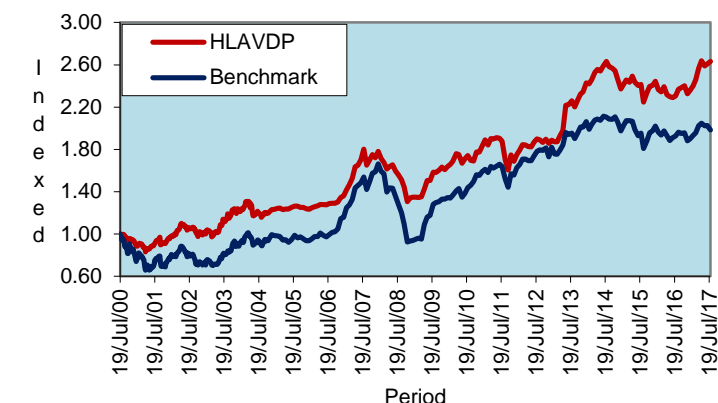
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 10 Holdings for HLAVDP as at 31 Jul 2017

	%
1. TENAGA	7.7
2. SIME	5.2
3. QL	4.3
4. KERJAYA	3.9
5. INARI	3.5
6. DIGI	3.3
7. IOICORP	3.0
8. ADVCON	3.0
9. YINSON	2.9
10. GAMUDA	2.8
<b>Total Top 10</b>	<b>39.6</b>

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVDP	0.96%	11.70%	14.15%	38.49%	46.10%	163.14%
Benchmark	-2.10%	4.48%	2.90%	11.30%	28.80%	98.22%
Relative	3.06%	7.22%	11.25%	27.20%	17.30%	64.92%

## Market Review, Outlook & Strategy

Regional markets remained on a steady uptrend on the back of positive economic growth globally amidst a subdued inflationary environment. The US economy grew at an annual rate of 2.6% in 2Q17, rebounding from its soft patch in 1Q17, while inflation slowed qoq. During the recent Federal Market Open Committee (FOMC) meeting, the Fed's inflation assessment sounded more dovish than expected, reiterating its intention to proceed with the balance sheet reduction "relatively soon". As a result, the probability of a rate hike has also reduced dramatically since, which is positive for equities.

Meanwhile, China's 2Q17 GDP of 6.9% also came in above expectations, prompting some speculation that there may be more financing regulations being imposed to prevent systemic financial risk.

However, Malaysia experienced a flattish month in July, with the FBM KLCI range bound within 1,755 to 1,770 points due to lack of market catalysts. The Annual Invest Malaysia conference that was held on the 25-26 July saw the government unveiling measures such as the: 1) launch of the Leading Entrepreneur Accelerator Platform (LEAP) market, 2) plans to establish an integrity and governance unit at government-linked companies (GLCs) and state- or ministry-owned businesses, 3) plans for a single regulator for the property sector, 4) greater gender diversity, corporate governance in Corporate Malaysia, and 5) next-stage development push under TN50. Despite these positive announcements, there were no immediate catalysts to the market from this conference.

For the month, the KLCI fell 0.2% or 3.6pts to close at 1,760pts. The broader market underperformed the KLCI, with the FBM Emas falling 0.4% mom to 12,552pts. The FBM Small cap index also underperformed the KLCI, falling 1% to 17,274pts. Average daily value traded on Bursa in July declined 15% mom to RM2.05bn.

As we move into August, we believe the market has entered into a more subdued period that reflects moderate macro headwinds due to: 1) RM49bn worth of government bonds expiring in 2H17 (1H17: RM29bn), 2) lower crude palm oil and crude oil prices (the latter accounting for 13.8% of the federal government's 2017 projected revenue), and 3) in the US, rising interest rates and reversal of quantitative easing through 2018. This offers us an opportunity to accumulate stocks with earnings certainty and tangible structural improvements during periods of any market weakness as we remain positive on the Malaysian equity market in the long term.

## HLA Venture Dana Putra (HLAVDP)

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

Year	2012	2013	2014	2015	2016
Benchmark	11.9%	13.3%	-4.2%	2.4%	-6.1%
HLAVDP- Gross	10.0%	32.6%	-1.1%	4.9%	-2.4%
HLAVDP - Net	7.8%	28.6%	-2.4%	3.1%	-3.6%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

### 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 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)

Jul 2017

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

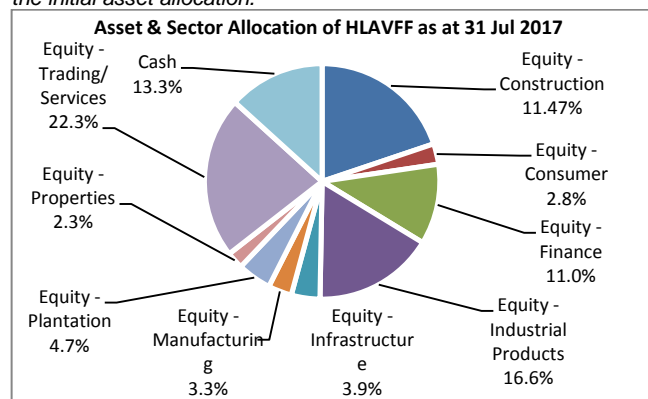
### 4. Target Market

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

## Fund Details

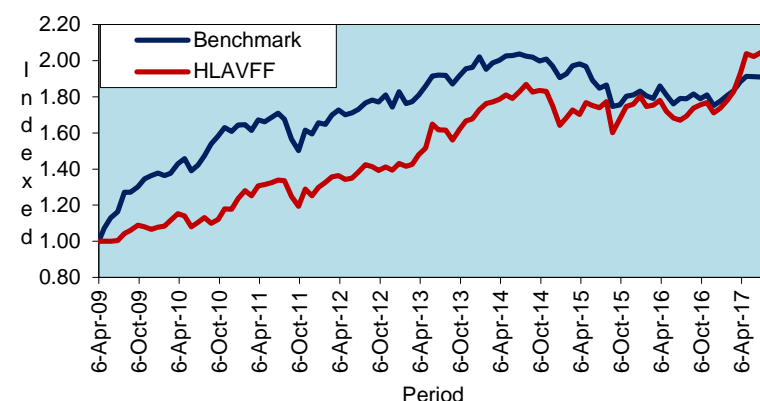
Unit Price (31/7/2017)	: RM1.0305
Fund Size (31/7/2017)	: RM40.6mil
Fund Management Fee (effective as at 01/09/2016)	: 1.45% p.a. (capped at 1.48%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 06 April 2009
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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



Top 10 Holdings for HLAVFF as at 31 Jul 2017		%
1.	MAYBANK	5.5
2.	TENAGA	5.2
3.	CIMB	4.9
4.	SUCCESS	4.3
5.	EFORCE	3.9
6.	SIME	3.8
7.	ADVCON	3.7
8.	INARI	3.2
9.	GAMUDA	3.1
10.	YINSON	3.1
Total Top 10		40.7

## Historical Performance



	1 month	YTD	1 year	3 years	5 years	Since Inception
HLAVFF	0.82%	18.60%	21.72%	10.32%	44.77%	106.10%
Benchmark	-0.21%	7.21%	6.46%	-5.95%	7.87%	90.53%
Relative	1.03%	11.39%	15.26%	16.27%	36.90%	15.57%

## Market Review, Outlook & Strategy

Regional markets remained on a steady uptrend on the back of positive economic growth globally amidst a subdued inflationary environment. The US economy grew at an annual rate of 2.6% in 2Q17, rebounding from its soft patch in 1Q17, while inflation slowed qoq. During the recent Federal Market Open Committee (FOMC) meeting, the Fed's inflation assessment sounded more dovish than expected, reiterating its intention to proceed with the balance sheet reduction "relatively soon". As a result, the probability of a rate hike has also reduced dramatically since, which is positive for equities.

Meanwhile, China's 2Q17 GDP of 6.9% also came in above expectations, prompting some speculation that there may be more financing regulations being imposed to prevent systemic financial risk.

However, Malaysia experienced a flattish month in July, with the FBM KLCI range bound within 1,755 to 1,770 points due to lack of market catalysts. The Annual Invest Malaysia conference that was held on the 25-26 July saw the government unveiling measures such as the: 1) launch of the Leading Entrepreneur Accelerator Platform (LEAP) market, 2) plans to establish an integrity and governance unit at government-linked companies (GLCs) and state- or ministry-owned businesses, 3) plans for a single regulator for the property sector, 4) greater gender diversity, corporate governance in Corporate Malaysia, and 5) next-stage development push under TN50. Despite these positive announcements, there were no immediate catalysts to the market from this conference.

For the month, the KLCI fell 0.2% or 3.6pts to close at 1,760pts. The broader market underperformed the KLCI, with the FBM Emas falling 0.4% mom to 12,552pts. The FBM Small cap index also underperformed the KLCI, falling 1% to 17,274pts. Average daily value traded on Bursa in July declined 15% mom to RM2.05bn.

As we move into August, we believe the market has entered into a more subdued period that reflects moderate macro headwinds due to; 1) RM49bn worth of government bonds expiring in 2H17 (1H17: RM29bn), 2) lower crude palm oil and crude oil prices (the latter accounting for 13.8% of the federal government's 2017 projected revenue), and 3) in the US, rising interest rates and reversal of quantitative easing through 2018. This offers us an opportunity to accumulate stocks with earnings certainty and tangible structural improvements during periods of any market weakness as we remain positive on the Malaysian equity market in the long term.

# HLA Venture Flexi Fund (HLAVFF)

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

Year	2012	2013	2014	2015	2016
Benchmark	10.3%	10.5%	-5.7%	-3.9%	-3.0%
HLAVFF- Gross	12.7%	24.1%	-3.9%	12.2%	-2.4%
HLAVFF - Net	10.2%	20.8%	-5.0%	9.8%	-3.7%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

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

#### 6. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

**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 Value Fund (HLVF)

Jul 2017

## 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.

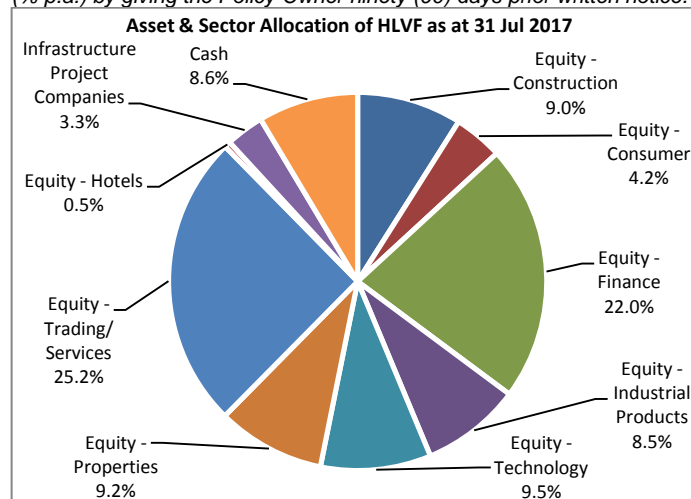
### 5. Target Market

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 (31/7/2017)	: RM 1.1422
Fund Size (31/7/2017)	: RM 45.9mil
Fund Management Fee (effective as at 01/10/2015)	: 1.45% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 October 2015
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

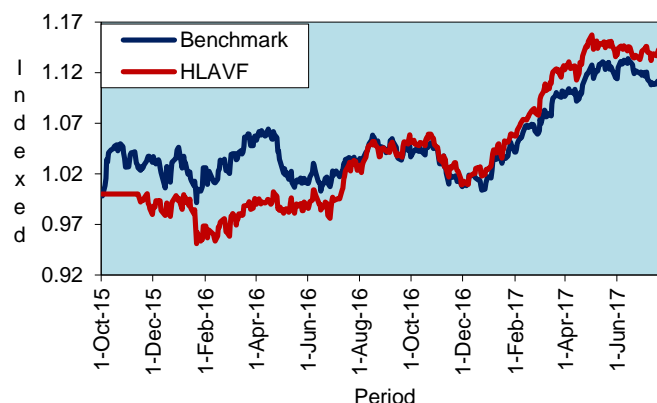
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.



## Top 10 Holdings for HLVF as at 31 Jul 2017

	%
1. PUBLIC BANK BERHAD	6.6
2. TELEKOM MALAYSIA BERHAD	4.7
3. GAMUDA BERHAD	4.6
4. GENTING BERHAD	4.6
5. BURSA MALAYSIA BERHAD	4.5
6. UNISEM (M) BERHAD	4.4
7. TENAGA NASIONAL BERHAD	3.5
8. TIME DOTCOM BERHAD	3.3
9. WILLOWGLEN MSD BHD	3.0
10. AMMB HOLDINGS BERHAD	3.0
<b>Total Top 10</b>	<b>42.2</b>

## Historical Performance



	1 month	6 months	YTD	Since Inception	1 year
HLVF	0.09%	8.02%	11.54%	14.22%	11.61%
Benchmark	-0.37%	6.91%	9.47%	11.35%	8.35%
Relative	0.46%	1.11%	2.07%	2.87%	3.26%

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 0.2% to close at 1,760 points. The broader market underperformed as the FTSE BM EMAS Index declined 0.4% to close at 12,553 points. Smaller caps underperformed as the FTSE BM Small Cap Index declined 1.0% to close at 17,275 points.

Net foreign inflows eased during the month as compared to the first half of 2017.

On the corporate front, CIMB Group Holdings Berhad's 52% owned subsidiary Touch 'n Go Sendirian Berhad has entered into a joint venture agreement with Ant Financial Services Group to develop a mobile wallet system. Prestariang Berhad signed a 15-year concession agreement with the government to implement the RM3.5 billion National Immigration Control System.

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

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

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## HLA Value Fund (HLVF)

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

Year	2015	2016
Benchmark	4.6%	-2.8%
HLVF - Gross	-0.1%	4.7%
HLVF - Net	-0.4%	2.8%

Net returns are adjusted for tax and fund management fees.

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

The fund was only launched on 1 October 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 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. Concentration Risk

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

#### 6. Country Risk

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

#### 7. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

Year	2012	2013	2014	2015	2016
Performance	8.1%	19.6%	1.1%	18.8%	3.1%

Source: Hong Leong Asset Management

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

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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



## HLA 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.

**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)

Jul 2017

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

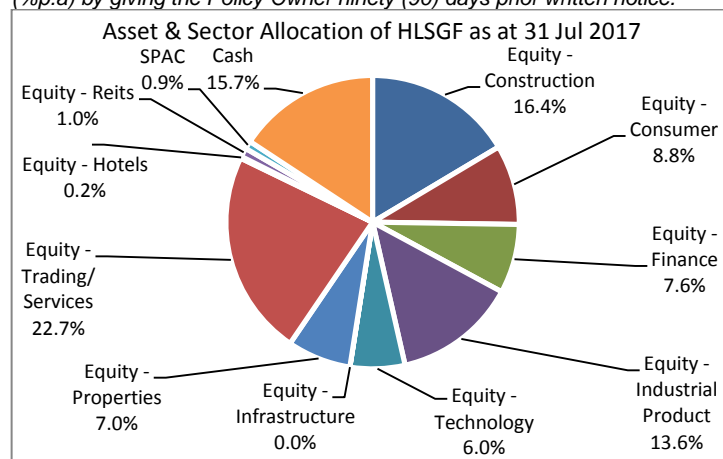
### 4. Target Market

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

## Fund Details

Unit Price (31/7/2017)	: RM1.9110
Fund Size (31/7/2017)	: RM237.3mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 Oct 2012
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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



### Top 10 Holdings for HLSGF as at 31 Jul 2017

	%
1. Sime Darby Berhad	2.8
2. Tenaga Nasional	2.6
3. Yinson Holdings	2.4
4. Gabungan AQRS	2.4
5. LBS Bina Group	2.4
6. Press Metal	2.2
7. Kerjaya Prospek	2.0
8. Globetronics	1.8
9. Inari Ametron	1.7
10. V.S Industry	1.7
<b>Total Top 10</b>	<b>22.0</b>

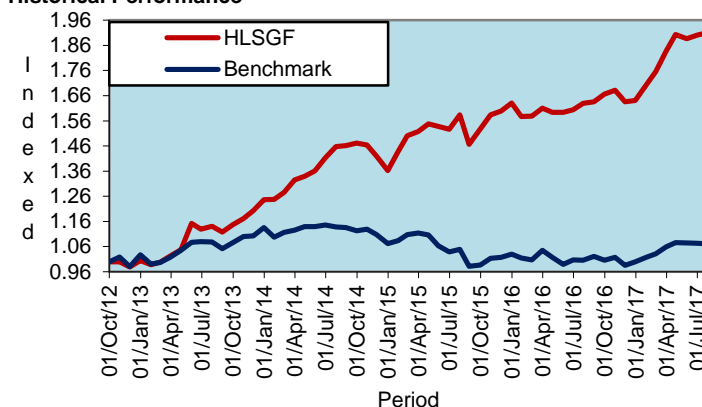
## Hong Leong Assurance Berhad (94613-X)

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## Historical Performance



	1 month	1 Year	3 Years	YTD	Since Inception
HLSGF	0.57%	17.32%	31.07%	16.50%	91.10%
Benchmark	-0.21%	6.46%	-5.95%	7.21%	7.10%
Relative	0.78%	10.86%	37.02%	9.30%	84.00%

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

The International Monetary Fund (IMF) remained confident that the global economic recovery is on a firmer footing this year on expectations of accelerating growth in the Euro-zone, Japan and China. In the July 2017 update of its World Economic Outlook (WEO), the IMF kept its global GDP forecast at 3.5% for 2017 and 3.6% for 2018 – unchanged from its April 2017 outlook. The latest Global Manufacturing PMI index edged up to 52.7 during the month, a tad higher than 52.6 in June 2017. Although the rate of output expansion eased slightly, stronger inflows of new business and rising workforce numbers suggest that the current pace of increase should be broadly sustained going forward.

Elsewhere, The Group of Twenty (G20) nations met in Hamburg for its 12th summit. Free trade, financial market regulation, and inclusive growth were the broad agenda. Representatives from China and US met in Washington in July for an inaugural US-China Comprehensive Economic Dialogue to address trade issues such as US trade deficit with China. Nonetheless, the session failed to produce agreement on bilateral trade and economic issues, resulting in an impasse.

On the local front, Malaysian economy remained on an improving path following the better-than expected growth of 5.6% YoY in the first quarter this year. In mid-July 2017, the IMF upgraded the Malaysian GDP forecast by 0.3 percentage points from its April 2017's forecast to 4.8%, which was in line with BNM's projection of 4.5% to 4.8% range. The stronger outlook for this year is based on rebounding exports and private investment, together with resilient domestic demand. In the same vein, the Asian Development Bank (ADB) also upgraded Malaysia's growth outlook to 4.7% from 4.4% on stronger GDP growth in the first quarter of the year, driven by rising exports and continued growth in the manufacturing sector.

July ended with KLCI, FBMS and FBMSC closed marginally lower (MoM) by -0.2%, -0.8% and -1.0% respectively, whilst YTD, the KLCI, FBMS and FBMSC were up by 7.2%, 5.9% and 17.4% respectively. Foreign investors continued to be net buyers of Malaysia equities in July, but at a tapered pace of MYR 0.4b. Malaysia equities continue to receive the most of foreign net buy in the region in 2017 with YTD total foreign net buy of MYR 11.2b. Commodities posted a strong performance in July with WTI and Brent crude up 9.0% and 7.5% to finish at USD 50.17 and USD 52.17, respectively.

## Market Outlook & Fund Strategy

Although the outlook for markets remains positive, there are rising risks of a short-term pullback given the strong YTD performance. These include threats from the US Federal Reserve's monetary tightening, protectionist measures from the United States and other geopolitical tensions. Hence we advocate minor tilt towards defensive stocks with stable earnings, laggards, as well as quality high yielders. Historically, the summer period is also a lull period for the emerging markets, and thus we also look to progressively trim stocks that have rallied without commensurate earnings and fundamental improvement.

We continue to favour companies driven by selective themes such as beneficiaries of rising foreign direct investment, GLC reform/restructuring plays, infrastructure, and tourism.

# Hong Leong Smart Growth Fund (HLSGF)

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

Year	2012	2013	2014	2015	2016
Benchmark	2.8%	10.5%	-5.7%	-3.9%	-3.0%
HLSGF- Gross	3.3%	27.8%	11.8%	23.1%	2.3%
HLSGF - Net	1.6%	24.1%	9.3%	19.8%	0.6%

Net returns are adjusted for tax and fund management fees.

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

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

## Investment Risks

All investments carry risks. Policy Owners must be prepared to accept certain degree of risk associated with this investment. The following are the 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. Country Risk

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

### 6. Currency Risk

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

### 7. Concentration Risk

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

## Risk Management

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

## Basis of Unit Valuation

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

## Exceptional Circumstances

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

## Target Fund Details

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

Year	2012	2013	2014	2015	2016
Performance	14.1%	26.4%	9.3%	20.9%	-0.1%

## Hong Leong Smart Growth Fund (HLSGF)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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

### Disclaimer:

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



# HLA Venture Global Fund (HLAVGLF)

Jul 2017

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

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

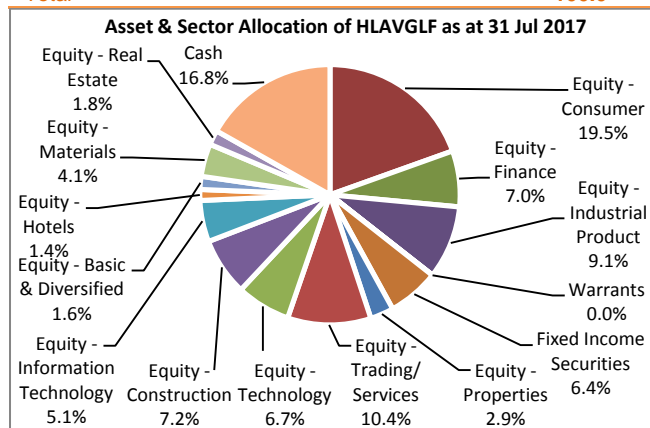
### Fund Details

<b>Unit Price (31/7/2017)</b>	:RM1.3359
<b>Fund Size (31/7/2017)</b>	:RM28.6mil
<b>Fund Management Fee</b>	:1.29% p.a.
<b>Fund Manager</b>	:Hong Leong Assurance Berhad
<b>Fund Category</b>	:Equity
<b>Fund Inception</b>	: 02 April 2007
<b>Benchmark</b>	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
<b>Frequency of Unit Valuation</b>	:Daily

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

### Asset Allocation for HLAVGLF as at 31 Jul 2017

	%
Hong Leong Asia-Pacific Dividend Fund	55.3
Hong Leong Strategic Fund	43.5
Cash	1.2
<b>Total</b>	<b>100.0</b>



### Top 10 Holdings for HLAVGLF as at 31 Jul 2017

	%
1. GII Murabahah	4.8
2. China Life Insurance Co - H	2.8
3. IGG Inc	2.6
4. BYD Electronic International Co Ltd	2.6
5. Great Wall Motor Company Limited	2.5
6. China Yongda Automobiles Services	2.5
7. Jacobson Pharma Corp Ltd	2.3
8. Lee & Man Paper Manufacturing	2.3
9. Oceancash Pacific	2.1
10. IQ Group Holding	2.0
<b>Total Top 10</b>	<b>26.5</b>

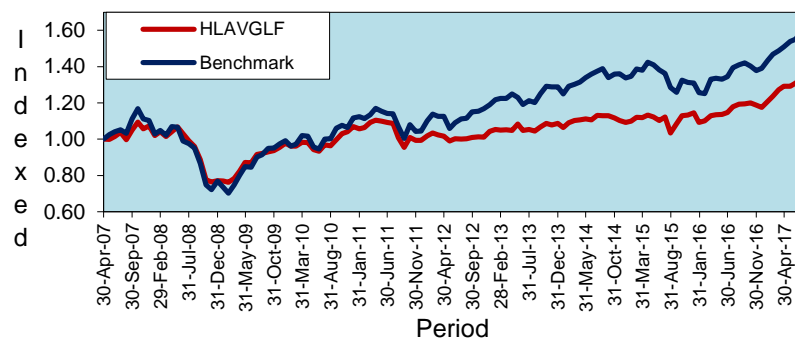
## Hong Leong Assurance Berhad (94613-X)

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVGLF	1.96%	13.67%	13.34%	33.51%	28.76%	33.59%
Benchmark	2.82%	14.71%	14.50%	43.43%	51.72%	59.53%
Relative	-0.86%	-1.04%	-1.16%	-9.92%	-22.95%	-25.94%

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

### Equity Review

**Global-US** equity markets continued with its bull run as investors have largely swept aside the escalating political drama while focusing on the improving economic outlook in the US. Euro market also trended upwards as more investors are starting to acknowledge the strength of the Eurozone economy. The Dow Jones Industrial Average Index rose 2.5% and the broader S&P 500 Index rose 1.9%. The Euro Stoxx Index rose 0.2% while the FTSE 100 Index rose 0.8%.

**Asia Pac-** Regional markets posted another strong performance during the month as the MSCI AC Asia Pacific Ex- Japan Index rose. Hong Kong and India posted the largest gains during the month while Japan and Malaysia were the laggards. The Australian Dollar, Korean Won and Thai Baht were the best performing currencies in the region. The Australian Dollar strength was supported by robust manufacturing data from China. Commodities also posted a strong performance during the month with the WTI crude up 9% during the month.

### Equity Outlook & Strategy

**Malaysia-**The local market was trading within a narrow range during the month due to lack of catalyst. The FTSE BM KLCI declined 0.2% to close at 1,760 points. The broader market underperformed as the FTSE BM EMAS Index declined 0.4% to close at 12,553 points. Small caps underperformed as the FTSE BM Small Cap Index declined 1.0% to close at 12,725 points.

**Global-US** economic growth picked up in the second quarter, backed by improving consumer spending. Growth outlook appears solid as corporate earnings growth remains strong. In Europe, above-trend economic expansion appears sustainable and corporate earnings outlook is positive.

**Asia Pac-** China's recent economic data beat expectations as second quarter 2017 gross domestic product (GDP) grew 6.9% year-on-year. Retail sales were strong and infrastructure investment increased, suggesting that China's growth momentum remains solid. For our investment portfolios, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

**Malaysia-**Historically, August has been the worst performing month for the FTSE BM KLCI. We view any stock market correction as an opportunity to add to our investment positions ahead of a potential rebound in the fourth quarter. We maintain our preference for blue-chip stocks that are trading at attractive levels, selected construction and consumer stocks that may benefit from government pump-priming.

### Fixed Income Review and Outlook

Despite firmer domestic data, local government and corporate bonds traded range bound and remained thin as investors were cautious ahead of the Federal Open Market Committee's (FOMC) meeting at month end. There were three government bond tenders during the month, 7 and 10-year Malaysian Government Securities (MGS) and a 30-year Government Investment Issue (GII). All three tenders remained supported with decent covers. In the primary corporate bond market, Cagamas Berhad issued RM1 billion of bonds while the remainder of the primary issuances was led by SPR Energy (M) Sendirian Berhad and BEWG (M) Sendirian Berhad, the inaugural ringgit denominated sukuk issued by a Chinese conglomerate for a water infrastructure project.

The Federal Reserve (Fed) has signaled the reduction of its balance sheet will start relatively soon, of which most market participants anticipated as soon as September. The central bank remains on course meet its target of one more hike at the end of the year. In the local government bonds market, we anticipate near term weakness on poorer sentiment due to impending details on balance sheet reduction by the Fed. Local inflation continues to moderate to 3.6% in June compared with a 3.9% in May, largely contributed by transportation costs. We reaffirm our view that Bank Negara Malaysia (BNM) will maintain its policy rate for the rest of the year. We look to be opportunistic in the sovereign bond market by adding to position on any dips.

# HLA Venture Global Fund (HLAVGLF)

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

Year	2012	2013	2014	2015	2016
Benchmark	14.0%	8.3%	3.9%	-2.2%	6.2%
HLAVGLF- Gross	6.8%	6.0%	1.9%	6.7%	4.2%
HLAVGLF - Net	5.0%	4.2%	0.5%	4.9%	2.6%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

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

#### 6. Currency Risk

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

#### 7. Concentration Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

## HLA Venture Global Fund (HLAVGLF)

### Target Fund Details

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

Year	2012	2013	2014	2015	2016
Performance	15.2%	-4.8%	-1.0%	6.5%	1.8%

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

Year	2012	2013	2014	2015	2016
Performance	4.9%	14.5%	-0.7%	4.3%	4.8%

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.

**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 Managed Fund (HLAVMF)

**Jul 2017**

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

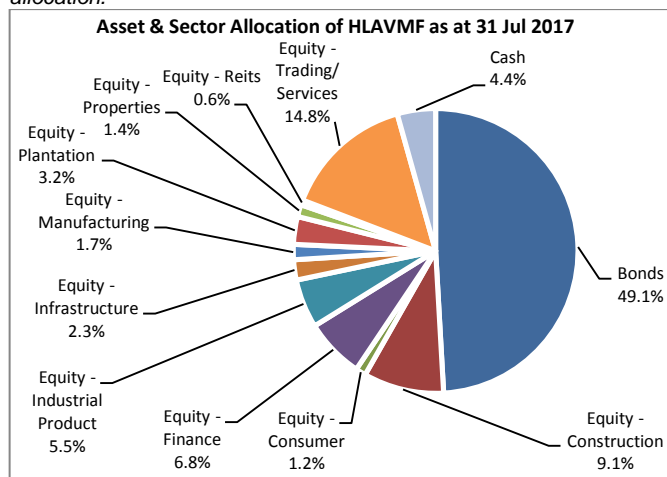
### 4. Target Market

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

## Fund Details

<b>Unit Price (31/7/2017)</b>	:RM2.1223
<b>Fund Size (31/7/2017)</b>	:RM212.7mil
<b>Fund Management Fee (effective as at 01/09/2015)</b>	: 1.17% p.a. (capped at 1.25%)
<b>Fund Manager</b>	:Hong Leong Assurance Berhad
<b>Fund Category</b>	:Managed
<b>Fund Inception</b>	:07 April 2004
<b>Benchmark</b>	:50% FTSE Bursa Malaysia KLCI Index (FBM KLCI)&50% 12-month Fixed Deposit Interest Rates
<b>Frequency of Unit Valuation</b>	:Daily

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



## Top 10 Holdings for HLAVMF as at 31 Jul 2017

		%
1. TENAGA	EQ	5.3
2. MAYBANK	EQ	4.1
3. MALAYAN BANKING BERHAD 2 6.30% 25/9/2018	FI	3.6
4. ALLIANCE BANK MALAYSIA BHD 5.65% 18/12/2020	FI	3.4
5. MALAYSIA AIRPORTS HOLDINGS 5.75% 13/12/2024	FI	3.4
6. MSIAN GOVERNMENT SECURITIES 3 4.06% 30/9/2024	FI	2.8
7. RHB BANK BERHAD 4.4% 30/11/2017	FI	2.8
8. CIMB	EQ	2.5
9. CIMB GROUP HOLDING 2 5.80% 25/5/2021	FI	2.4
10. BGSM MANAGEMENT S/B 5.25% 24/12/2020	FI	2.4
<b>Total Top 10</b>		<b>32.7</b>

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

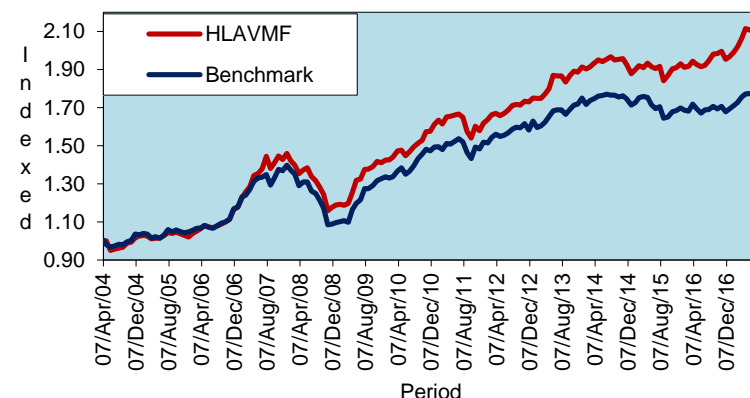
Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

FI : Fixed Income  
EQ : Equities

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVMF	0.04%	7.88%	9.09%	24.02%	46.99%	112.23%
Benchmark	0.00%	4.77%	4.97%	11.70%	31.55%	76.52%
Relative	0.04%	3.10%	4.13%	12.32%	15.45%	35.71%

## Market Review, Outlook & Strategy - Equities Market

Regional markets remained on a steady uptrend on the back of positive economic growth globally amidst a subdued inflationary environment. The US economy grew at an annual rate of 2.6% in 2Q17, rebounding from its soft patch in 1Q17, while inflation slowed qoq. During the recent Federal Market Open Committee (FOMC) meeting, the Fed's inflation assessment sounded more dovish than expected, reiterating its intention to proceed with the balance sheet reduction "relatively soon". As a result, the probability of a rate hike has also reduced dramatically since, which is positive for equities.

Meanwhile, China's 2Q17 GDP of 6.9% also came in above expectations, prompting some speculation that there may be more financing regulations being imposed to prevent systemic financial risk.

However, Malaysia experienced a flattish month in July, with the FBM KLCI range bound within 1,755 to 1,770 points due to lack of market catalysts. The Annual Invest Malaysia conference that was held on the 25-26 July saw the government unveiling measures such as the: 1) launch of the Leading Entrepreneur Accelerator Platform (LEAP) market, 2) plans to establish an integrity and governance unit at government-linked companies (GLCs) and state-owned businesses, 3) plans for a single regulator for the property sector, 4) greater gender diversity, corporate governance in Corporate Malaysia, and 5) next-stage development push under TN50. Despite these positive announcements, there were no immediate catalysts to the market from this conference.

For the month, the KLCI fell 0.2% or 3.6pts to close at 1,760pts. The broader market underperformed the KLCI, with the FBM Emas falling 0.4% mom to 12,552pts. The FBM Small cap index also underperformed the KLCI, falling 1% to 17,274pts. Average daily value traded on Bursa in July declined 15% mom to RM2.05bn.

As we move into August, we believe the market has entered into a more subdued period that reflects moderate macro headwinds due to; 1) RM49bn worth of government bonds expiring in 2H17 (1H17: RM29bn), 2) lower crude palm oil and crude oil prices (the latter accounting for 13.8% of the federal government's 2017 projected revenue), and 3) in the US, rising interest rates and reversal of quantitative easing through 2018. This offers us an opportunity to accumulate stocks with earnings certainty and tangible structural improvements during periods of any market weakness as we remain positive on the Malaysian equity market in the long term.

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

The yield movement of the Malaysian Government bonds was generally volatile in the month of July, tracking the movement of US Treasuries which was very much dependent on US data and of FOMC key policy rate expectations. Towards month end, MGS yields crept up amidst thin liquidity since market players preferred to stay sidelined awaiting clarity from the Fed's monetary policy statement. Though the Fed kept policy rate unchanged at 1.00%-1.25%, it hinted on the timing of its tapering plans which may influence an upward bias for bond yields. With this, the 5 years and 10 years MGS closed at 3.69% and 3.9994% respectively, 6+bps higher than the previous month.

In the corporate bonds space, liquidity remained thin on the secondary market. However, there were notable primary issuances in the market, namely SPR Energy, Tadau, BEWG, Public Islamic Bank and Tenaga. During the month, we participated in some primary issues and also cherry picked some secondary private debt securities. As there will be some upcoming government guaranteed (GG) bond issuances in the pipeline, we will continue to focus on long duration GG but on a dollar cost averaging strategy.



# HLA Venture Managed Fund (HLAVMF)

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

Year	2012	2013	2014	2015	2016
Benchmark	7.0%	7.3%	-2.6%	-1.3%	-0.8%
HLAVMF - Gross	10.3%	11.4%	-0.7%	4.3%	3.4%
HLAVMF - Net	8.3%	9.3%	-1.9%	2.7%	2.0%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

Jul 2017

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

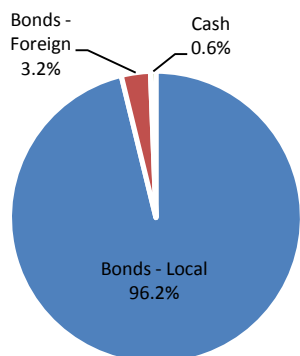
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (31/7/2017)	:RM2.2018
Fund Size (31/7/2017)	:RM126.6mil
Fund Management Fee	: 0.50% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Bond
Fund Inception	:19 Jan 2000
Benchmark	:3-month Fixed Deposit Interest Rates
Frequency of Unit Valuation	:Daily

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

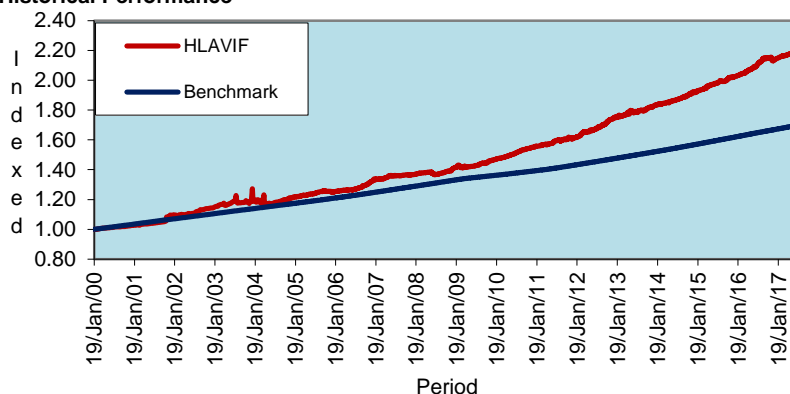
Asset Allocation of HLAVIF as at 31 Jul 2017



## Top 10 Holdings for HLAVIF as at 31 Jul 2017

	%
1. MALAYAN BANKING BERHAD 2 6.30% 25/09/2018	7.3
2. ALLIANCE BANK MALAYSIA BHD 5.65% 18/12/2020	6.5
3. UEM SUNRISE BHD 4.60% 13/12/2018	5.2
4. CIMB GROUP HOLDING 2 5.80% 25/5/2021	4.1
5. BGSM MANAGEMENT S/B 5.25% 24/12/2020	4.1
6. BERJAYA LAND BHD 4.85% 16/12/2019	4.0
7. LEMBAGA PEMBIAYAAN PERUM 1 4.94% 16/04/2032	4.0
8. GAMUDA BERHAD 2 4.62% 23/4/2021	4.0
9. HONG LEONG BANK 2 4.80% 24/06/2019	4.0
10. RHB BANK BERHAD 3 4.40% 30/11/2017	4.0
<b>Total Top 10</b>	<b>47.2</b>

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVIF	0.32%	2.69%	4.05%	30.55%	61.96%	120.18%
Benchmark	0.25%	1.76%	3.05%	16.73%	33.80%	70.07%
Relative	0.06%	0.93%	1.00%	13.83%	28.16%	50.11%

## Market Review

The yield movement of the Malaysian Government bonds was generally volatile in the month of July, tracking the movement of US Treasuries which was very much dependent on US data and of FOMC key policy rate expectations. Towards month end, MGS yields crept up amidst thin liquidity since market players preferred to stay sidelined awaiting clarity from the Fed's monetary policy statement. Though the Fed kept policy rate unchanged at 1.00%-1.25%, it hinted on the timing of its tapering plans which may influence an upward bias for bond yields. With this, the 5 years and 10 years MGS closed at 3.69% and 3.9994% respectively, 6+bps higher than the previous month.

In the corporate bonds space, liquidity remained thin on the secondary market. However, there were notable primary issuances in the market, namely SPR Energy, Tadau, BEWG, Public Islamic Bank and Tenaga. During the month, we participated in some primary issues and also cherry picked some secondary private debt securities.

## Market Outlook & Strategy

As there will be some upcoming government guaranteed (GG) bond issuances in the pipeline, we will continue to focus on long duration GG but on a dollar cost averaging strategy.

# HLA Venture Income Fund (HLAVIF)

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

Year	2012	2013	2014	2015	2016
Benchmark	3.1%	3.1%	3.2%	3.2%	3.1%
HLAVIF- Gross	10.0%	5.4%	5.8%	6.5%	6.9%
HLAVIF - Net	8.7%	4.5%	4.8%	5.5%	5.8%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

**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

Jul 2017

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

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

### 3. Asset Allocation

The fund will invest in a FRNID.

### 4. Target Market

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

## Fund Details

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

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

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

## Other Details

Fund Name	Unit Price (25/7/2017)	Fund Size (25/7/2017)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM0.9678	RM26.41 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM0.9236	RM7.09 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM0.8834	RM6.96 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.8694	RM24.52 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8667	RM356.93 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 0.67% 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 Emerging Market Equities where positive weightings were held and the depreciation of Currency where negative weightings were held by the Effective Max InvestSave Weightings.

July 2017 saw American equities continue their seemingly unstoppable rise as all the major benchmark stock indices (S&P 500, Dow Jones, Nasdaq) closed at record highs on multiple occasions during the month. The indices were buoyed by solid earnings reports from their constituent shares. American equity valuations are now at their highest levels in years, thus prompting concerns from investors about the stocks being overvalued. As a result, there have been significant outflows from ETFs that track the S&P 500 and Nasdaq indices. On the other hand, the European Union has been a beneficiary of these outflows as more investors pile money into European stocks. Their enthusiasm is fueled by more attractive valuations as well as an economic revival that is becoming firmer. EU GDP in Q2 increased by 0.6%, higher than the Q1 expansion of 0.5%.

Data showed that industrial output in Japan expanded in June while the Yen improved to its strongest level in 6 weeks. While inflation was low at 0.4%, unemployment dropped to an impressive 2.8%. China maintained efforts towards deleveraging while also implementing plans to reduce foreign holdings of Chinese companies. Oil prices ended the month with a rally approaching USD50/barrel thanks to a pledge by Saudi Arabia to further cut oil production. OPEC members are slated to have a meeting in August to enforce compliance among members to adhere to the pact to limit output.

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

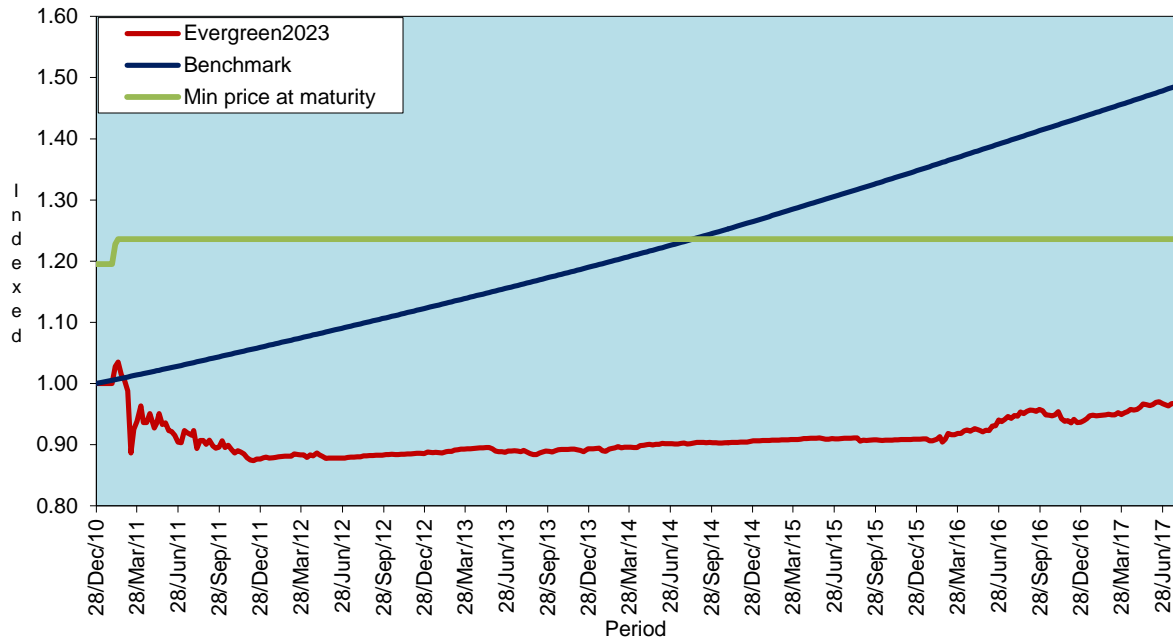
Fund	HLA EverGreen 2023	HLA EverGreen 2025	HLA EverGreen 2028	HLA EverGreen 2030	HLA EverGreen 2035
Avg Exposure of Maximum Assurance FRNID to Max InvestSave PSSIA-i 30Y	0.00%	0.00%	0.09%	0.00%	31.72%
Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index	103.53%				
Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in Jul2017	0.00%	0.00%	0.09%	0.00%	32.84%



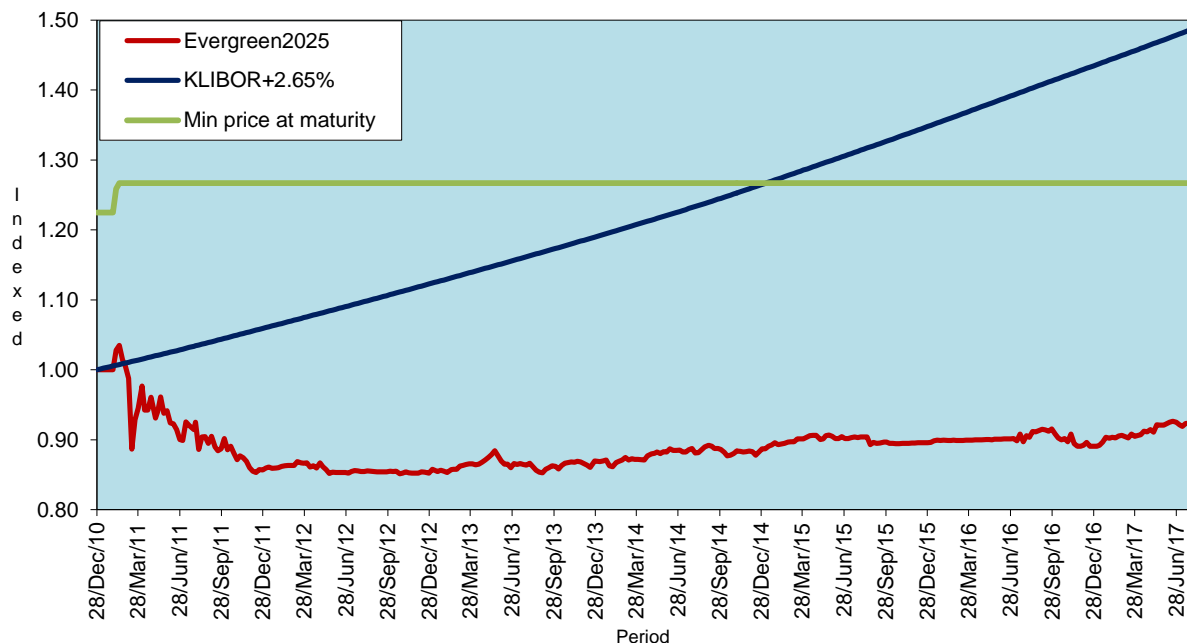
## HLA EverGreen Funds

### Historical Performance

HLA EverGreen 2023 Fund						
As of 25/7/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2023	0.05%	3.33%	-3.22%	2.63%	7.18%	9.95%
KLIBOR+2.65% p.a.	0.45%	3.51%	48.51%	6.23%	20.54%	35.46%
Performance vs Benchmark	-0.40%	-0.18%	-51.73%	-3.60%	-13.36%	-25.51%

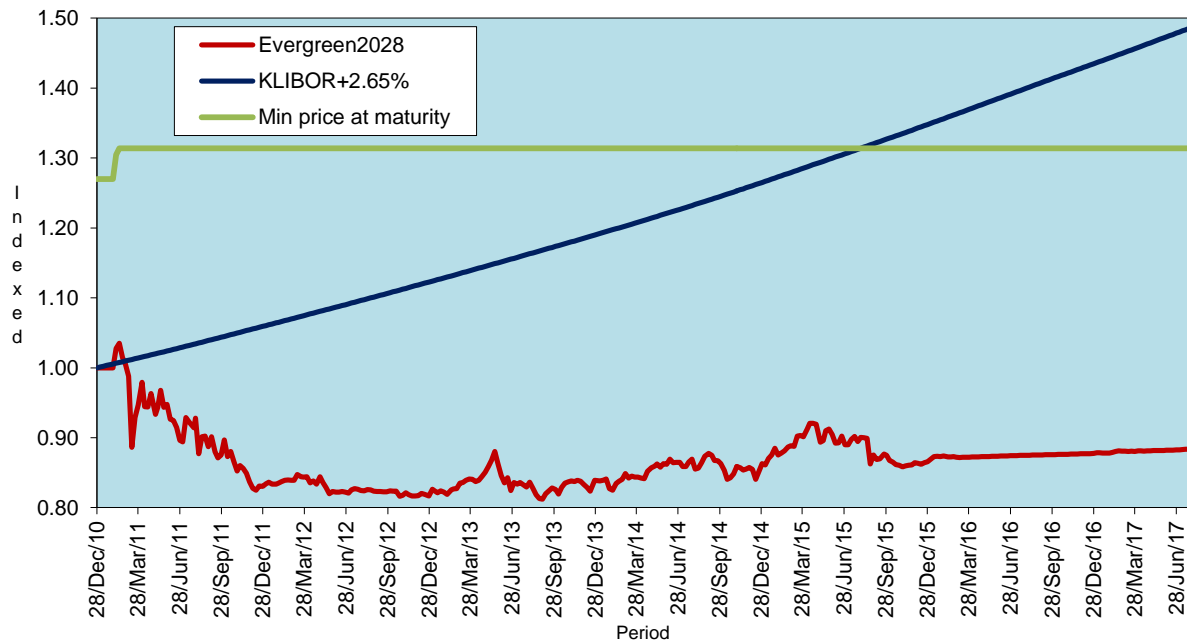


HLA EverGreen 2025 Fund						
As of 25/7/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2025	-0.16%	3.69%	-7.64%	2.95%	4.07%	8.06%
KLIBOR+2.65% p.a.	0.45%	3.51%	48.51%	6.23%	20.54%	35.46%
Performance vs Benchmark	-0.61%	0.18%	-56.15%	-3.28%	-16.47%	-27.40%

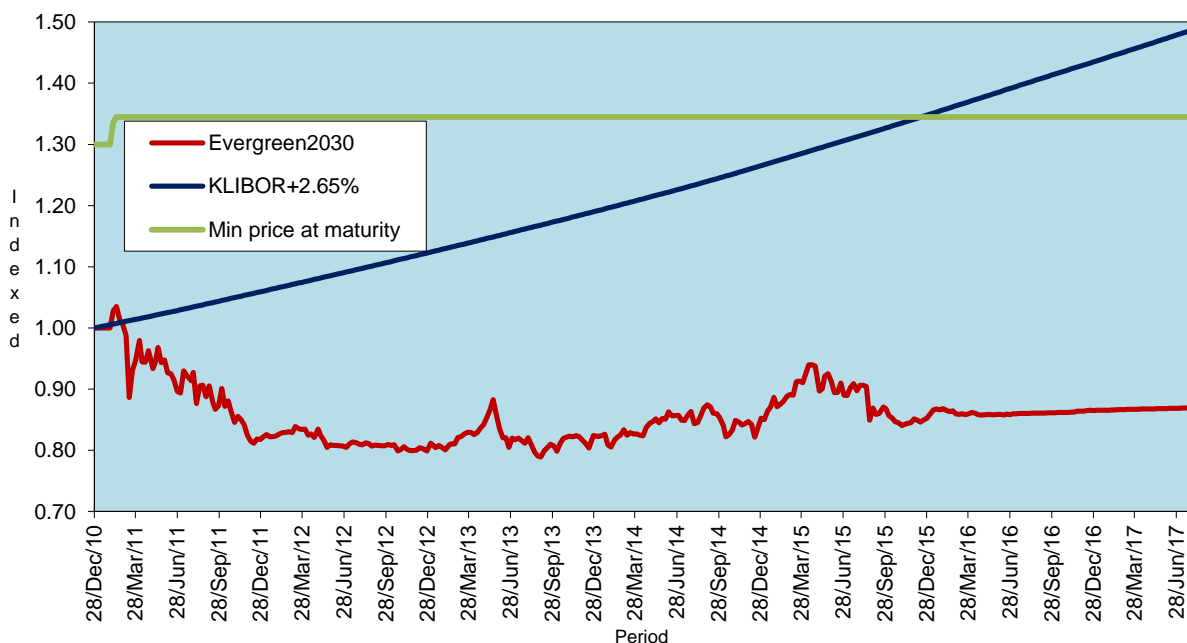


## HLA EverGreen Funds

HLA EverGreen 2028 Fund						
As of 25/7/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2028	0.11%	0.68%	-11.66%	0.99%	1.62%	7.12%
KLIBOR+2.65% p.a.	0.45%	3.51%	48.51%	6.23%	20.54%	35.46%
Performance vs Benchmark	-0.34%	-2.83%	-60.17%	-5.23%	-18.91%	-28.35%

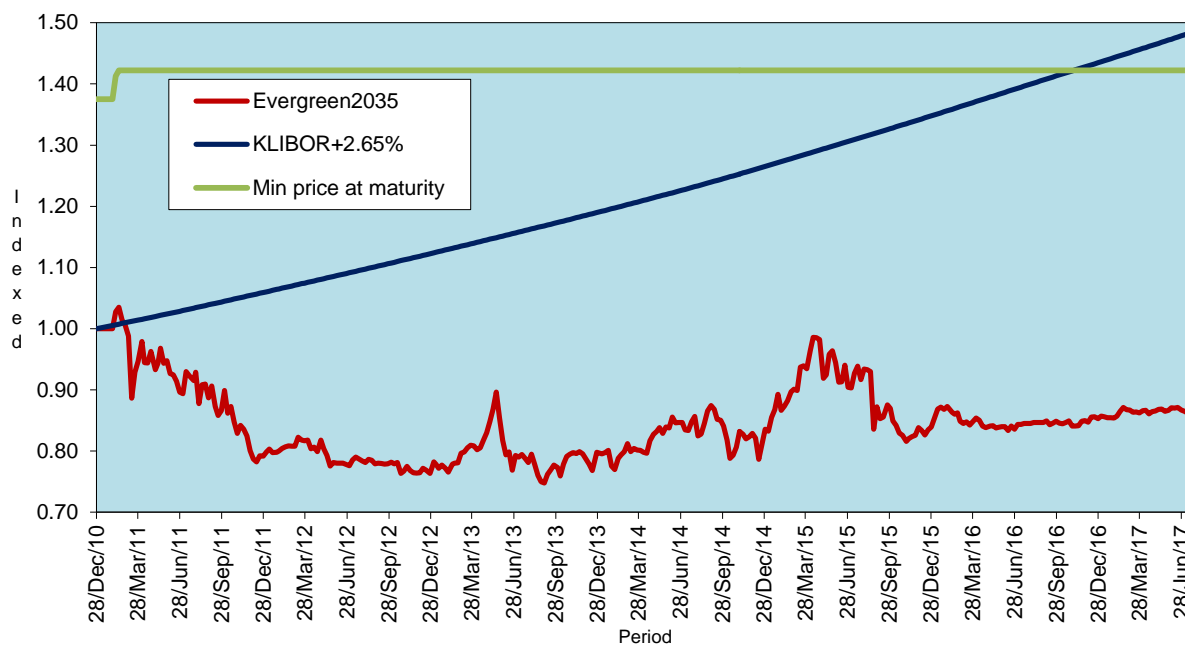


HLA EverGreen 2030 Fund						
As of 25/7/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2030	0.08%	0.52%	-13.06%	1.07%	0.71%	7.31%
KLIBOR+2.65% p.a.	0.45%	3.51%	48.51%	6.23%	20.54%	35.46%
Performance vs Benchmark	-0.37%	-2.99%	-61.57%	-5.16%	-19.83%	-28.16%



## HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 25/7/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2035	-0.03%	1.59%	-13.33%	2.57%	1.19%	10.59%
KLIBOR+2.65% p.a.	0.45%	3.51%	48.51%	6.23%	20.54%	35.46%
Performance vs Benchmark	-0.48%	-1.92%	-61.84%	-3.66%	-19.35%	-24.87%



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

Year	2012	2013	2014	2015	2016
Benchmark	6.1%	6.0%	6.3%	6.5%	6.5%
HLA EVERGREEN 2023 – Gross	2.5%	2.4%	3.0%	1.7%	4.7%
HLA EVERGREEN 2023 – Net	1.0%	0.9%	1.4%	0.3%	3.0%
HLA EVERGREEN 2025 – Gross	0.9%	3.6%	3.6%	2.5%	0.8%
HLA EVERGREEN 2025 – Net	-0.5%	2.0%	2.0%	1.0%	-0.6%
HLA EVERGREEN 2028 – Gross	-0.3%	4.5%	4.5%	1.7%	2.9%
HLA EVERGREEN 2028 – Net	-1.6%	2.8%	2.8%	0.3%	1.4%
HLA EVERGREEN 2030 – Gross	-1.0%	4.8%	5.1%	1.4%	3.0%
HLA EVERGREEN 2030 – Net	-2.3%	3.1%	3.4%	0.0%	1.5%
HLA EVERGREEN 2035 – Gross	-2.2%	6.4%	6.5%	1.9%	3.2%
HLA EVERGREEN 2035 – Net	-3.5%	4.6%	4.7%	0.4%	1.6%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

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

## HLA EverGreen Funds

### 6. Deleverage Risk

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

### 7. Currency Risk

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

### 8. Performance Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

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

#### Month on month historical performance\*

Year	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD^	RTD
2011	-	1.69%	-6.28%	2.21%	-1.23%	-4.08%	2.04%	-3.97%	-1.16%	-3.57%	3.57%	-1.34%	-18.00%	-
2012	2.41%	1.07%	1.07%	-0.41%	-4.17%	-1.18%	2.35%	-0.49%	-0.66%	-1.88%	0.66%	-0.58%	-1.98%	-
2013	0.85%	3.31%	3.47%	3.25%	0.11%	-4.18%	-2.19%	-4.28%	4.44%	3.75%	0.54%	0.55%	9.50%	-
2014	-3.65%	5.03%	-1.05%	4.21%	1.61%	-0.38%	0.72%	3.50%	-2.35%	-0.76%	0.42%	2.21%	9.51%	-
2015	4.74%	3.12%	3.50%	0.48%	1.51%	-4.21%	2.83%	-5.19%	0.63%	-5.27%	1.28%	1.54%	4.39%	-
2016	1.82%	0.60%	-1.24%	-1.96%	0.34%	0.93%	0.78%	0.66%	-0.16%	-1.10%	1.39%	0.81%	2.84%	-
2017	0.64%	3.87%	-0.52%	-0.22%	0.89%	-1.58%	0.67%						3.71%	7.33%

\*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-Jun-17 Closing Px	31-Jul-17 Closing Px	Performance (30 Jun 17 - 31 Jul 17)*	Effective Max InvestSave Weights** (29 Jun 17)
American Equity	4,678.36	4,774.56	2.06%	25.88%
Japanese Equity	2,324.06	2,333.91	0.42%	25.88%
European Equity	6,891.06	6,911.10	0.29%	25.88%
UK Equity	6,096.92	6,149.33	0.86%	25.88%
Emerging Market Equity	3,404.81	3,715.34	9.12%	10.35%
China Equity	10,365.22	10,827.84	4.46%	10.35%
Commodity Index	682.98	714.20	4.57%	-17.13%
European Real Estate	5,509.37	5,484.52	-0.45%	19.38%
American Real Estate	79.77	80.66	1.12%	0.00%
Hedge Fund Strategies	206.55	211.09	2.20%	-5.18%
Currency	0.88	0.84	-3.51%	-25.88%

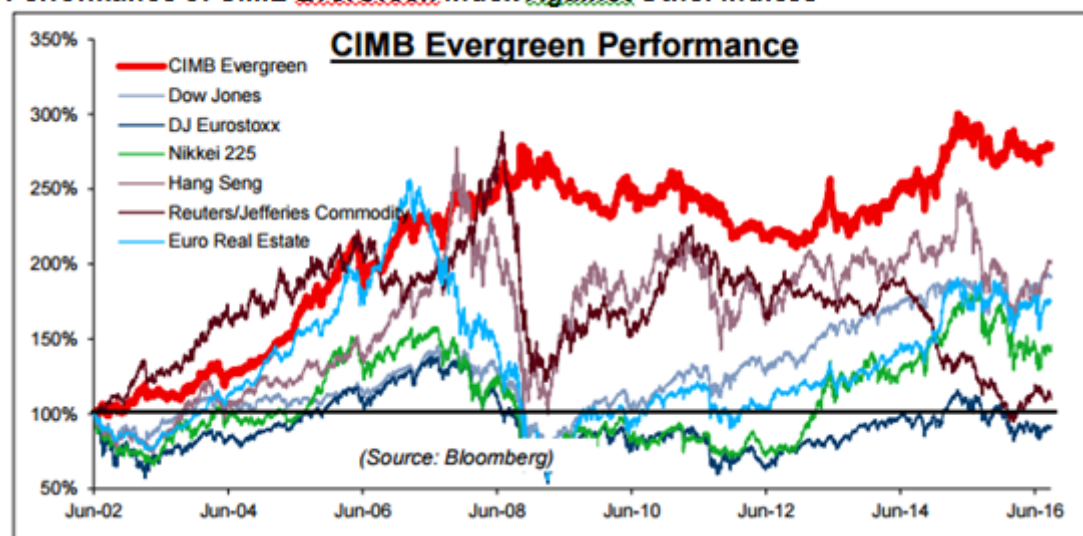
\* Month on month historical performance is calculated from previous Month End Date to current Month End Date

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

## HLA EverGreen Funds

Performance of CIMB EverGreen Index Against Other Indices

### 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)

Jul 2017

## 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.

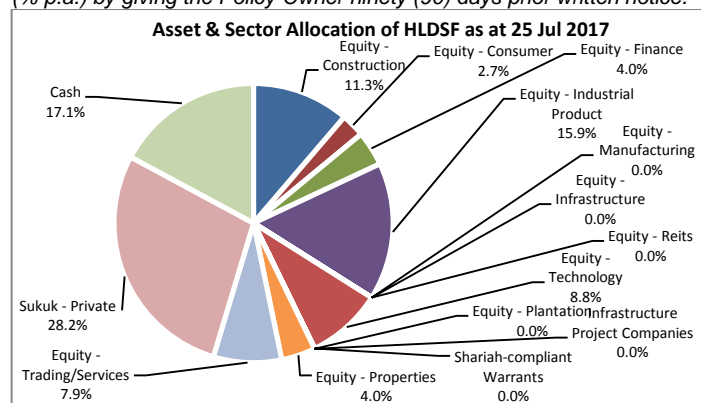
### 4. Target Market

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 (25/7/2017)	:RM1.1645
Fund Size (25/7/2017)	:RM7.14mil
Fund Management Fee	:1.30% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:24 Sept 2013
Benchmark	:(70% x FTSE Bursa Malaysia Emas Shariah Index) + (30% x 3-month Klibor)
Frequency of Unit Valuation	:Weekly

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



## Top 10 Holdings for HLADS as at 25 Jul 2017

Rank	Company Name	Asset Class	Percentage
1.	LEMBAGA PEMBIAYAAN PERUMAHAN SEKTOR AWAM	Sukuk	5.1
2.	TENAGA NASIONAL BERHAD	Equity	4.2
3.	SIME	Equity	2.8
4.	KESAS SDN BHD IMTN 2020	Sukuk	2.7
5.	SEPANGAR BAY POWER CORP 2022	Sukuk	2.6
6.	SARAWAK HIDRO SDN BHD	Sukuk	2.6
7.	QL	Equity	2.2
8.	KERJAYA	Equity	2.1
9.	INARI	Equity	1.8
10.	DIGI	Equity	1.7
<b>Total Top 10</b>			<b>27.8</b>

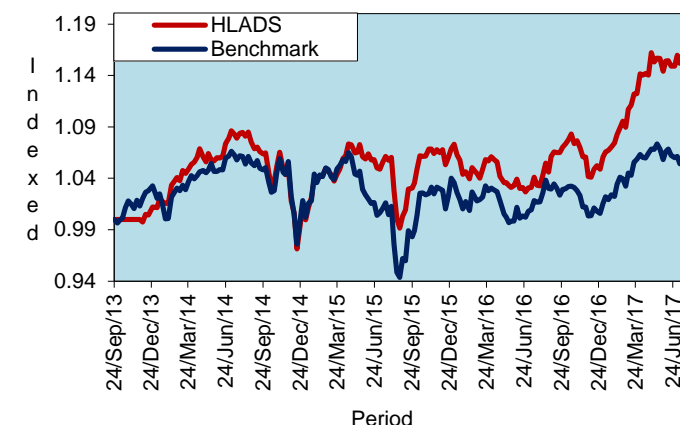
## Hong Leong Assurance Berhad (94613-X)

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## Historical Performance



	1 month	1 Year	3 Years	YTD	Since Inception
HLADS	1.34%	12.69%	7.46%	11.03%	16.45%
Benchmark	-0.48%	3.74%	-0.68%	4.87%	5.49%
Relative	1.82%	8.95%	8.13%	6.16%	10.96%

## Market Review, Outlook & Strategy

Regional markets remained on a steady uptrend on the back of positive economic growth globally amidst a subdued inflationary environment. The US economy grew at an annual rate of 2.6% in 2Q17, rebounding from its soft patch in 1Q17, while inflation slowed qoq. During the recent Federal Market Open Committee (FOMC) meeting, the Fed's inflation assessment sounded more dovish than expected, reiterating its intention to proceed with the balance sheet reduction "relatively soon". As a result, the probability of a rate hike has also reduced dramatically since, which is positive for equities.

Meanwhile, China's 2Q17 GDP of 6.9% also came in above expectations, prompting some speculation that there may be more financing regulations being imposed to prevent systemic financial risk.

However, Malaysia experienced a flatish month in July, with the FBM KLCI range bound within 1,755 to 1,770 points due to lack of market catalysts. The Annual Invest Malaysia conference that was held on the 25-26 July saw the government unveiling measures such as the: 1) launch of the Leading Entrepreneur Accelerator Platform (LEAP) market, 2) plans to establish an integrity and governance unit at government-linked companies (GLCs) and state- or ministry-owned businesses, 3) plans for a single regulator for the property sector, 4) greater gender diversity, corporate governance in Corporate Malaysia, and 5) next-stage development push under TN50. Despite these positive announcements, there were no immediate catalysts to the market from this conference.

For the month, the KLCI fell 0.2% or 3.6pts to close at 1,760pts. The broader market underperformed the KLCI, with the FBM Emas falling 0.4% mom to 12,552pts. The FBM Small cap index also underperformed the KLCI, falling 1% to 17,274pts. Average daily value traded on Bursa in July declined 15% mom to RM2.05bn.

As we move into August, we believe the market has entered into a more subdued period that reflects moderate macro headwinds due to; 1) RM49bn worth of government bonds expiring in 2H17 (1H17: RM29bn), 2) lower crude palm oil and crude oil prices (the latter accounting for 13.8% of the federal government's 2017 projected revenue), and 3) in the US, rising interest rates and reversal of quantitative easing through 2018. This offers us an opportunity to accumulate stocks with earnings certainty and tangible structural improvements during periods of any market weakness as we remain positive on the Malaysian equity market in the long term.

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

The yield movement of the Malaysian Government bonds was generally volatile in the month of July, tracking the movement of US Treasuries which was very much dependent on US data and of FOMC key policy rate expectations. Towards month end, MGS yields crept up amidst thin liquidity since market players preferred to stay sidelined awaiting clarity from the Fed's monetary policy statement. Though the Fed kept policy rate unchanged at 1.00%-1.25%, it hinted on the timing of its tapering plans which may influence an upward bias for bond yields. With this, the 5 years and 10 years MGS closed at 3.69% and 3.9994% respectively, 6+bps higher than the previous month.

In the corporate bonds space, liquidity remained thin on the secondary market. However, there were notable primary issuances in the market, namely SPR Energy, Tadau, BEWG, Public Islamic Bank and Tenaga. During the month, we participated in some primary issues and also cherry picked some secondary private debt securities. As there will be some upcoming government guaranteed (GG) bond issuances in the pipeline, we will continue to focus on long duration GG but on a dollar cost averaging strategy.

## HLA Dana Suria (HLADS)

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

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

Net returns are adjusted for tax and fund management fees.

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

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 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. 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	2012	2013	2014	2015	2016
Performance	6.4%	7.0%	0.1%	9.1%	-1.2%

Source: Hong Leong Asset Management Berhad

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

Year	2012	2013	2014	2015	2016
Performance	10.0%	32.6%	-1.1%	4.9%	-2.3%

Source: Hong Leong Assurance Berhad

## HLA Dana Suria (HLADS)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

**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 Secure Fund (HLASF)

Jul 2017

## 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

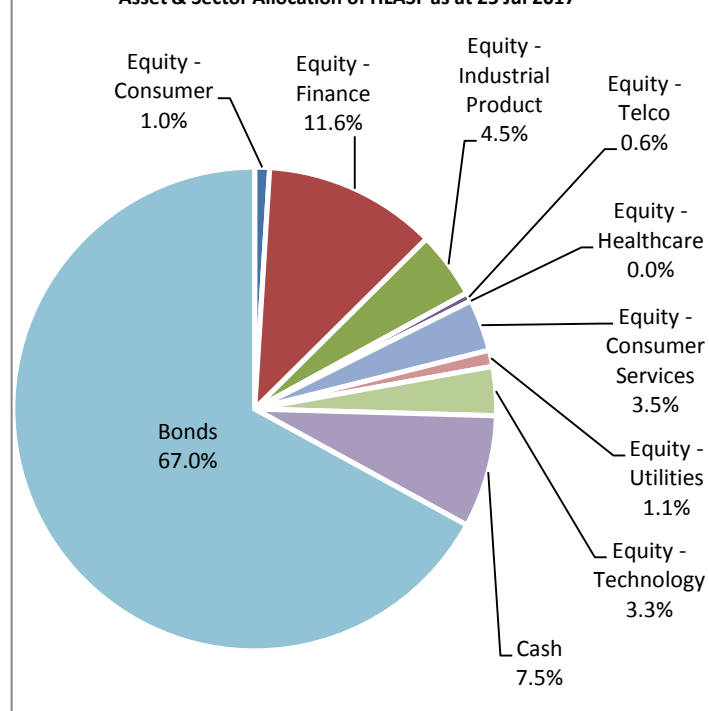
The fund is suitable for investors who are relatively conservative and wish to have a steady and stable return that meets their retirement needs.

## Fund Details

Unit Price (25/7/2017)	:RM1.3326
Fund Size (25/7/2017)	:RM11.5mil
Fund Management Fee	:1.00% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Bond
Fund Inception	:05 Feb 2013
Benchmark	: (70% x Maybank 12 Months Fixed Deposit Rate) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index)
Frequency of Unit Valuation	:Weekly

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

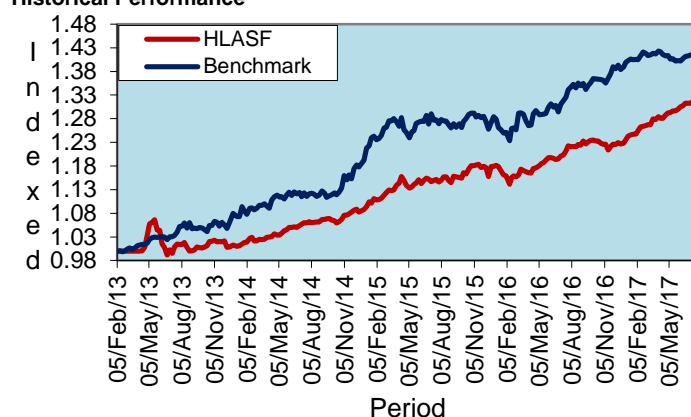
## Asset & Sector Allocation of HLASF as at 25 Jul 2017



## Top 10 Holdings for HLASF as at 25 Jul 2017

		%
1.	Alibaba Group Holding	Equity 2.4
2.	0.00% Sunway Treasury Sukuk Sdn Bhd (10.08.17)	Bond 1.8
3.	0.00% United States Treasury NB (06.07.17)	Bond 1.6
4.	7.00% Indonesia Treasury Bond (15.05.22)	Bond 1.5
5.	Beijing Capital Intl Airport	Equity 1.4
6.	4.60% Radiant Access Ltd (18.05.49)	Bond 1.2
7.	5.75% NWD Finance BVI Ltd (05.10.49)	Bond 1.2
8.	5.13% Genting Singapore (12.09.17)	Bond 1.2
9.	Hana Financial Group Inc	Equity 1.2
10.	4.70% HSBC Holdings Plc (08.06.22)	Bond 1.1
<b>Total Top 10</b>		<b>14.6</b>

## Historical Performance



	1 month	1 Year	3 Years	YTD	Since Inception
HLASF	1.53%	9.01%	25.43%	8.54%	33.26%
Benchmark	0.97%	6.33%	27.22%	2.66%	42.64%
Relative	0.56%	2.67%	-1.79%	5.87%	-9.38%

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

Global equities continued to climb higher over the month, supported by encouraging economic data, and robust earnings results. The China equity market ended the month as one of the strongest within the region after releasing a solid 6.9% GDP growth in the 2<sup>nd</sup> quarter. Over in India, stronger corporate earnings, and a possibility of an interest rate hike by the Bank of India pushed the equity market to hit new highs in July. After hitting the 2.39% level mid-month, US Treasury yields eased to end the month 1bps lower at 2.29%. The US Dollar weakness continued into July as political uncertainties surrounding the Trump administration remain unresolved. July also saw China authorities cracking down on several China companies on their high profile foreign investments – leading to a sell-off in some of the companies' bonds

The Manager will be maintaining a tactically cautious stance for the portfolio in the interim. Foreign fixed income exposure will be largely hedged back to mitigate foreign currency risk given the recent weakening USD trend. The Fund's exposure within the equity market will remain diversified, seeking opportunities from higher yielding opportunities within the China financial sector, as well as regional infrastructure names.

## HLA Secure Fund (HLASF)

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

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

Net returns are adjusted for tax and fund management fees.

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

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 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. 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	2012	2013	2014	2015	2016
Performance	15.1%	2.9%	6.9%	8.6%	4.1%

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.

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

### Disclaimer:

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

# HLA Cash Fund (HLACF)

Jul 2017

## 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

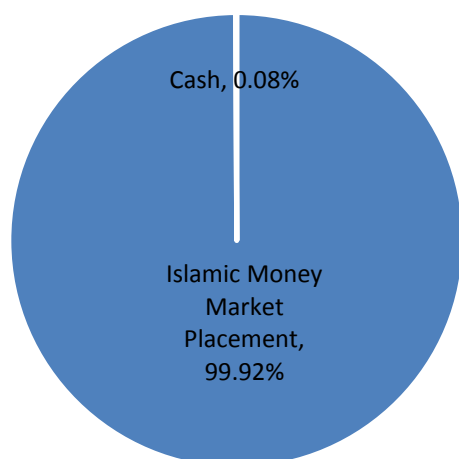
This fund is suitable for investors who are low risk profile.

## Fund Details

Unit Price (25/7/2017)	: RM1.1634
Fund Size (25/7/2017)	: RM32.1mil
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 25 Jul 2017



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

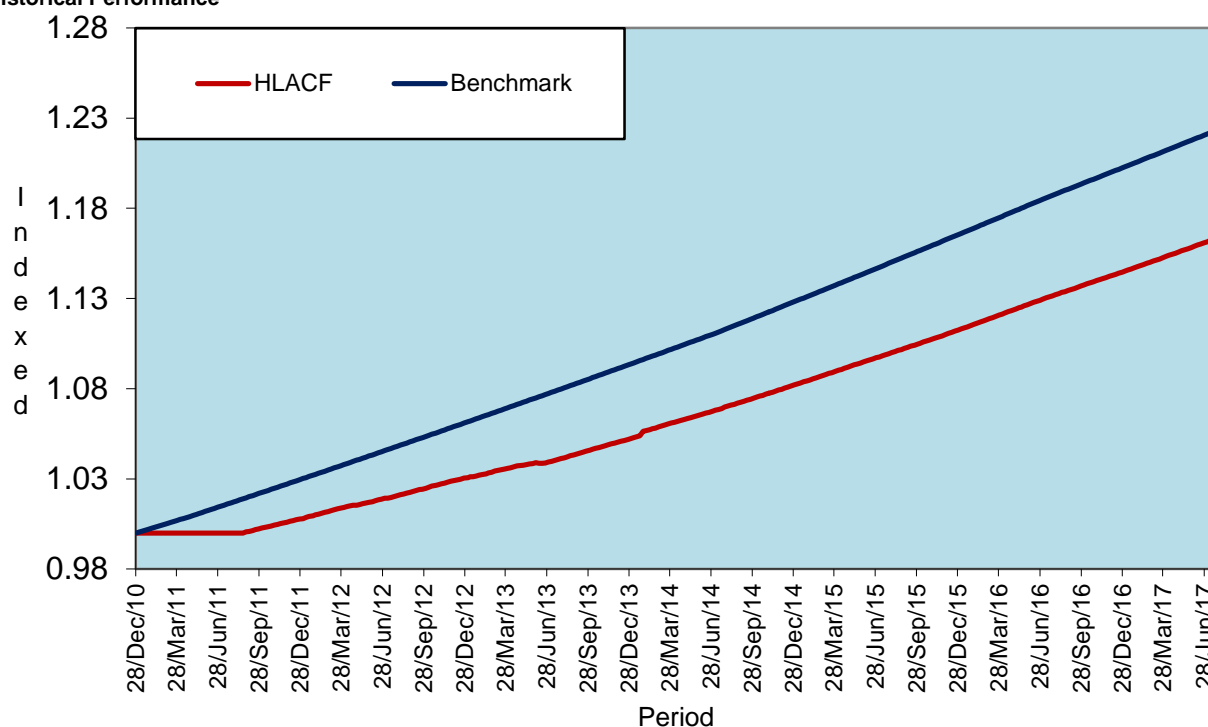
Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

Telephone 03-7650 1818 Fascimile 03-7650 1991

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

# HLA Cash Fund (HLACF)

## Historical Performance



As of 25/7/17	1 month	YTD	Since Inception	1 Year	3 Years	5 Years
HLACF	0.22%	1.64%	16.34%	2.82%	8.74%	13.98%
Benchmark	0.22%	1.73%	22.32%	3.04%	9.92%	16.72%
Relative	-0.01%	-0.09%	-5.98%	-0.22%	-1.18%	-2.74%

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

Year	2012	2013	2014	2015	2016
Benchmark	3.0%	3.0%	3.1%	3.2%	3.1%
HLACF- Gross	2.8%	2.6%	3.4%	3.3%	3.4%
HLACF - Net	2.3%	2.1%	2.9%	2.8%	2.9%

Net returns are adjusted for tax and fund management fees.

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

## Investment Risks

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

## 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.

## HLA Cash Fund (HLACF)

### 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

