

# Monthly Fund Fact Sheet — September 2017



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# HLA Venture Growth Fund (HLAVGF)

Sep 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

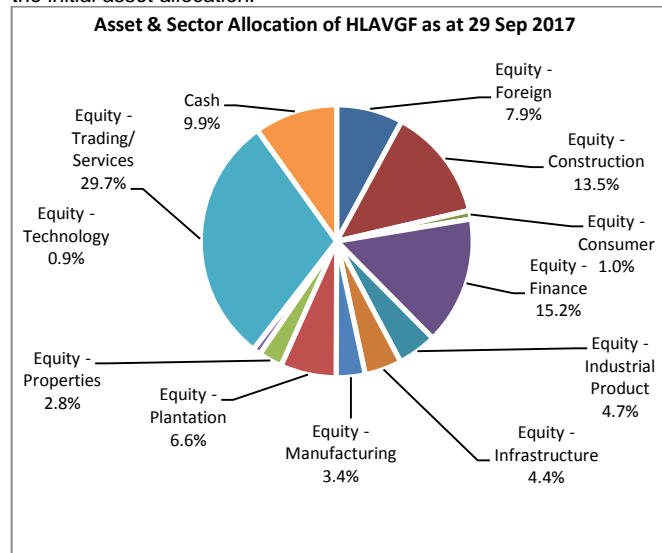
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (29/9/2017)	:RM2.2865
Fund Size (29/9/2017)	:RM409.3mil
Fund Management Fee (effective as at 01/11/2016)	: 1.45% p.a. (capped at 1.50%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	:19 Jan 2000
Benchmark	:FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	:Daily

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

Asset & Sector Allocation of HLAVGF as at 29 Sep 2017



## Top 10 Holdings for HLAVGF as at 29 Sep 2017

	%
1. MAYBANK	8.0
2. TENAGA	7.6
3. CIMB	7.2
4. SIME	4.9
5. DIALOG	3.9
6. INARI	3.4
7. YINSON	3.3
8. TENCENT	3.1
9. EFORCE	3.1
10. AXIATA	3.0
<b>Total Top 10</b>	<b>47.5</b>

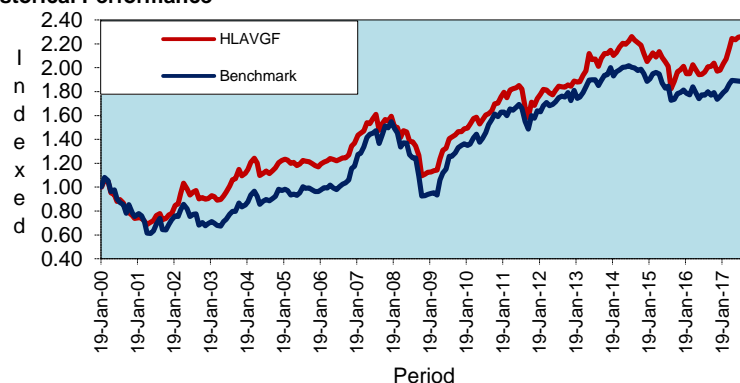
## Hong Leong Assurance Berhad (94613-X)

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
HLAVGF	0.24%	15.43%	13.59%	24.43%	49.64%	128.65%
Benchmark	-0.99%	6.93%	6.23%	7.27%	31.38%	88.09%
Relative	1.23%	8.49%	7.35%	17.16%	18.26%	40.56%

## Market Review, Outlook & Strategy

Regional markets were muted with strong geopolitical tensions as both North Korea and US continued their war mongering threats. That aside, market participants were also pre-occupied with the policy direction of the key central banks. The Fed did leave policy rates unchanged as expected, but announced that from 1 Oct 17 it will reduce the amount it reinvests from maturing assets on its balance sheet with an initial amount of US\$10bn per month.

Meanwhile, Malaysia's economic numbers were more positive with the pick-up in the Industrial Production Index and stronger domestic demand. Headline inflation also rebounded to 3.7%. As a result the Ringgit strengthened by close to 1.2% mom to RM4.2205/ US\$. However, the positive macro data was not reflected in the performance of the FBMKLCI which produced negative returns in September. This decline was driven by continued foreign selling to the tune of RM1b although there is still positive inflow of RM9bn for 2017. The selling was on the back of limited positive news flow as the general elections are likely to be held later in 2018 and the recent disappointing corporate results season.

As such, the FBM KLCI was down by 17.58pts (-1% mom) to 1,756pts in September. The key sectors that dragged down the KLCI in Sept were the finance and technology sectors. Small caps, however, fared better with the FBM Small cap index rising 1.2% to 16,950pts. However, FBMMES (or Ace market) fell 0.7% mom to 6,568pts. Average daily value traded on Bursa in Sep rose 30% mom to RM2.5bn.

Domestically, investors will be focusing on the upcoming Budget 2018 themed "Negeraku Shaping the Future" which will be tabled on the 27<sup>th</sup> October. Given that this is the final budget before the next general elections, it is likely that it will be expansionary with a focus on the lower and middle income segments. Key issues will be addressing the cost of living, affordable housing and using technology to spur growth. Meanwhile, global markets will likely trade range-bound awaiting the outcome of the upcoming Federal Market Open Committee meeting in November. Markets will also continue to monitor the tension between the United States and North Korea.

As for our strategy, we continue to favour infrastructure related and building material names as infrastructure projects are likely to be prioritised ahead of the general elections. We will also continue to take opportunity of any market weakness to accumulate stocks with earnings certainty and tangible structural improvements.

# 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)

Sep 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.

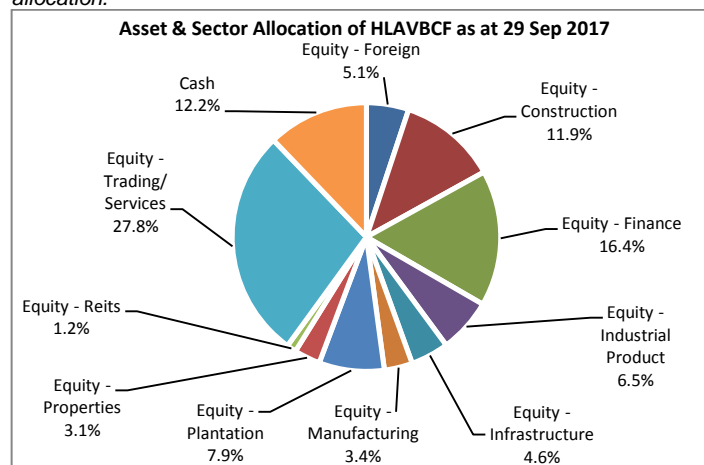
### 4. Target Market

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 (29/9/2017)	: RM2.5862
Fund Size (29/9/2017)	: RM212.4mil
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 29 Sep 2017

	%
1. MAYBANK	8.2
2. CIMB	7.0
3. TENAGA	6.9
4. YINSON	6.2
5. SIME	4.7
6. VS	3.5
7. INARI	3.4
8. DIGI	2.9
9. TENCENT	2.7
10. AXIATA	2.6
<b>Total Top 10</b>	<b>48.1</b>

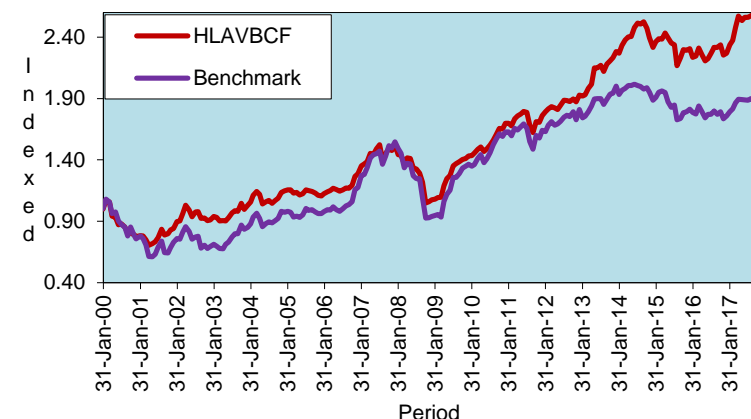
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## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVBCF	0.50%	13.94%	11.61%	37.92%	77.87%	158.62%
Benchmark	-0.99%	6.93%	6.23%	7.27%	31.38%	88.09%
Relative	1.49%	7.00%	5.37%	30.66%	46.49%	70.53%

## Market Review, Outlook & Strategy

Regional markets were muted with strong geopolitical tensions as both North Korea and US continued their war mongering threats. That aside, market participants were also pre-occupied with the policy direction of the key central banks. The Fed did leave policy rates unchanged as expected, but announced that from 1 Oct 17 it will reduce the amount it reinvests from maturing assets on its balance sheet with an initial amount of US\$10b per month.

Meanwhile, Malaysia's economic numbers were more positive with the pick-up in the Industrial Production Index and stronger domestic demand. Headline inflation also rebounded to 3.7%. As a result the Ringgit strengthened by close to 1.2% mom to RM4.2205/ US\$. However, the positive macro data was not reflected in the performance of the FBMKLCI which produced negative returns in September. This decline was driven by continued foreign selling to the tune of RM1b although there is still positive inflow of RM9bn for 2017. The selling was on the back of limited positive news flow as the general elections are likely to be held later in 2018 and the recent disappointing corporate results season.

As such, the FBM KLCI was down by 17.58pts (-1% mom) to 1,756pts in September. The key sectors that dragged down the KLCI in Sept were the finance and technology sectors. Small caps, however, fared better with the FBM Small cap index rising 1.2% to 16,950pts. However, FBMMES (or Ace market) fell 0.7% mom to 6,568pts. Average daily value traded on Bursa in Sep rose 30% mom to RM2.5bn.

Domestically, investors will be focusing on the upcoming Budget 2018 themed "Negeraku Shaping the Future" which will be tabled on the 27<sup>th</sup> October. Given that this is the final budget before the next general elections, it is likely that it will be expansionary with a focus on the lower and middle income segments. Key issues will be addressing the cost of living, affordable housing and using technology to spur growth. Meanwhile, global markets will likely trade range-bound awaiting the outcome of the upcoming Federal Market Open Committee meeting in November. Markets will also continue to monitor the tension between the United States and North Korea.

As for our strategy, we continue to favour infrastructure related and building material names as infrastructure projects are likely to be prioritised ahead of the general elections. We will also continue to take opportunity of any market weakness to accumulate stocks with earnings certainty and tangible structural improvements.

# 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

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#### 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.
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  - In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
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### Exceptional Circumstances

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### Basis of Calculation of Past Performance

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

### Others

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

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### Disclaimer:

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# HLA Venture Dana Putra (HLAVDP)

Sep 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.

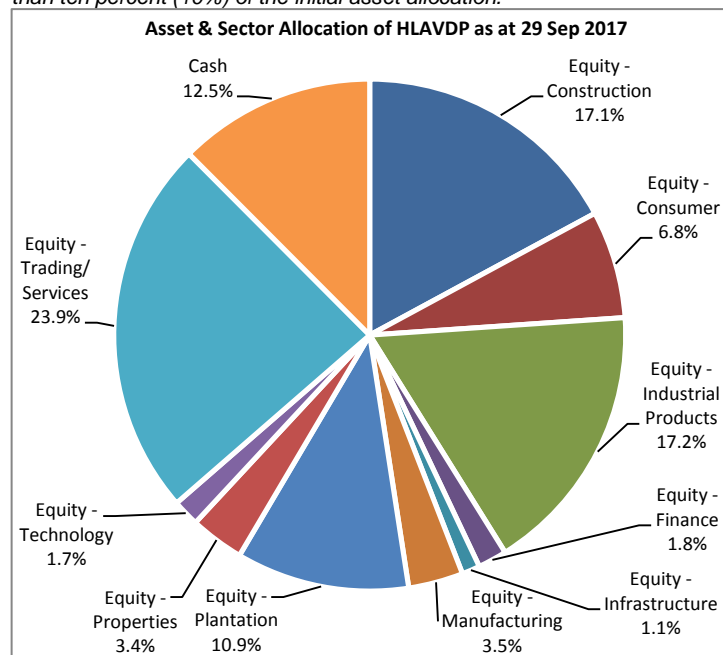
### 4. Target Market

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

## Fund Details

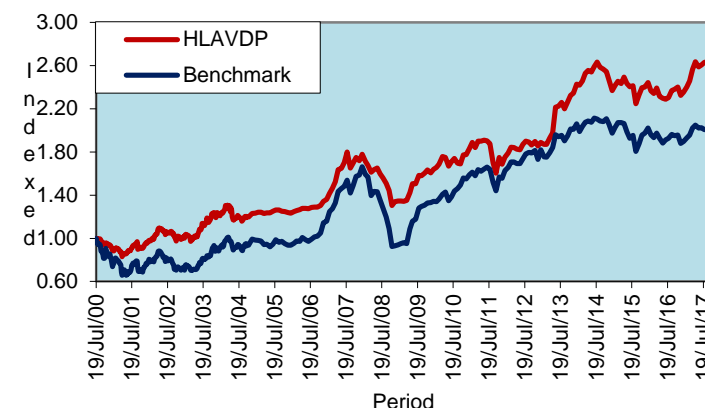
Unit Price (29/9/2017)	: RM2.6610
Fund Size (29/9/2017)	: RM71.6mil
Fund Management Fee (effective as at 01/09/2016)	: 1.40% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Balanced
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency 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 29 Sep 2017		%
1.	TENAGA	7.7
2.	SIME	4.9
3.	KERJAYA	3.8
4.	VS	3.7
5.	INARI	3.5
6.	QL	3.3
7.	DIGI	3.3
8.	ADVCON	3.0
9.	IOICORP	3.0
10.	YINSON	2.9
Total Top 10		39.1

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVDP	0.91%	12.96%	11.70%	42.70%	56.62%	166.10%
Benchmark	0.38%	6.52%	3.64%	12.83%	35.41%	102.09%
Relative	0.54%	6.44%	8.06%	29.87%	21.21%	64.01%

## Market Review, Outlook & Strategy

Regional markets were muted with strong geopolitical tensions as both North Korea and US continued their war mongering threats. That aside, market participants were also pre-occupied with the policy direction of the key central banks. The Fed did leave policy rates unchanged as expected, but announced that from 1 Oct 17 it will reduce the amount it reinvests from maturing assets on its balance sheet with an initial amount of US\$10bn per month.

Meanwhile, Malaysia's economic numbers were more positive with the pick-up in the Industrial Production Index and stronger domestic demand. Headline inflation also rebounded to 3.7%. As a result the Ringgit strengthened by close to 1.2% mom to RM4.2205/ US\$. However, the positive macro data was not reflected in the performance of the FBMKLCI which produced negative returns in September. This decline was driven by continued foreign selling to the tune of RM1b although there is still positive inflow of RM9bn for 2017. The selling was on the back of limited positive news flow as the general elections are likely to be held later in 2018 and the recent disappointing corporate results season.

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Domestically, investors will be focusing on the upcoming Budget 2018 themed "Negaraku Shaping the Future" which will be tabled on the 27<sup>th</sup> October. Given that this is the final budget before the next general elections, it is likely that it will be expansionary with a focus on the lower and middle income segments. Key issues will be addressing the cost of living, affordable housing and using technology to spur growth. Meanwhile, global markets will likely trade range-bound awaiting the outcome of the upcoming Federal Market Open Committee meeting in November. Markets will also continue to monitor the tension between the United States and North Korea.

As for our strategy, we continue to favour infrastructure related and building material names as infrastructure projects are likely to be prioritised ahead of the general elections. We will also continue to take opportunity of any market weakness to accumulate stocks with earnings certainty and tangible structural improvements.

## 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.

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### 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

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### 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.

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### Disclaimer:

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



# HLA Venture Flexi Fund (HLAVFF)

Sep 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.

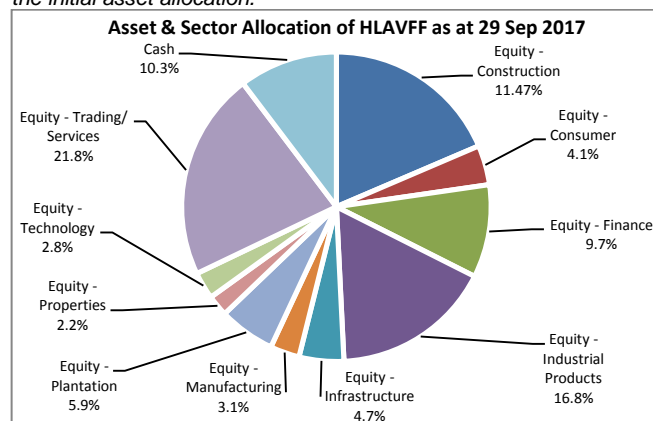
### 4. Target Market

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

<b>Unit Price (29/9/2017)</b>	: RM1.0541
<b>Fund Size (29/9/2017)</b>	: RM42.5mil
<b>Fund Management Fee (effective as at 01/09/2016)</b>	: 1.45% p.a. (capped at 1.48%)
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 06 April 2009
<b>Benchmark</b>	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	: Daily

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



## Top 10 Holdings for HLAVFF as at 29 Sep 2017

	%
1. MAYBANK	5.3
2. TENAGA	5.0
3. EFORCE	4.7
4. CIMB	4.5
5. VS	4.4
6. SUCCESS	3.7
7. ADVCON	3.6
8. SIME	3.4
9. INARI	3.1
10. GAMUDA	3.0
<b>Total Top 10</b>	<b>40.7</b>

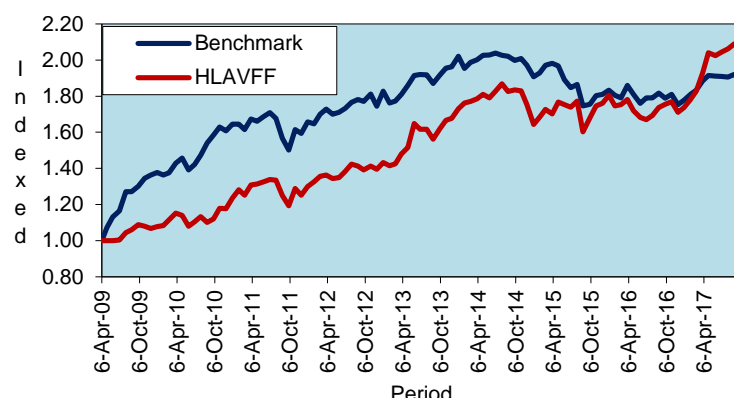
## Hong Leong Assurance Berhad (94613-X)

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## Historical Performance



	1 month	YTD	1 year	3 years	5 years	Since Inception
HLAVFF	0.95%	21.31%	20.07%	14.85%	51.41%	110.82%
Benchmark	-0.99%	6.93%	6.23%	-4.91%	7.27%	90.05%
Relative	1.94%	14.38%	13.84%	19.76%	44.14%	20.77%

## Market Review, Outlook & Strategy

Regional markets were muted with strong geopolitical tensions as both North Korea and US continued their war mongering threats. That aside, market participants were also pre-occupied with the policy direction of the key central banks. The Fed did leave policy rates unchanged as expected, but announced that from 1 Oct 17 it will reduce the amount it reinvests from maturing assets on its balance sheet with an initial amount of US\$10b per month.

Meanwhile, Malaysia's economic numbers were more positive with the pick-up in the Industrial Production Index and stronger domestic demand. Headline inflation also rebounded to 3.7%. As a result the Ringgit strengthened by close to 1.2% mom to RM4.2205/ US\$. However, the positive macro data was not reflected in the performance of the FBMKLCI which produced negative returns in September. This decline was driven by continued foreign selling to the tune of RM1b although there is still positive inflow of RM9bn for 2017. The selling was on the back of limited positive news flow as the general elections are likely to be held later in 2018 and the recent disappointing corporate results season.

As such, the FBM KLCI was down by 17.58pts (-1% mom) to 1,756pts in September. The key sectors that dragged down the KLCI in Sept were the finance and technology sectors. Small caps, however, fared better with the FBM Small cap index rising 1.2% to 16,950pts. However, FBMMES (or Ace market) fell 0.7% mom to 6,568pts. Average daily value traded on Bursa in Sep rose 30% mom to RM2.5bn.

Domestically, investors will be focusing on the upcoming Budget 2018 themed "Negeraku Shaping the Future" which will be tabled on the 27<sup>th</sup> October. Given that this is the final budget before the next general elections, it is likely that it will be expansionary with a focus on the lower and middle income segments. Key issues will be addressing the cost of living, affordable housing and using technology to spur growth. Meanwhile, global markets will likely trade range-bound awaiting the outcome of the upcoming Federal Market Open Committee meeting in November. Markets will also continue to monitor the tension between the United States and North Korea.

As for our strategy, we continue to favour infrastructure related and building material names as infrastructure projects are likely to be prioritised ahead of the general elections. We will also continue to take opportunity of any market weakness to accumulate stocks with earnings certainty and tangible structural improvements.

# 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.

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### Disclaimer:

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# HLA Value Fund (HLVF)

Sep 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.

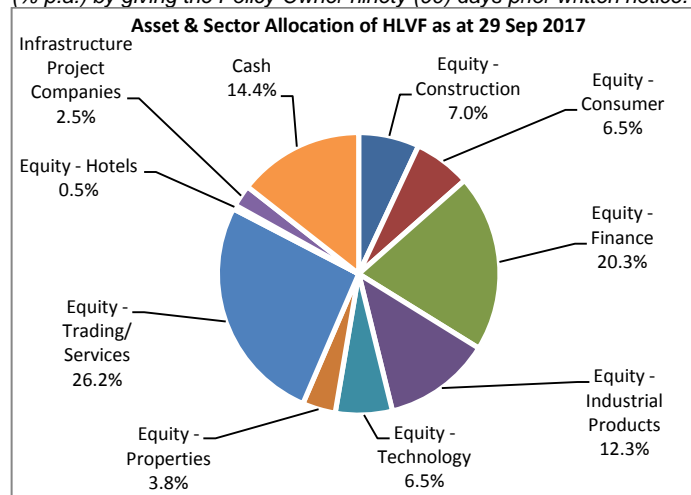
### 5. Target Market

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 (29/9/2017)	: RM 1.1666
Fund Size (29/9/2017)	: RM 54.3mil
Fund Management Fee (effective as at 01/10/2015)	: 1.45% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 October 2015
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

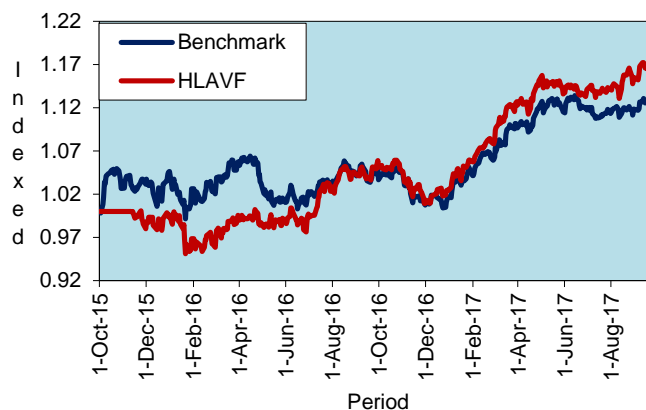
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.



## Top 10 Holdings for HLVF as at 29 Sep 2017

	%
1. PUBLIC BANK BERHAD	5.8
2. LOTTE CHEMICAL TITAN HOLDING BERHAD	4.4
3. TELEKOM MALAYSIA BERHAD	4.2
4. GAMUDA BERHAD	4.0
5. BURSA MALAYSIA BERHAD	3.7
6. MALAYAN BANKING BERHAD	3.2
7. TENAGA NASIONAL BERHAD	3.1
8. AIR ASIA BERHAD	3.1
9. HIBISCUS PETROLEUM BERHAD	2.7
10. DIALOG GROUP BHD	2.7
<b>Total Top 10</b>	<b>36.9</b>

## Historical Performance



	1 month	6 months	YTD	Since Inception	1 year
HLVF	1.00%	3.89%	13.93%	16.66%	10.99%
Benchmark	-0.62%	1.37%	9.29%	11.16%	7.22%
Relative	1.62%	2.52%	4.64%	5.50%	3.77%

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 1.0% to close at 1,756 points. The broader market outperformed as the FTSE BM EMAS Index declined 0.6% to close at 12,531 points. Small caps outperformed as the FTSE BM Small Cap Index rose 1.2% to close at 16,951 points.

Negative sentiment continues to weigh on the market due to a lackluster results season in the previous month.

On the corporate front, Airasia Berhad announced that Philippines AirAsia has postponed its planned initial public offering (IPO) to 2018 to further expand Philippines AirAsia's business. Tenaga Nasional Berhad is investing RM349 million to put up a 50MW solar photovoltaic plant in Kuala Langat, the biggest in Malaysia.

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

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## HLA Value Fund (HLVF)

### Actual Annual Investment Returns for the Past Two (2) 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 two (2) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 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)

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## HLA Value Fund (HLVF)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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# Hong Leong Smart Growth Fund (HLSGF)

Sep 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

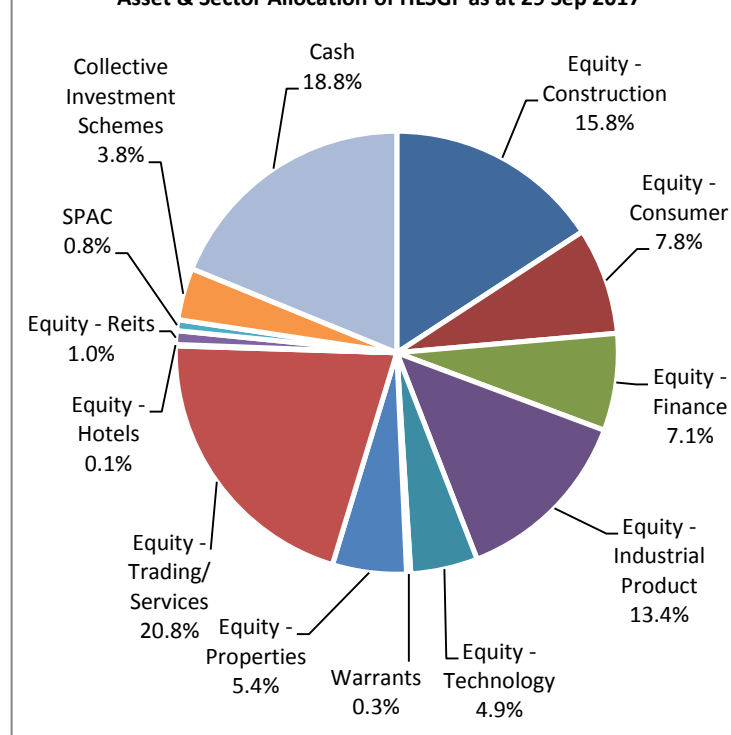
This fund is suitable for investors who have long term investment time horizon and have a moderate risk profile with tolerance for short-term periods of volatility.

## Fund Details

Unit Price (29/9/2017)	: RM1.9210
Fund Size (29/9/2017)	: RM241.9mil
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.

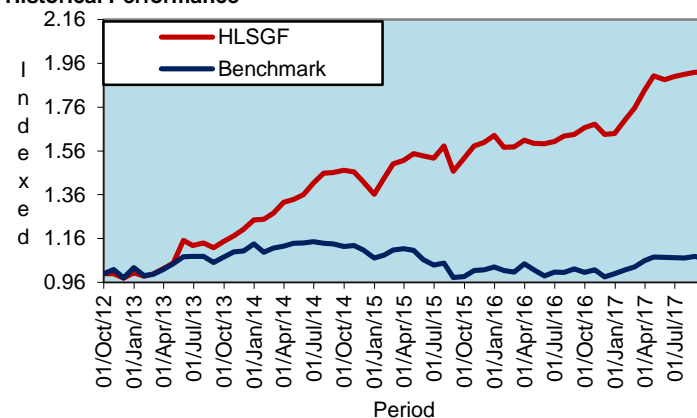
## Asset & Sector Allocation of HLSGF as at 29 Sep 2017



## Top 10 Holdings for HLSGF as at 29Sep 2017

	%
1. KENANGA ISLAMIC CASH FUND	3.77
2. PRESS METAL ALUMINIUM HOLDING BERHAD	2.73
3. TENAGA NASIONAL BHD	2.62
4. GABUNGAN AQRS BHD	2.58
5. SIME DARBY BERHAD	2.51
6. YINSON HOLDINGS BHD	2.30
7. LBS BINA GROUP BHD	2.12
8. GLOBETRONICS TECHNOLOGY BHD	2.02
9. V.S INDUSTRY BHD	1.93
10. PADINI HOLDINGS BHD	1.76
<b>Total Top 10</b>	<b>24.34</b>

## Historical Performance



	1 month	1 Year	3 Years	YTD	Since Inception
HLSGF	0.09%	15.25%	30.54%	17.11%	92.10%
Benchmark	-0.99%	6.23%	-4.91%	6.93%	6.83%
Relative	1.08%	9.02%	35.45%	10.18%	85.27%

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

In September, the local index traded on a narrow band with the FBMKLCI and FBM100 closed lower (mom) by -1.0% and -0.8% respectively, while FBMS was marginally higher by 0.4%. The key sectors that dragged down the FBMKLCI were the finance and technology sectors. Foreigners turned net sellers for the month, reversing earlier buying trend, with a net sold position of RM737 million as geo-political tensions between the US and North Korea dampened investors' sentiment. Average daily value traded on Bursa rose 30% mom to RM2.5bn.

Commodities posted strong performance in September with WTI crude oil hit a new 2017 high, topped US\$52 a barrel for the first time in four months, continuing a rally fueled by improving demand and expectations that producers will extend output cuts. CPO meanwhile was down 0.4% as inventory showed an increase in September.

MYR was weaker against the greenback (-1.2%).

## Market Outlook & Fund Strategy

We continue to stay selective with a defensive portfolio strategy with stock picking remains key for outperformance. We continue to favor sectors that are showing solid earnings growth such as technology, construction, export-oriented and consumer stocks.

We continue to advocate a defensive portfolio strategy and prefer companies driven by resilient earnings with exposure to selective themes like USD beneficiaries (exporters), beneficiaries of rising foreign direct investment, GLC reform/restructuring plays, domestic consumption and infrastructure.

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# 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)

Sep 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.

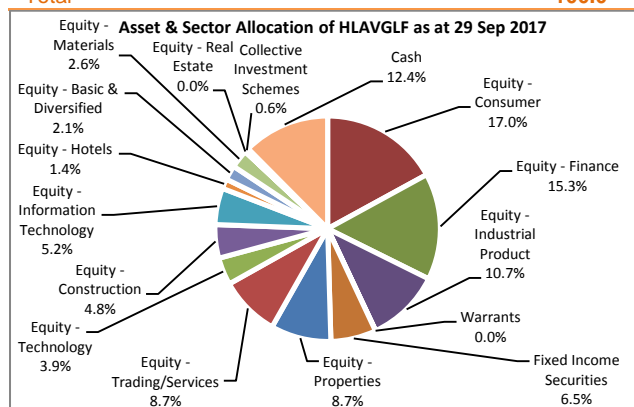
## Fund Details

<b>Unit Price (29/9/2017)</b>	:RM1.3422
<b>Fund Size (29/9/2017)</b>	:RM29.7mil
<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 29 Sep 2017 %

Hong Leong Asia-Pacific Dividend Fund	54.9
Hong Leong Strategic Fund	43.7
Cash	1.4
<b>Total</b>	<b>100.0</b>



## Top 10 Holdings for HLAVGLF as at 29 Sep 2017 %

1. GII Murabahah – 2025	4.9
2. Agile Group Holdings Ltd	3.0
3. BYD Electronic International Co Ltd	3.0
4. Country Garden Holdings Co	2.9
5. Swire Properties Ltd	2.7
6. Lee & Man Paper Manufacturing	2.6
7. Jacobson Pharma Corp Ltd	2.6
8. China International Capital Corporation	2.6
9. Oceancash Pacific Berhad	2.4
10. BOC Aviation Ltd	2.3
<b>Total Top 10</b>	<b>29</b>

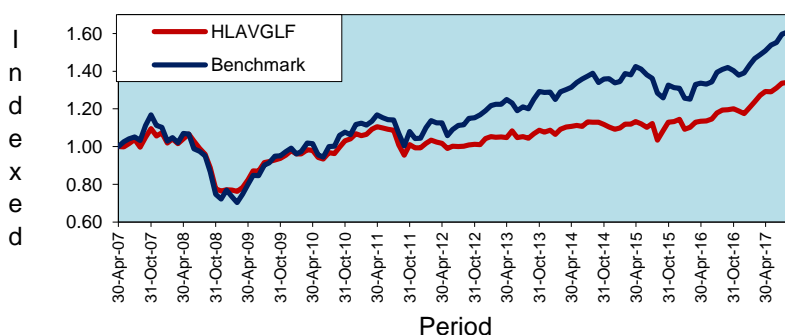
**Hong Leong Assurance Berhad** (94613-X)

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

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

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVGLF	0.22%	14.21%	12.27%	33.01%	27.78%	34.22%
Benchmark	0.74%	16.34%	13.95%	40.64%	45.48%	61.79%
Relative	-0.51%	-2.13%	-1.67%	-7.63%	-17.70%	-27.57%

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

### Equity Review

**Global-** The US market continued with its relentless climb higher during the month as investors moved back to 'risk-on' mode following expectations of improved economic growth and tax reform. It was a good month for European markets as the US market positive sentiment spilled over to Europe. The Dow Jones Industrial Average Index rose 2.1% and the broader S&P 500 Index rose 1.9%. The Euro Stoxx Index rose 5.1% and the FTSE 100 Index declined 0.8%.

**Asia Pac-** Regional markets went through a month of consolidation after a prolonged period of positive returns. Japan and Thailand led the region with the largest gains during the month while Taiwan and Singapore were the laggards. Thailand's SET index set a new -record high after breaking the 1,600 strong resistance level. The strong rally reversed its year-to-date underperformance vs the region, supported by improvements in macroeconomic outlook and improving consumption outlook.

**Malaysia-** The local market posted negative returns for the month due to negative investor sentiment following the disappointing reporting season in the previous month. The FTSE BM KLCI declined 1.0% to close at 1,756 points. The broader market outperformed as the FTSE BM EMAS Index declined 0.6% to close at 12,531 points. Small caps outperformed as the FTSE BM Small Cap Index rose 1.2% to close at 16,951 points.

### Outlook & Strategy

**Global-** Recent economic data from the US suggest that the economic expansion should remain on track. The damage done to the Caribbean and the southern states in the US by the recent hurricane season may result in some volatility in the economic data in the near term. Growth continues to improve in Europe as the European Central Bank (ECB) forecast economic growth of 2.2% for this year, the fastest since 2007. A rebound is expected in the consumption sector as improving labour market supports consumer confidence.

**Asia Pac-** The People's Bank of China (PBoC) in China announced a target reserve requirement ratio (RRR) cut for banks that have met certain criteria regarding their exposure to affordable financing. Credit ratings agency, Standard and Poor's, cut China's rating by one point to A+, citing mounting debt and credit problems. In Japan, Prime Minister Shinzo Abe called a snap general election to take advantage of the weak opposition and support for his hard line views against North Korea. For our investment portfolios, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

**Malaysia-** October may see some market rebound after the cautious sentiment following the poor earnings results season spilled over to September. 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

The recent Federal Open market Committee (FOMC) statement took on a more hawkish stance causing Treasuries to sell off. The 2-year US benchmark rose to its highest level over the last 8 years at 1.44%. Domestically, the recent improvement and stability of the Ringgit has improved market liquidity and renewed foreign investors' interest in the local bond market. Yield curve on the short-dated papers traded declined by 6-10 basis points (bps) whilst the longer tenured papers fell by 4-6bps due to supply of longer duration papers. The 15-year Government Investment Issue (GII) garnered a muted cover of 1.73 times whilst the 5-year Malaysian Government Securities (MGS) posted a slightly higher cover of 1.90 times. A total of RM8.7 billion of corporate bonds was issued in August bringing the year-to-date value of issuance to RM66.3 billion. Issuers such as DanaInfra Nasional Berhad and Southern Power Generation Sendirian Berhad are looking to tap the market in the next quarter.

In September, Federal Reserve Chair Yellen reiterated a gradual rise in interest rates is the most appropriate policy approach even in the midst of higher uncertainty about inflation. Her comments reinforced the central bank's forecast for another hike this year and investors have begun shifting its near-term rate expectations. We reaffirm our view that the Federal Reserve will hike its rate at the end of the year and for Bank Negara Malaysia to maintain its policy rate for the remainder of the year. We look to remain defensive in the sovereign bond market but may add on any market dip. We are constructive in the corporate bond space.

# 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.

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### Disclaimer:

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# HLA Venture Managed Fund (HLAVMF)

**Sep 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

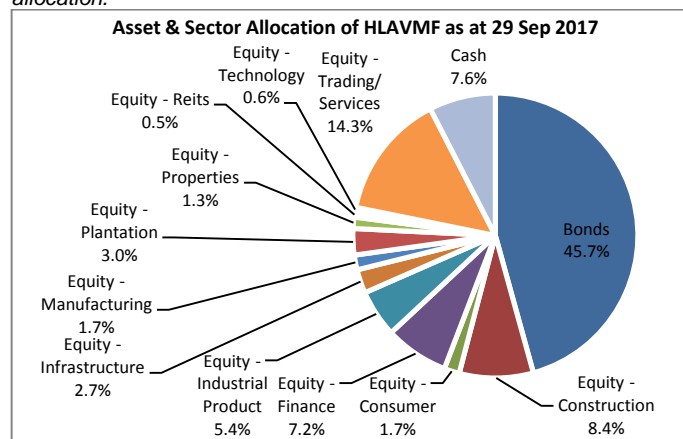
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

<b>Unit Price (29/9/2017)</b>	:RM2.1548
<b>Fund Size (29/9/2017)</b>	:RM218.2mil
<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

**Frequency of Unit Valuation** :Daily

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



## Top 10 Holdings for HLAVMF as at 29 Sep 2017

		%
1. TENAGA	EQ	5.2
2. MAYBANK	EQ	4.0
3. MALAYAN BANKING BERHAD 2 6.30% 25/9/2018	FI	3.5
4. ALLIANCE BANK MALAYSIA BHD 5.65% 18/12/2020	FI	3.3
5. MALAYSIA AIRPORTS HOLDINGS 5.75% 13/12/2024	FI	3.3
6. CIMB	EQ	3.2
7. RHB BANK BERHAD 4.4% 30/11/2017	FI	2.8
8. CIMB GROUP HOLDING 2 5.80% 25/5/2021	FI	2.4
9. BGSM MANAGEMENT S/B 5.25% 24/12/2020	FI	2.4
10. LEMBAGA PEMBIAYAAN PERUM 1 4.58% 16/4/2027	FI	2.4
<b>Total Top 10</b>		<b>32.5</b>

FI : Fixed Income

EQ : Equities

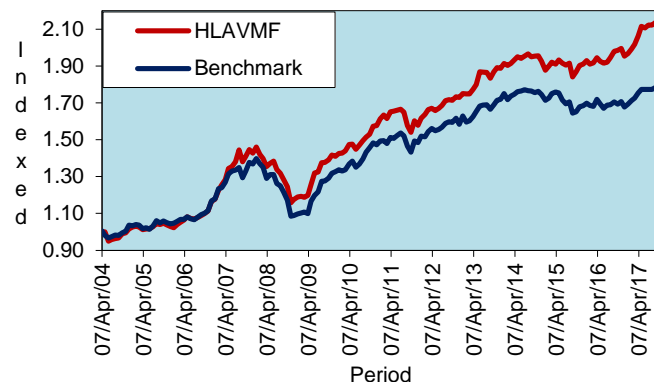
**Hong Leong Assurance Berhad** (94613-X)

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

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVMF	0.89%	9.53%	8.59%	25.72%	52.91%	115.48%
Benchmark	-0.45%	4.86%	4.83%	11.35%	33.41%	76.65%
Relative	1.34%	4.68%	3.76%	14.37%	19.50%	38.83%

## Market Review, Outlook & Strategy - Equities Market

Regional markets were muted with strong geopolitical tensions as both North Korea and US continued their war mongering threats. That aside, market participants were also pre-occupied with the policy direction of the key central banks. The Fed did leave policy rates unchanged as expected, but announced that from 1 Oct 17 it will reduce the amount it reinvests from maturing assets on its balance sheet with an initial amount of US\$10bn per month.

Meanwhile, Malaysia's economic numbers were more positive with the pick-up in the Industrial Production Index and stronger domestic demand. Headline inflation also rebounded to 3.7%. As a result the Ringgit strengthened by close to 1.2% mom to RM4.2205/ US\$. However, the positive macro data was not reflected in the performance of the FBMKLCI which produced negative returns in September. This decline was driven by continued foreign selling to the tune of RM1b although there is still positive inflow of RM9bn for 2017. The selling was on the back of limited positive news flow as the general elections are likely to be held later in 2018 and the recent disappointing corporate results season.

As such, the FBM KLCI was down by 17.58pts (-1% mom) to 1,756pts in September. The key sectors that dragged down the KLCI in Sept were the finance and technology sectors. Small caps, however, fared better with the FBM Small cap index rising 1.2% to 16,950pts. However, FBMES (or Ace market) fell 0.7% mom to 6,568pts. Average daily value traded on Bursa in Sep rose 30% mom to RM2.5bn.

Domestically, investors will be focusing on the upcoming Budget 2018 themed "Negeraku Shaping the Future" which will be tabled on the 27<sup>th</sup> October. Given that this is the final budget before the next general elections, it is likely that it will be expansionary with a focus on the lower and middle income segments. Key issues will be addressing the cost of living, affordable housing and using technology to spur growth. Meanwhile, global markets will likely trade range-bound awaiting the outcome of the upcoming Federal Market Open Committee meeting in November. Markets will also continue to monitor the tension between the United States and North Korea.

As for our strategy, we continue to favour infrastructure related and building material names as infrastructure projects are likely to be prioritised ahead of the general elections. We will also continue to take opportunity of any market weakness to accumulate stocks with earnings certainty and tangible structural improvements.

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

Malaysian Government bond (govvies) yields continued to ease lower in the first week of September, tracking the sentiment of US Treasuries (UST). This was primarily due to safe haven flows amid lingering concerns over geopolitical tensions from North Korea as well as Hurricane Irma which could delay the Fed's rate hike plans. However, sentiment reversed as concerns over impact of Hurricane Irma later subsided. UST yields then continued to spike further with revived expectations of a Fed rate hike following Yellen's hawkish statements and the announcement of the tapering of their balance sheet in October. Consequently, the Malaysia govvies market was fairly quiet with action only seen on short term bonds due to the global hawkish sentiment.

US Treasuries yields are expected to be on an uptrend as market players are still vigilant over the Fed's monetary policy stance and the impact of tapering its balance sheet. As such, we are of the view that the fixed income market will be volatile but this presents a trading opportunity for both foreign bonds and local govvies. Meanwhile, we will focus on primary bonds for yield pick-up and selectively buy when there is any irrational selloff in the market.



# 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

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### Basis of Unit Valuation

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

### Exceptional Circumstances

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### Basis of Calculation of Past Performance

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

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

### Others

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

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# HLA Venture Income Fund (HLAVIF)

Sep 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

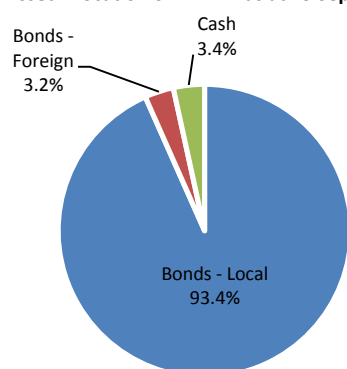
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (29/9/2017)	:RM2.2198
Fund Size (29/9/2017)	:RM128.1mil
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.

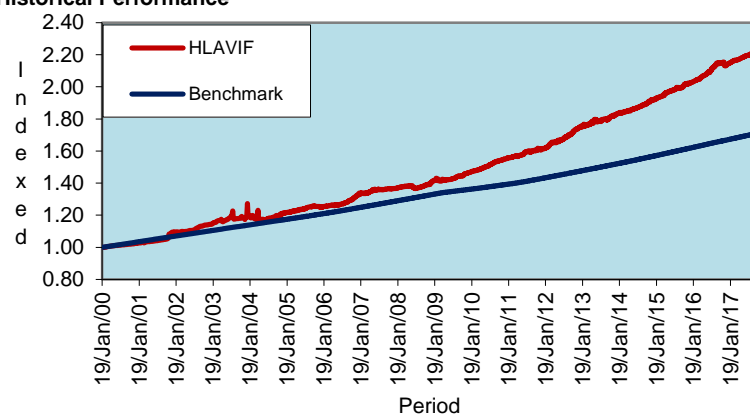
Asset Allocation of HLAVIF as at 29 Sep 2017



## Top 10 Holdings for HLAVIF as at 29 Sep 2017

	%
1. MALAYAN BANKING BERHAD 2 6.30% 25/09/2018	7.2
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	4.0
6. LEMBAGA PEMBIAYAAN PERUM 1 4.94% 16/04/2032	4.0
7. BERJAYA LAND BHD 4.85% 16/12/2019	4.0
8. GAMUDA BERHAD 2 4.62% 23/4/2021	4.0
9. PUTRAJAYA HOLDINGS BERHAD 2 4.58% 26/5/2026	4.0
10. HONG LEONG BANK 2 4.80% 24/06/2019	4.0
<b>Total Top 10</b>	<b>47.0</b>

## Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVIF	0.40%	3.53%	3.26%	30.12%	62.83%	121.98%
Benchmark	0.25%	2.01%	3.03%	16.72%	33.78%	70.48%
Relative	0.16%	1.52%	0.23%	13.39%	29.05%	51.50%

## Market Review

Malaysian Government bond (govvies) yields continued to ease lower in the first week of September, tracking the sentiment of US Treasuries (UST). This was primarily due to safe haven flows amid lingering concerns over geopolitical tensions from North Korea as well as Hurricane Irma which could delay the Fed's rate hike plans. However, sentiment reversed as concerns over impact of Hurricane Irma later subsided. UST yields then continued to spike further with revived expectations of a Fed rate hike following Yellen's hawkish statements and the announcement of the tapering of their balance sheet in October. Consequently, the Malaysia govvies market was fairly quiet with action only seen on short term bonds due to the global hawkish sentiment.

## Market Outlook & Strategy

US Treasuries yields are expected to be on an uptrend as market players are still vigilant over the Fed's monetary policy stance and the impact of tapering its balance sheet. As such, we are of the view that the fixed income market will be volatile but this presents a trading opportunity for both foreign bonds and local govvies. Meanwhile, we will focus on primary bonds for yield pick-up and selectively buy when there is any irrational selloff in the market.

# 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

Sep 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 (26/9/2017)	Fund Size (26/9/2017)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM0.9765	RM26.56 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM0.9325	RM7.29 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM0.8845	RM7.30 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.8689	RM25.60 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8618	RM376.17 mil	26 Dec 2035	1.4221

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

## Market Review (by CIMB Bank Berhad)

Max InvestSave decreased by 2.20% in the reported period with six out of eleven Underlying Assets moving against the Effective Max InvestSave Weightings. Losses were mainly due to the appreciation of American and Japanese Equities as well as Commodities where negative weightings were held by the Effective Max InvestSave Weightings.

September 2017 was another chapter in the ongoing story of the bull run of American Equities. While Hurricane Irma's impact on the state of Florida and the political tensions with North Korea weighed on US stocks at the beginning of the month, stocks later rallied when the market realised that their effects were not as bad as expected. With the President striking a deal to extend the debt ceiling and corporate earnings forecasted to increase through 2019, US stocks hit new highs as the S&P 500 index breached the 2,500 point mark for the first time in its history. American equities have now enjoyed eight straight quarters of gains. The upcoming decision by the Federal Reserve about the reduction of its balance sheet could push bond yields up and slow the growth of stock prices. On the other hand, Europe's Economic Confidence Index reached its highest level in a decade thanks to growing optimism about the European economy that has been supported by favourable data. The European Central Bank is expected to decide on their bond buying program in October. In the same vein, confidence among big manufacturers in Japan is also at a decade high thanks to a weaker currency and stronger global economy. The Japanese economy is on track to grow for a seventh quarter in a row.

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

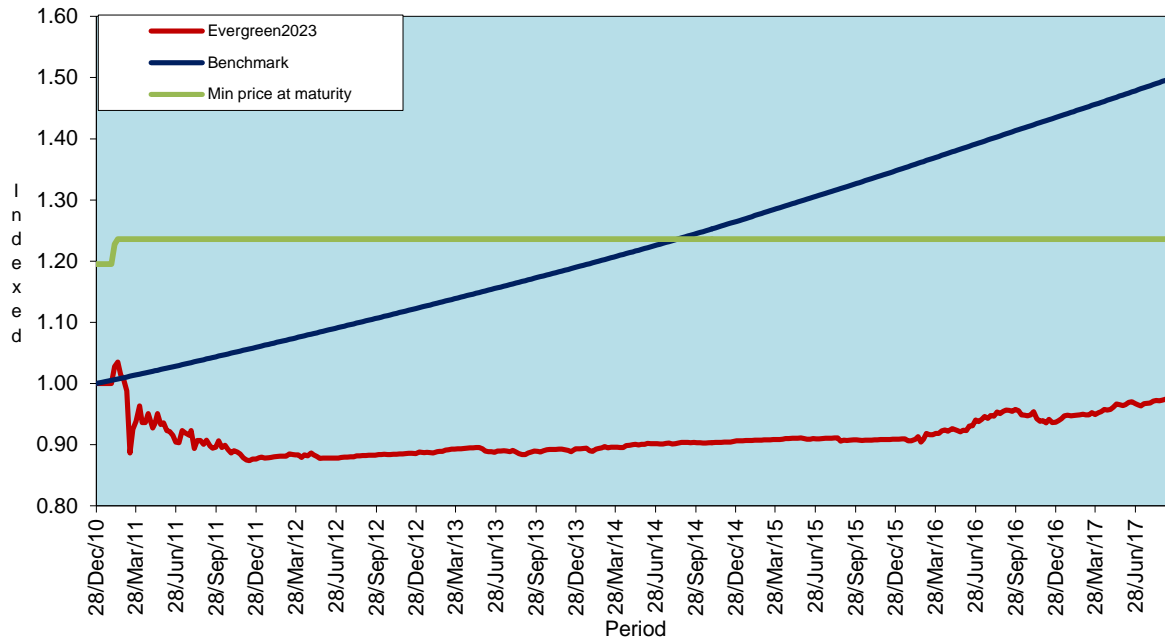
Fund	HLA EverGreen 2023	HLA EverGreen 2025	HLA EverGreen 2028	HLA EverGreen 2030	HLA EverGreen 2035
Avg Exposure of Maximum Assurance FRNID to Max InvestSave PSSIA-i 30Y	0.00%	0.00%	0.00%	8.05%	25.87%
Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index	103.53%				
Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in Sep2017	0.00%	0.00%	0.00%	8.33%	25.87%



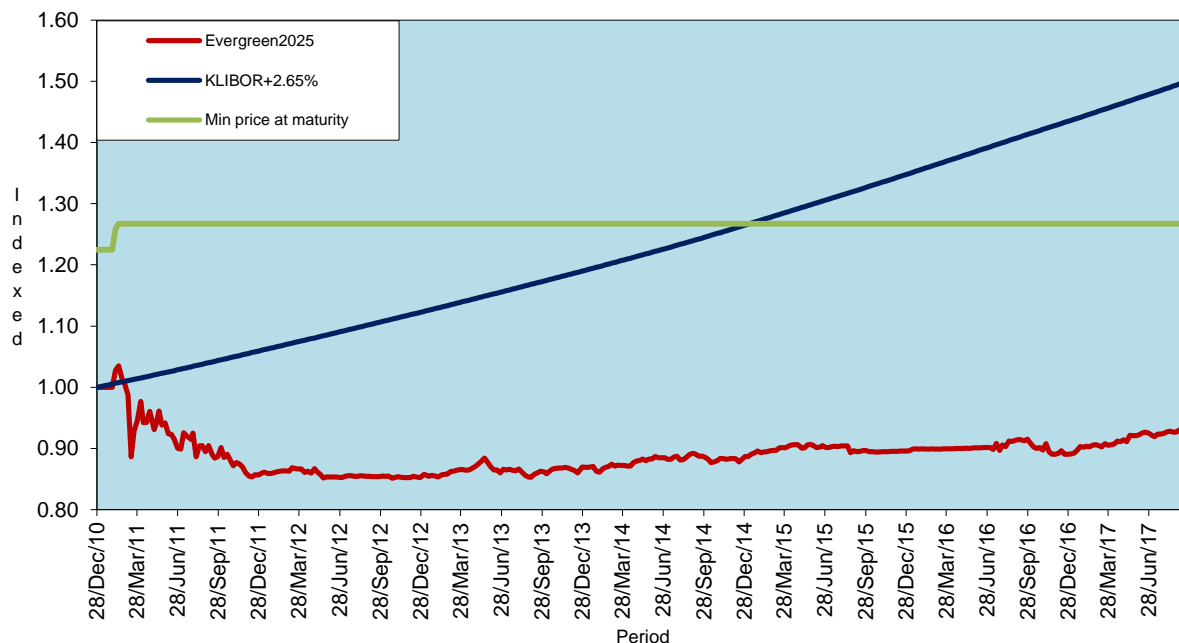
# HLA EverGreen Funds

## Historical Performance

HLA EverGreen 2023 Fund						
As of 26/9/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2023	0.36%	4.26%	-2.35%	1.98%	8.09%	10.58%
KLIBOR+2.65% p.a.	0.46%	4.59%	50.06%	6.19%	20.51%	35.67%
Performance vs Benchmark	-0.10%	-0.33%	-52.41%	-4.21%	-12.42%	-25.09%

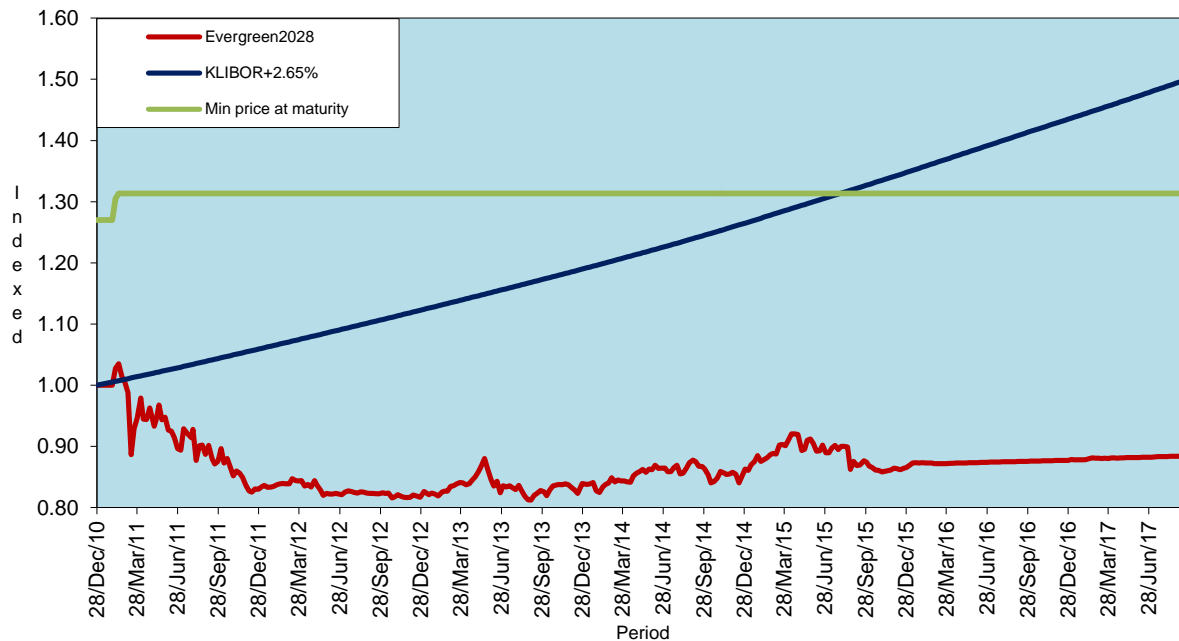


HLA EverGreen 2025 Fund						
As of 26/9/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2025	0.65%	4.69%	-6.75%	1.87%	5.26%	9.17%
KLIBOR+2.65% p.a.	0.46%	4.59%	50.06%	6.19%	20.51%	35.67%
Performance vs Benchmark	0.19%	0.10%	-56.81%	-4.32%	-15.25%	-26.50%

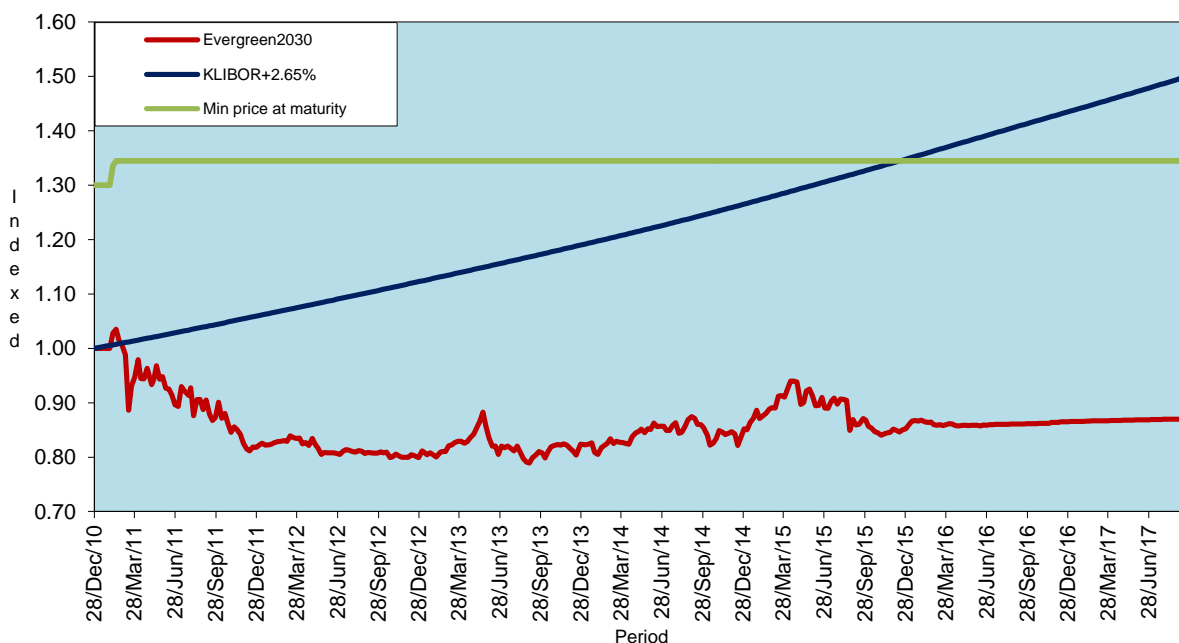


## HLA EverGreen Funds

HLA EverGreen 2028 Fund						
As of 26/9/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2028	0.06%	0.81%	-11.55%	0.99%	2.48%	7.52%
KLIBOR+2.65% p.a.	0.46%	4.59%	50.06%	6.19%	20.51%	35.67%
Performance vs Benchmark	-0.41%	-3.79%	-61.61%	-5.20%	-18.03%	-28.15%

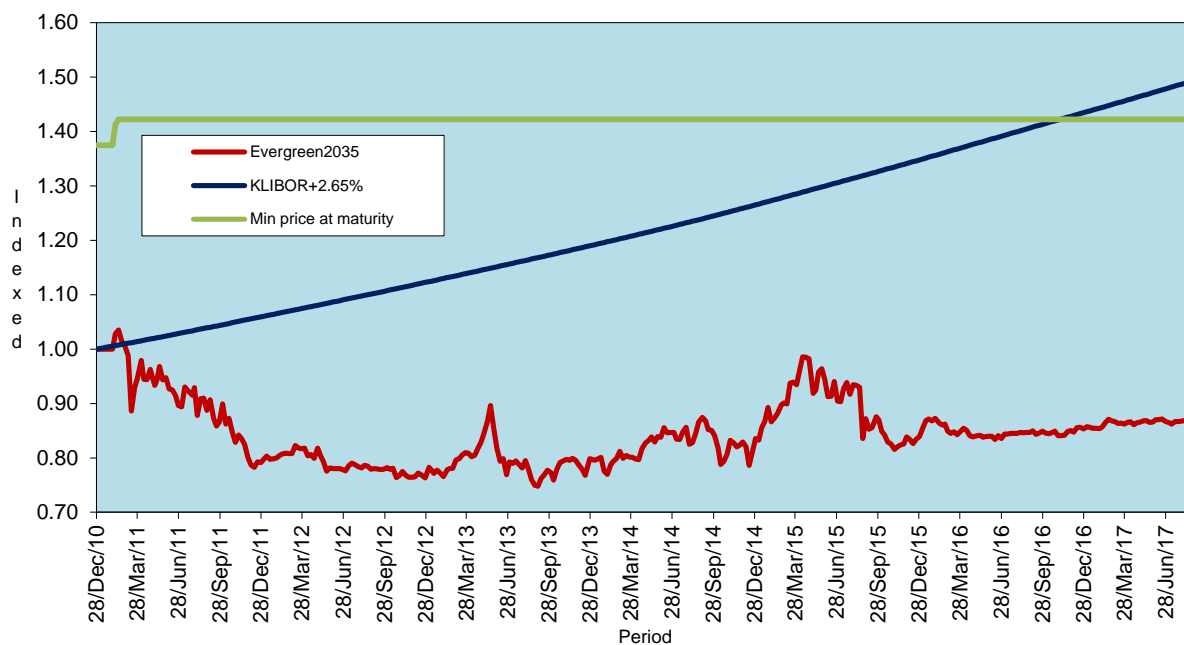


HLA EverGreen 2030 Fund						
As of 26/9/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2030	-0.13%	0.46%	-13.11%	0.87%	1.72%	7.59%
KLIBOR+2.65% p.a.	0.46%	4.59%	50.06%	6.19%	20.51%	35.67%
Performance vs Benchmark	-0.59%	-4.13%	-63.17%	-5.32%	-18.79%	-28.08%



## HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 26/9/17	1 month	Year to-date	Since Inception	1 Year	3 Years	5 Years
HLA EverGreen 2035	-0.52%	1.02%	-13.82%	1.51%	2.46%	10.63%
KLIBOR+2.65% p.a.	0.46%	4.59%	50.06%	6.19%	20.51%	35.67%
Performance vs Benchmark	-0.98%	-3.57%	-63.88%	-4.68%	-18.05%	-25.04%



### 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 <sup>^</sup>	RTD
2011	-	1.69%	-6.28%	2.21%	-1.23%	-4.08%	2.04%	-3.97%	-1.16%	-3.57%	3.57%	-1.34%	-18.00%	-
2012	2.41%	1.07%	1.07%	-0.41%	-4.17%	-1.18%	2.35%	-0.49%	-0.66%	-1.88%	0.66%	-0.58%	-1.98%	-
2013	0.85%	3.31%	3.47%	3.25%	0.11%	-4.18%	-2.19%	-4.28%	4.44%	3.75%	0.54%	0.55%	9.50%	-
2014	-3.65%	5.03%	-1.05%	4.21%	1.61%	-0.38%	0.72%	3.50%	-2.35%	-0.76%	0.42%	2.21%	9.51%	-
2015	4.74%	3.12%	3.50%	0.48%	1.51%	-4.21%	2.83%	-5.19%	0.63%	-5.27%	1.28%	1.54%	4.39%	-
2016	1.82%	0.60%	-1.24%	-1.96%	0.34%	0.93%	0.78%	0.66%	-0.16%	-1.10%	1.39%	0.81%	2.84%	-
2017	0.64%	3.87%	-0.52%	-0.22%	0.89%	-1.58%	0.67%	0.76%	-2.20%				2.21%	5.77%

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

Underlying Performance				
Underlying Asset	30-Aug-17 Closing Px	29-Sep-17 Closing Px	Performance (30 Aug 17 - 29 Sep 17)*	Effective Max InvestSave Weights** (24 Aug 17)
American Equity	4,761.72	4,887.97	2.65%	-25.88%
Japanese Equity	2,318.72	2,434.16	4.98%	-25.88%
European Equity	6,825.59	7,214.80	5.70%	25.88%
UK Equity	6,193.84	6,207.92	0.23%	-25.88%
Emerging Market Equity	3,882.23	3,887.89	0.15%	10.35%
China Equity	11,374.46	10,910.04	-4.08%	10.35%
Commodity Index	708.65	741.58	4.65%	-15.53%
European Real Estate	5,575.59	5,627.23	0.93%	25.85%
American Real Estate	80.68	79.88	-0.99%	0.00%
Hedge Fund Strategies	212.74	209.77	-1.40%	5.18%
Currency	0.84	0.85	0.58%	25.88%

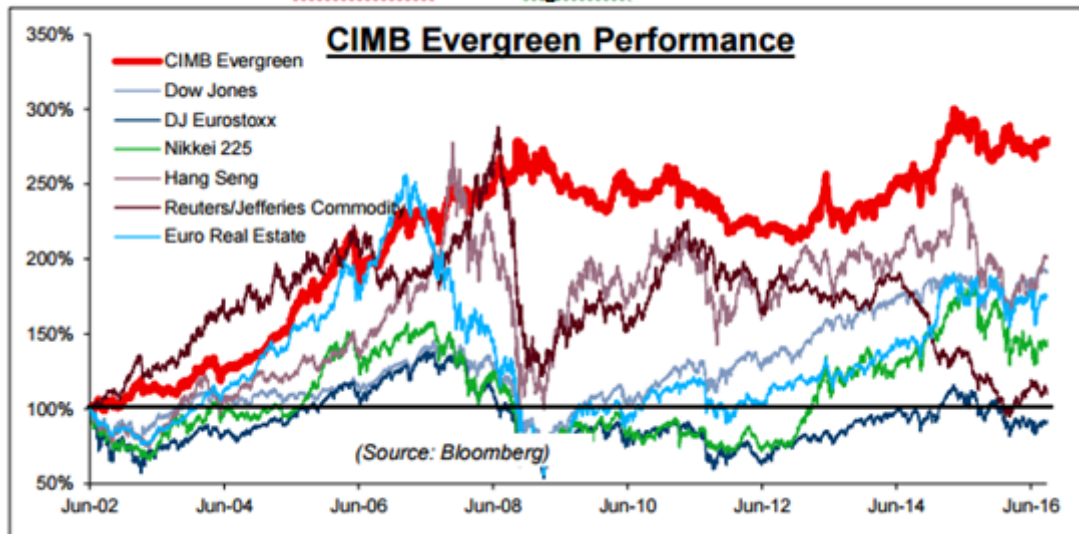
\* Month on month historical performance is calculated from previous Month End Date to current Month End Date

\*\* 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.

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#### CIMB Evergreen Index Disclaimer:

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



# HLA Dana Suria (HLADS)

Sep 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.

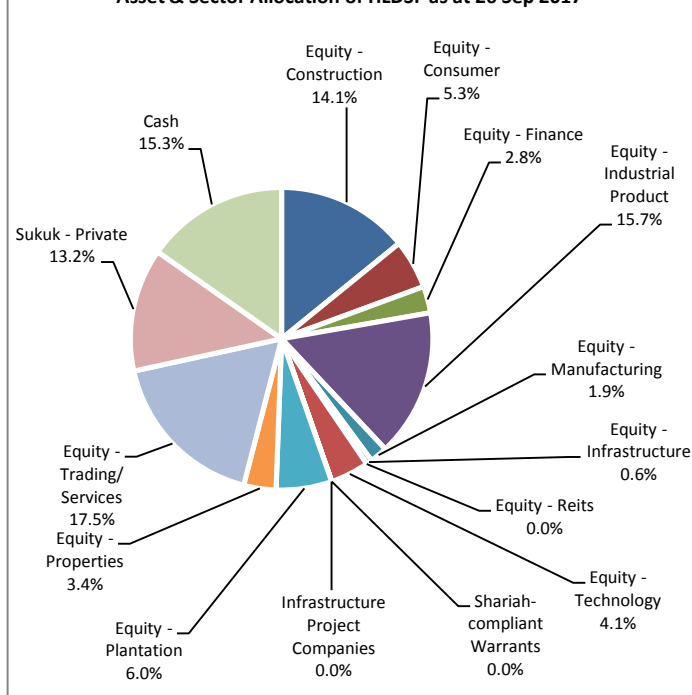
## Fund Details

Unit Price (26/9/2017)	:RM1.1659
Fund Size (26/9/2017)	:RM6.75mil
Fund Management Fee	:1.30% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:24 Sept 2013
Benchmark	:(70% x FTSE Bursa Malaysia EmasShariah Index) + (30% x 3-month Klibor)

Frequency of Unit Valuation :Weekly

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

**Asset & Sector Allocation of HLDSF as at 26 Sep 2017**



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

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

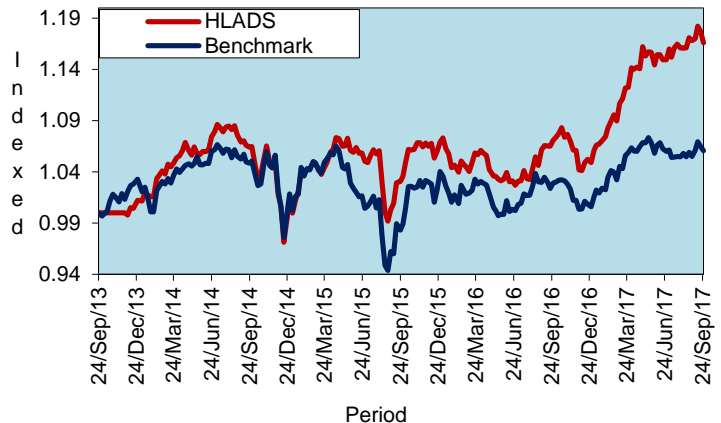
Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## Top 10 Holdings for HLADS as at 26 Sep 2017

		%
1.	TENAGA NASIONAL BERHAD	Equity 5.7
2.	LEMBAGA PEMBIAYAAN PERUMAHAN SEKTOR AWAM	Sukuk 5.1
3.	KESAS SDN BHD IMTN 2020	Sukuk 2.7
4.	SEPANGAR BAY POWER CORP 2022	Sukuk 2.7
5.	SIME	Equity 2.7
6.	SARAWAK HIDRO SDN BHD	Sukuk 2.6
7.	KERJAYA	Equity 2.1
8.	VS	Equity 2.0
9.	INARI	Equity 1.9
10.	DIGI	Equity 1.8
<b>Total Top 10</b>		<b>29.3</b>

## Historical Performance



	1 month	1 Year	3 Years	YTD	Since Inception
HLADS	-0.18%	8.92%	9.52%	11.17%	16.59%
Benchmark	0.51%	3.04%	0.94%	5.42%	6.04%
Relative	-0.69%	5.88%	8.58%	5.75%	10.55%

## Market Review, Outlook & Strategy

Regional markets were muted with strong geopolitical tensions as both North Korea and US continued their war mongering threats. That aside, market participants were also pre-occupied with the policy direction of the key central banks. The Fed did leave policy rates unchanged as expected, but announced that from 1 Oct 17 it will reduce the amount it reinvests from maturing assets on its balance sheet with an initial amount of US\$10b per month.

Meanwhile, Malaysia's economic numbers were more positive with the pick-up in the Industrial Production Index and stronger domestic demand. Headline inflation also rebounded to 3.7%. As a result the Ringgit strengthened by close to 1.2% mom to RM4.2205/ US\$. However, the positive macro data was not reflected in the performance of the FBMKLCI which produced negative returns in September. This decline was driven by continued foreign selling to the tune of RM1bn although there is still positive inflow of RM9bn for 2017. The selling was on the back of limited positive news flow as the general elections are likely to be held later in 2018 and the recent disappointing corporate results season.

As such, the FBM KLCI was down by 17.58pts (-1% mom) to 1,756pts in September. The key sectors that dragged down the KLCI in Sept were the finance and technology sectors. Small caps, however, fared better with the FBM Small cap index rising 1.2% to 16,950pts. However, FBMMES (or Ace market) fell 0.7% mom to 6,568pts. Average daily value traded on Bursa in Sep rose 30% mom to RM2.5bn.

Domestically, investors will be focusing on the upcoming Budget 2018 themed "Negaraku Shaping the Future" which will be tabled on the 27<sup>th</sup> October. Given that this is the final budget before the next general elections, it is likely that it will be expansionary with a focus on the lower and middle income segments. Key issues will be addressing the cost of living, affordable housing and using technology to spur growth. Meanwhile, global markets will likely trade range-bound awaiting the outcome of the upcoming Federal Market Open Committee meeting in November. Markets will also continue to monitor the tension between the United States and North Korea.

As for our strategy, we continue to favour infrastructure related and building material names as infrastructure projects are likely to be prioritised ahead of the general elections. We will also continue to take opportunity of any market weakness to accumulate stocks with earnings certainty and tangible structural improvements.

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

Malaysian Government bond (govvies) yields continued to ease lower in the first week of September, tracking the sentiment of US Treasuries (UST). This was primarily due to safe haven flows amid lingering concerns over geopolitical tensions from North Korea as well as Hurricane Irma which could delay the Fed's rate hike plans. However, sentiment reversed as concerns over impact of Hurricane Irma later subsided. UST yields then continued to spike further with revived expectations of a Fed rate hike following Yellen's hawkish statements and the announcement of the tapering of their balance sheet in October. Consequently, the Malaysia govvies market was fairly quiet with action only seen on short term bonds due to the global hawkish sentiment.

US Treasuries yields are expected to be on an uptrend as market players are still vigilant over the Fed's monetary policy stance and the impact of tapering its balance sheet. As such, we are of the view that the fixed income market will be volatile but this presents a trading opportunity for both foreign bonds and local govvies. Meanwhile, we will focus on primary bonds for yield pick-up and selectively buy when there is any irrational selloff in the market.

## HLA Dana Suria (HLADS)

### Actual Annual Investment Returns for the Past Four (4) 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 four (4) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 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)

Sep 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.

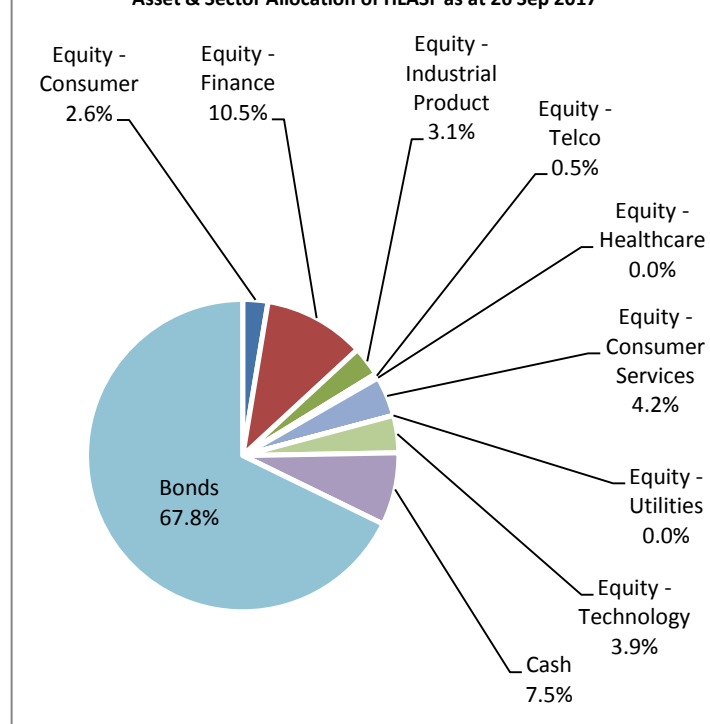
## Fund Details

Unit Price (26/9/2017)	:RM1.3474
Fund Size (26/9/2017)	:RM12.1mil
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.

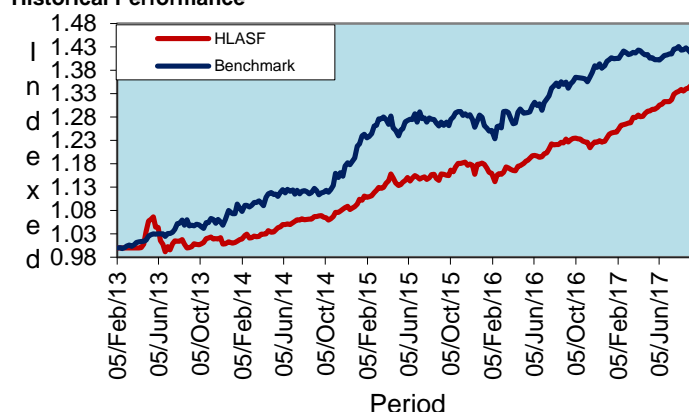
## Asset & Sector Allocation of HLASF as at 26 Sep 2017



## Top 10 Holdings for HLASF as at 26 Sep 2017

		%
1.	Alibaba Group Holding	Equity 2.7
2.	3.68% GII (23.11.17)	Bond 1.5
3.	0.00% United States Treasury N/B (02.11.17)	Bond 1.3
4.	7.00% Indonesia Treasury Bond (15.05.22)	Bond 1.3
5.	0.00% Yinson Juniper Ltd (05.10.49)	Bond 1.3
6.	SK Hynic Inc	Equity 1.1
7.	4.56% EMG Sukuk Ltd (18.06.24)	Bond 1.0
8.	4.50% LS Finance Ltd (26.06.25)	Bond 1.0
9.	4.25% Parkway Pantai Ltd (27.07.22)	Bond 1.0
10.	China Construction Bank Corp	Equity 1.0
Total Top 10		13.2

## Historical Performance



	1 month	1 Year	3 Years	YTD	Since Inception
HLASF	0.44%	9.19%	26.43%	9.74%	34.74%
Benchmark	-0.50%	4.45%	26.60%	1.94%	41.63%
Relative	0.94%	4.74%	-0.16%	7.80%	-6.89%

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

Investors shifted their focus from geopolitical concerns toward the anticipated US rate hike, and Trump's tax reforms. The US Dollar regained some strength over the month, and put a dampener on emerging markets' performance. Stronger performance of the Thailand, and Philippines bourse failed to lift the broader market – the Asian region slid 0.3% lower in local currency terms over the month. Government bond yields in the US rose on the back of renewed optimism – taking the lead for regional markets as well. Corporate bonds within the region kept comparatively resilient, with market demand staying strong with a take up of USD 30 billion in primary issuances ahead of the long holidays in China.

The Manager will be looking to maintain a higher exposure level for the Fund, while keeping a tactically cautious stance. Will continue to keep a close watch on the development in the US as bond yields will likely take lead from the policy decisions made. We remain optimistic on the regional equity markets, believing that there are still pockets of opportunities to be found. The portfolio will remain diversified – with exposures into financials such as banking stocks as beneficiary of refraction as well as REITs for consistent income, and consumer services on the back of improved conditions and expectations of stronger spending.

## HLA Secure Fund (HLASF)

### Actual Annual Investment Returns for the Past Four (4) 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 four (4) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 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

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### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### 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.

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### Disclaimer:

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# HLA Cash Fund (HLACF)

Sep 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

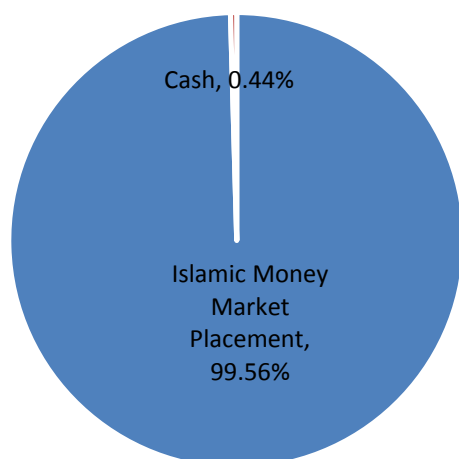
This fund is suitable for investors who are low risk profile.

## Fund Details

Unit Price (26/9/2017)	: RM1.1691
Fund Size (26/9/2017)	: RM32.8mil
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 26 Sep 2017



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

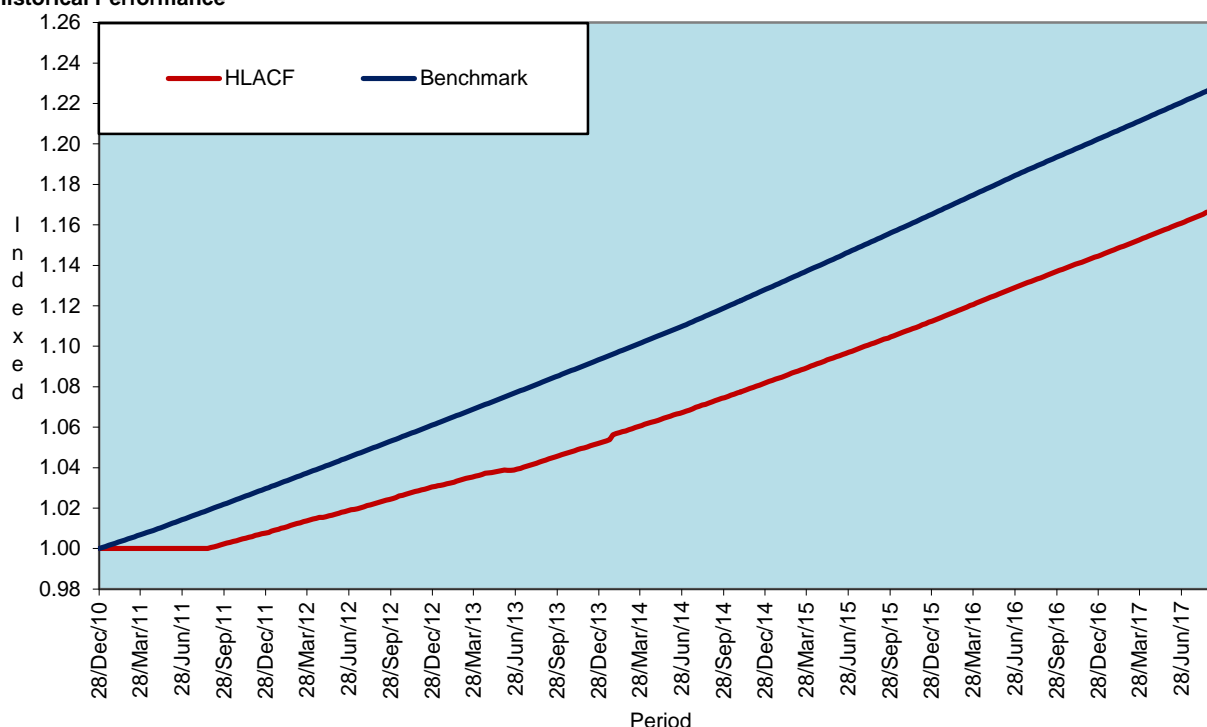
Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

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## HLA Cash Fund (HLACF)

### Historical Performance



As of 26/9/17	1 month	YTD	Since Inception	1 Year	3 Years	5 Years
HLACF	0.22%	2.14%	16.91%	2.83%	8.79%	14.14%
Benchmark	0.23%	2.26%	22.96%	3.04%	9.88%	16.78%
Relative	-0.01%	-0.12%	-6.05%	-0.20%	-1.08%	-2.65%

### 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

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

### Exceptional Circumstances

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

## 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.

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## Fund Risk Type & Customer Risk Appetite

