

# Monthly Fund Fact Sheet

## — March 2020



## Contents

### Daily Valuation Funds

HLA Venture Growth Fund.....	1
HLA Venture Blue Chip Fund.....	4
HLA Venture Dana Putra Fund .....	7
HLA Venture Flexi Fund.....	9
HLA Value Fund.....	11
Hong Leong SMART Invest Fund.....	14
Hong Leong SMART Growth Fund.....	17
HLA Venture Global Fund .....	20
HLA Venture Managed Fund.....	23
HLA Venture Income Fund.....	26

### Weekly Valuation Funds

HLA Horizon Funds.....	29
HLA EverGreen Funds.....	34
HLA Dana Suria.....	39
HLA Secure Fund.....	42
HLA Cash Fund.....	45
Fund Risk Type & Customer Risk Appetite .....	48

# HLA Venture Growth Fund (HLAVGF)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

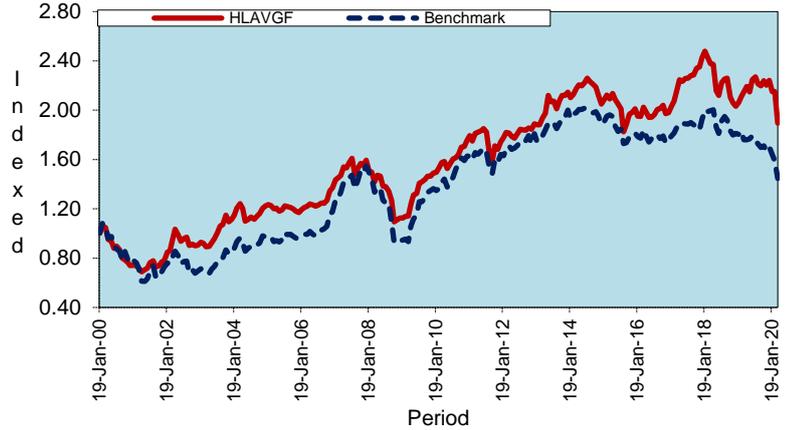
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (31/3/2020)	:RM1.8938
Fund Size (31/3/2020)	:RM328.6mil
Fund Management Fee (effective as at 01/08/2018)	: 1.39% p.a. (capped at 1.50%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	:19 Jan 2000
Benchmark	:FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	:Daily

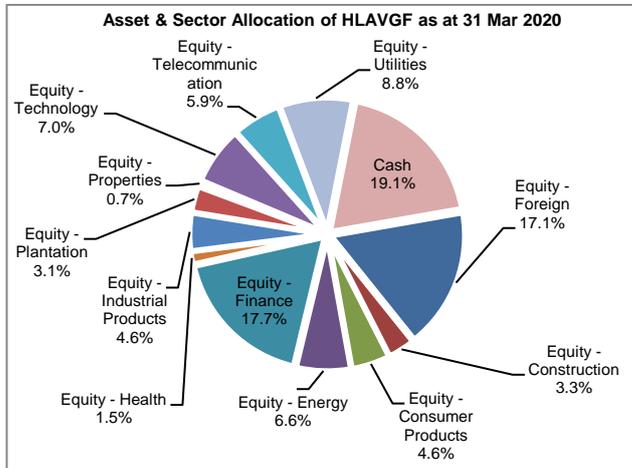
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	-15.53%	-11.97%	-11.87%	-12.53%	-9.41%	20.22%	89.38%
Benchmark*	-14.97%	-8.89%	-17.81%	-22.37%	-26.21%	2.30%	44.73%
Relative	-0.55%	-3.08%	5.94%	9.84%	16.80%	17.92%	44.65%

\*Source: Bloomberg



## Top 5 Holdings for HLA VGF as at 31 Mar 2020

	%
1. TENAGA	8.2
2. MAYBANK	7.7
3. CIMB	6.7
4. TENCENT	6.5
5. MYEG	3.8
<b>Total Top 5</b>	<b>32.9</b>

# HLA Venture Growth Fund (HLAVGF)

## Market Review, Outlook & Strategy

Global equities posted their worst monthly performance since the Global Financial Crisis with the S&P and Dow Jones falling by 19% and 22% ytd as the global coronavirus pandemic spread at an alarming pace. US, Italy, Spain, and Germany have overtaken China to become the epicentre of the Covid-19 outbreak in the world. Most countries are now in some form of partial lock-down (state of emergency or social distancing) since mid-March including the US (which has now been extended by 2 weeks until 30 Apr). While the rest of the world is trying to contain this health crisis, China is slowly normalising as it comes out of the lock-down imposed since end-January. Even before this outbreak worsened, pandemonium happened in the oil market as OPEC+ talks broke down, followed by Saudi Arabia's move to ignite a market share war with the Russians. Central bankers in the western economies pulled out all stops to buffer the impact of Covid-19 starting with the Fed's move to slash interest rates by 100bps to 0-0.25%, followed by an unlimited and open-ended QE. The US Congress also passed a historic US\$2 trn stimulus package unanimously. The respective governments' and central banks' reactions over the past 2 weeks have been extensive, unprecedented and comparable to the responses during the Global Financial Crisis. The global fiscal financial support amounting to trillions of dollars is said to be at historical highs. On the back of such massive stimulus programmes around the world, the economic fallout could be a sharp but temporary contraction before a potential recovery later this year.

Domestically, in addition to the two global events which translated to 1) a negative China-driven supply shock, a negative global demand shock and 2) an abundance of oil-supply shock, we saw the formation of a new government following the fallout of the erstwhile coalition members of the previous government. This created uncertainty of the continuity of policy reforms that were taking place over the past 2 years. Malaysia was also not spared from the Covid-19 outbreak with the government imposing the Movement Control Order period which started on 18<sup>th</sup> March and has been extended to 14<sup>th</sup> April. To aid the economy during this tough time, the government unveiled a RM250b (17% of GDP) economic stimulus package with key components of the stimulus comprising of 1) loan moratorium for individuals and SMEs (RM98b), 2) Danajamin credit guarantee (RM50b), 3) EPF withdrawals of RM500/month (RM40b), 4) cash handouts (RM10b) and 5) wage subsidies (RM5.9b). The bulk of the RM250b will be financed off-budget (banks, EPF, Danajamin) with only RM25b to be financed by federal budget, mostly via debt issuance. This will cause the fiscal deficit to widen to >4% of GDP for 2020 and push the government's debt level to 57.8% of GDP in 2020.

On a relative basis for the month of March, the KLCI outperformed the broader market by posting a smaller decline of 8.9% mom to close at 1351 pts. The FBM Emas Shariah, FBM Emas and FBM Small Cap recorded declines of 9.1% mom, 11.8% mom and 27.7% mom respectively in March. In March, Malaysian equities saw foreign outflow to the tune of US\$1.3b. Cumulatively, Jan to Mar 20, total net outflow was US\$1.8b.

Globally, investors will be following closely the development of Covid-19 to assess the extent of corporate earnings erosion in the aftermath as well as structural declines (if any). While we remain invested in the current climate of uncertainties, we are also comforted by the fact that we have raised sufficient cash levels prior to the correction. We take no view of when will this health crisis will peak but at current levels and taking a longer investment horizon of >1 year, we see value emerging for some of the liquid and big cap names. We continue to stick to defensive companies offering resilient earnings and dividend prospects with strong cash flow profile to weather through the coming downturn.

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	19.3%	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%
<b>HLAVGF- Gross</b>	21.1%	0.5%	10.7%	16.3%	-3.2%	-0.6%	-0.1%	26.0%	-16.1%	12.8%
<b>HLAVGF - Net</b>	18.0%	-0.9%	8.5%	13.6%	-4.4%	-1.9%	-1.5%	22.5%	-16.2%	10.3%

Net returns are adjusted for tax and fund management fees.

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

## Investment Risks

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

### 1. Market Risk

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

### 2. Liquidity Risk

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

### 3. Credit Risk

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

### 4. Interest Rate Risk

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

### 5. Country Risk

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

### 6. Currency Risk

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

## 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.

## HLA Venture Growth Fund (HLAVGF)

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

HLA 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)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

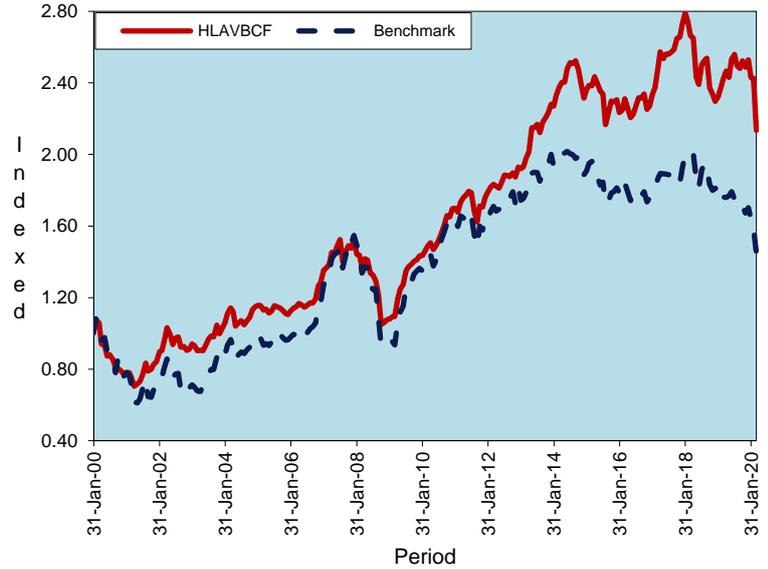
This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

## Fund Details

Unit Price (31/3/2020)	: RM2.1342
Fund Size (31/3/2020)	: RM247.6mil
Fund Management Fee (effective as at 01/05/2018)	: 1.43% p.a. (capped at 1.50%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jan 2000
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

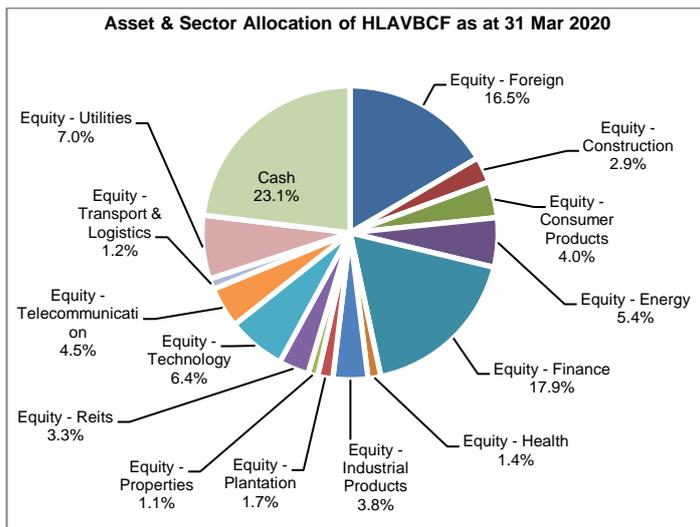
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVBCF	-15.60%	-11.98%	-11.87%	-13.97%	-10.49%	43.62%	113.42%
Benchmark*	-14.97%	-8.89%	-17.81%	-22.37%	-26.21%	2.30%	44.73%
Relative	-0.63%	-3.10%	5.94%	8.39%	15.72%	41.32%	68.69%

\*Source: Bloomberg



Top 5 Holdings for HLAVBCF as at 31 Mar 2020	%
1. MAYBANK	7.3
2. TENAGA	6.4
3. TENCENT	5.2
4. CIMB	4.8
5. RHBBANK	3.9
<b>Total Top 5</b>	<b>27.6</b>

# HLA Venture Blue Chip Fund (HLAVBCF)

## Market Review, Outlook & Strategy

Global equities posted their worst monthly performance since the Global Financial Crisis with the S&P and Dow Jones falling by 19% and 22% ytd as the global coronavirus pandemic spread at an alarming pace. US, Italy, Spain, and Germany have overtaken China to become the epicentre of the Covid-19 outbreak in the world. Most countries are now in some form of partial lock-down (state of emergency or social distancing) since mid-March including the US (which has now been extended by 2 weeks until 30 Apr). While the rest of the world is trying to contain this health crisis, China is slowly normalising as it comes out of the lock-down imposed since end-January. Even before this outbreak worsened, pandemonium happened in the oil market as OPEC+ talks broke down, followed by Saudi Arabia's move to ignite a market share war with the Russians. Central bankers in the western economies pulled out all stops to buffer the impact of Covid-19 starting with the Fed's move to slash interest rates by 100bps to 0-0.25%, followed by an unlimited and open-ended QE. The US Congress also passed a historic US\$2 trn stimulus package unanimously. The respective governments' and central banks' reactions over the past 2 weeks have been extensive, unprecedented and comparable to the responses during the Global Financial Crisis. The global fiscal financial support amounting to trillions of dollars is said to be at historical highs. On the back of such massive stimulus programmes around the world, the economic fallout could be a sharp but temporary contraction before a potential recovery later this year.

Domestically, in addition to the two global events which translated to 1) a negative China-driven supply shock, a negative global demand shock and 2) an abundance of oil-supply shock, we saw the formation of a new government following the fallout of the erstwhile coalition members of the previous government. This created uncertainty of the continuity of policy reforms that were taking place over the past 2 years. Malaysia was also not spared from the Covid-19 outbreak with the government imposing the Movement Control Order period which started on 18<sup>th</sup> March and has been extended to 14<sup>th</sup> April. To aid the economy during this tough time, the government unveiled a RM250b (17% of GDP) economic stimulus package with key components of the stimulus comprising of 1) loan moratorium for individuals and SMEs (RM98b), 2) Danajamin credit guarantee (RM50b), 3) EPF withdrawals of RM500/month (RM40b), 4) cash handouts (RM10b) and 5) wage subsidies (RM5.9b). The bulk of the RM250b will be financed off-budget (banks, EPF, Danajamin) with only RM25b to be financed by federal budget, mostly via debt issuance. This will cause the fiscal deficit to widen to >4% of GDP for 2020 and push the government's debt level to 57.8% of GDP in 2020.

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Globally, investors will be following closely the development of Covid-19 to assess the extent of corporate earnings erosion in the aftermath as well as structural declines (if any). While we remain invested in the current climate of uncertainties, we are also comforted by the fact that we have raised sufficient cash levels prior to the correction. We take no view of when will this health crisis will peak but at current levels and taking a longer investment horizon of >1 year, we see value emerging for some of the liquid and big cap names. We continue to stick to defensive companies offering resilient earnings and dividend prospects with strong cash flow profile to weather through the coming downturn.

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	19.3%	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%
<b>HLAVBF- Gross</b>	21.6%	5.4%	11.9%	21.4%	3.2%	1.1%	-0.1%	23.6%	-15.7%	12.5%
<b>HLAVBF - Net</b>	18.5%	3.6%	9.6%	18.3%	1.5%	-0.4%	-1.6%	20.3%	-15.9%	10.1%

Net returns are adjusted for tax and fund management fees.

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

## **Investment Risks**

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

### **1. Market Risk**

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

### **2. Liquidity Risk**

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

### **3. Credit Risk**

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

### **4. Interest Rate Risk**

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

### **5. Country Risk**

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

### **6. Currency Risk**

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

## **Risk Management**

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

## HLA Venture Blue Chip Fund (HLAVBCF)

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

HLA 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:

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

# HLA Venture Dana Putra (HLAVDP)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

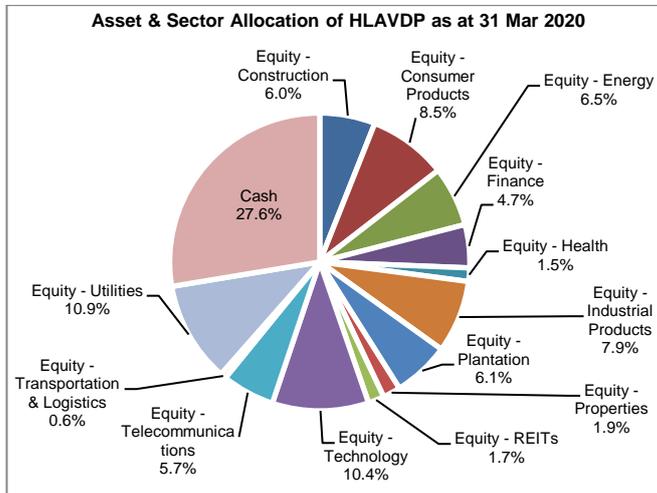
### 4. Target Market

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

## Fund Details

Unit Price (31/3/2020)	: RM1.9771
Fund Size (31/3/2020)	: RM69.8mil
Fund Management Fee (effective as at 01/01/2019)	: 1.34% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

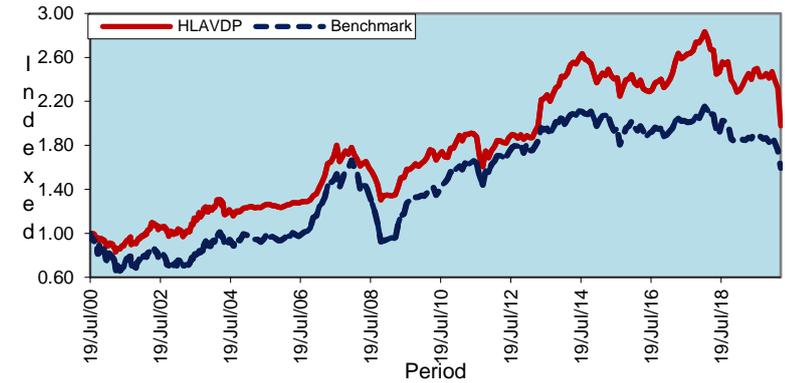
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## Top 5 Holdings for HLAVDP as at 31 Mar 2020

Rank	Company Name	Weight (%)
1.	TENAGA	8.2
2.	QL	5.1
3.	MYEG	4.7
4.	BIMB	4.1
5.	YINSON	3.5
<b>Total Top 5</b>		<b>25.5</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-19.98%	-14.81%	-17.64%	-22.89%	-18.82%	12.40%	97.71%
Benchmark*	-15.42%	-9.14%	-13.54%	-21.12%	-22.99%	13.21%	59.57%
Relative	-4.55%	-5.68%	-4.09%	-1.77%	4.17%	-0.81%	38.14%

Source: Bloomberg

## Market Review, Outlook & Strategy

Global equities posted their worst monthly performance since the Global Financial Crisis with the S&P and Dow Jones falling by 19% and 22% ytd as the global coronavirus pandemic spread at an alarming pace. US, Italy, Spain, and Germany have overtaken China to become the epicentre of the Covid-19 outbreak in the world. Most countries are now in some form of partial lock-down (state of emergency or social distancing) since mid-March including the US (which has now been extended by 2 weeks until 30 Apr). While the rest of the world is trying to contain this health crisis, China is slowly normalising as it comes out of the lock-down imposed since end-January. Even before this outbreak worsened, pandemonium happened in the oil market as OPEC+ talks broke down, followed by Saudi Arabia's move to ignite a market share war with the Russians. Central bankers in the western economies pulled out all stops to buffer the impact of Covid-19 starting with the Fed's move to slash interest rates by 100bps to 0-0.25%, followed by an unlimited and open-ended QE. The US Congress also passed a historic US\$2 trn stimulus package unanimously. The respective governments' and central banks' reactions over the past 2 weeks have been extensive, unprecedented and comparable to the responses during the Global Financial Crisis. The global fiscal financial support amounting to trillions of dollars is said to be at historical highs. On the back of such massive stimulus programmes around the world, the economic fallout could be a sharp but temporary contraction before a potential recovery later this year.

Domestically, in addition to the two global events which translated to 1) a negative China-driven supply shock, a negative global demand shock and 2) an abundance of oil-supply shock, we saw the formation of a new government following the fallout of the erstwhile coalition members of the previous government. This created uncertainty of the continuity of policy reforms that were taking place over the past 2 years. Malaysia was also not spared from the Covid-19 outbreak with the government imposing the Movement Control Order period which started on 18<sup>th</sup> March and has been extended to 14<sup>th</sup> April. To aid the economy during this tough time, the government unveiled a RM250b (17% of GDP) economic stimulus package with key components of the stimulus comprising of 1) loan moratorium for individuals and SMEs (RM98b), 2) Danajamin credit guarantee (RM50b), 3) EPF withdrawals of RM500/month (RM40b), 4) cash handouts (RM10b) and 5) wage subsidies (RM5.9b). The bulk of the RM250b will be financed off-budget (banks, EPF, Danajamin) with only RM25b to be financed by federal budget, mostly via debt issuance. This will cause the fiscal deficit to widen to >4% of GDP for 2020 and push the government's debt level to 57.8% of GDP in 2020.

On a relative basis for the month of March, the KLCI outperformed the broader market by posting a smaller decline of 8.9% mom to close at 1351 pts. The FBM Emas Shariah, FBM Emas and FBM Small Cap recorded declines of 9.1% mom, 11.8% mom and 27.7% mom respectively in March. In March, Malaysian equities saw foreign outflow to the tune of US\$1.3b. Cumulatively, Jan to Mar 20, total net outflow was US\$1.8b.

Globally, investors will be following closely the development of Covid-19 to assess the extent of corporate earnings erosion in the aftermath as well as structural declines (if any). While we remain invested in the current climate of uncertainties, we are also comforted by the fact that we have raised sufficient cash levels prior to the correction. We take no view of when will this health crisis will peak but at current levels and taking a longer investment horizon of >1 year, we see value emerging for some of the liquid and big cap names. We continue to stick to defensive companies offering resilient earnings and dividend prospects with strong cash flow profile to weather through the coming downturn.

## HLA Venture Dana Putra (HLAVDP)

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	18.2%	2.4%	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%
<b>HLAVDP- Gross</b>	14.4%	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%
<b>HLAVDP - Net</b>	11.9%	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%

Net returns are adjusted for tax and fund management fees.

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

#### Investment Risks

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

##### 1. Market Risk

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

##### 2. Liquidity Risk

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

##### 3. Credit Risk

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

##### 4. Interest Rate Risk

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

#### Risk Management

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

#### Basis of Unit Valuation

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

#### Exceptional Circumstances

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

#### Basis of Calculation of Past Performance

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

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

#### Others

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

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

#### Disclaimer:

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

# HLA Venture Flexi Fund (HLAVFF)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

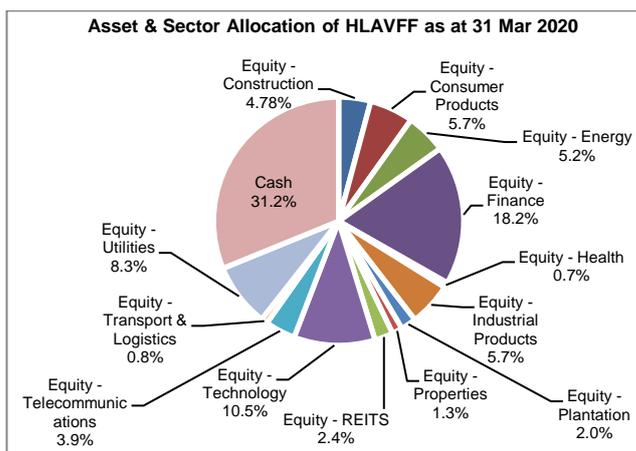
### 4. Target Market

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

## Fund Details

Unit Price (31/3/2020)	: RM0.7257
Fund Size (31/3/2020)	: RM70.3mil
Fund Management Fee (effective as at 01/01/2019)	: 1.31% p.a. (capped at 1.48%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 06 April 2009
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

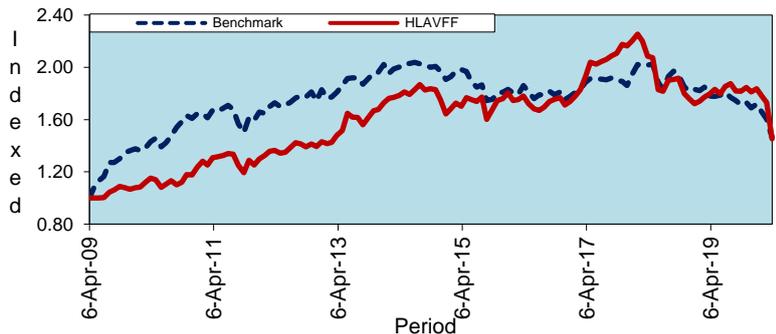
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 5 Holdings for HLAVFF as at 31 Mar 2020

Rank	Company	%
1.	MAYBANK	8.3
2.	TENAGA	6.0
3.	CIMB	5.0
4.	MYEG	3.6
5.	YINSON	3.5
<b>Total Top 5</b>		<b>26.4</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVFF	-20.98%	-16.20%	-19.12%	-24.74%	-14.73%	25.88%	45.14%
Benchmark*	-14.97%	-8.89%	-17.81%	-22.37%	-26.21%	2.30%	46.24%
Relative	-6.01%	-7.31%	-1.30%	-2.37%	11.48%	23.58%	-1.10%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

Global equities posted their worst monthly performance since the Global Financial Crisis with the S&P and Dow Jones falling by 19% and 22% ytd as the global coronavirus pandemic spread at an alarming pace. US, Italy, Spain, and Germany have overtaken China to become the epicentre of the Covid-19 outbreak in the world. Most countries are now in some form of partial lock-down (state of emergency or social distancing) since mid-March including the US (which has now been extended by 2 weeks until 30 Apr). While the rest of the world is trying to contain this health crisis, China is slowly normalising as it comes out of the lock-down imposed since end-January. Even before this outbreak worsened, pandemonium happened in the oil market as OPEC+ talks broke down, followed by Saudi Arabia's move to ignite a market share war with the Russians. Central bankers in the western economies pulled out all stops to buffer the impact of Covid-19 starting with the Fed's move to slash interest rates by 100bps to 0-0.25%, followed by an unlimited and open-ended QE. The US Congress also passed a historic US\$2 trn stimulus package unanimously. The respective governments' and central banks' reactions over the past 2 weeks have been extensive, unprecedented and comparable to the responses during the Global Financial Crisis. The global fiscal financial support amounting to trillions of dollars is said to be at historical highs. On the back of such massive stimulus programmes around the world, the economic fallout could be a sharp but temporary contraction before a potential recovery later this year.

Domestically, in addition to the two global events which translated to 1) a negative China-driven supply shock, a negative global demand shock and 2) an abundance of oil-supply shock, we saw the formation of a new government following the fallout of the erstwhile coalition members of the previous government. This created uncertainty of the continuity of policy reforms that were taking place over the past 2 years. Malaysia was also not spared from the Covid-19 outbreak with the government imposing the Movement Control Order period which started on 18<sup>th</sup> March and has been extended to 14<sup>th</sup> April. To aid the economy during this tough time, the government unveiled a RM250b (17% of GDP) economic stimulus package with key components of the stimulus comprising of 1) loan moratorium for individuals and SMEs (RM98b), 2) Danajamin credit guarantee (RM50b), 3) EPF withdrawals of RM500/month (RM40b), 4) cash handouts (RM10b) and 5) wage subsidies (RM5.9b). The bulk of the RM250b will be financed off-budget (banks, EPF, Danajamin) with only RM25b to be financed by federal budget, mostly via debt issuance. This will cause the fiscal deficit to widen to >4% of GDP for 2020 and push the government's debt level to 57.8% of GDP in 2020.

On a relative basis for the month of March, the KLCI outperformed the broader market by posting a smaller decline of 8.9% mom to close at 1351 pts. The FBM Emas Shariah, FBM Emas and FBM Small Cap recorded declines of 9.1% mom, 11.8% mom and 27.7% mom respectively in March. In March, Malaysian equities saw foreign outflow to the tune of US\$1.3b. Cumulatively, Jan to Mar 20, total net outflow was US\$1.8b.

Globally, investors will be following closely the development of Covid-19 to assess the extent of corporate earnings erosion in the aftermath as well as structural declines (if any). While we remain invested in the current climate of uncertainties, we are also comforted by the fact that we have raised sufficient cash levels prior to the correction. We take no view of when will this health crisis will peak but at current levels and taking a longer investment horizon of >1 year, we see value emerging for some of the liquid and big cap names. We continue to stick to defensive companies offering resilient earnings and dividend prospects with strong cash flow profile to weather through the coming downturn.

# HLA Venture Flexi Fund (HLAVFF)

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	19.3%	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%
<b>HLAVFF- Gross</b>	17.4%	7.0%	12.7%	24.1%	-3.9%	12.2%	-2.4%	30.6%	-22.2%	8.8%
<b>HLAVFF - Net</b>	14.6%	5.1%	10.2%	20.8%	-5.0%	9.8%	-3.7%	26.7%	-21.9%	6.7%

Net returns are adjusted for tax and fund management fees.

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

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

### Investment Risks

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

**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)

Mar 2020

## 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 Value Fund, formerly known as 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 Target Fund is to invest a minimum of 70% of its NAV in equities and maximum 30% of its NAV in fixed income securities. Generally, HLA Value Fund may invest up to 95% of its NAV in equities.

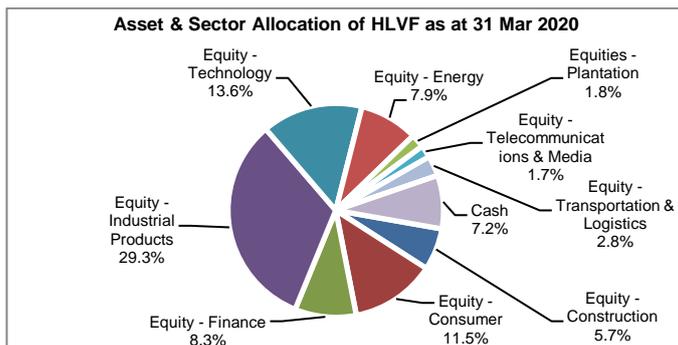
### 5. Target Market

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

## Fund Details

Unit Price (31/3/2020)	: RM 0.9046
Fund Size (31/3/2020)	: RM 70.6mil
Fund Management Fee (effective as at 01/10/2015)	: 1.45% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 October 2015
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

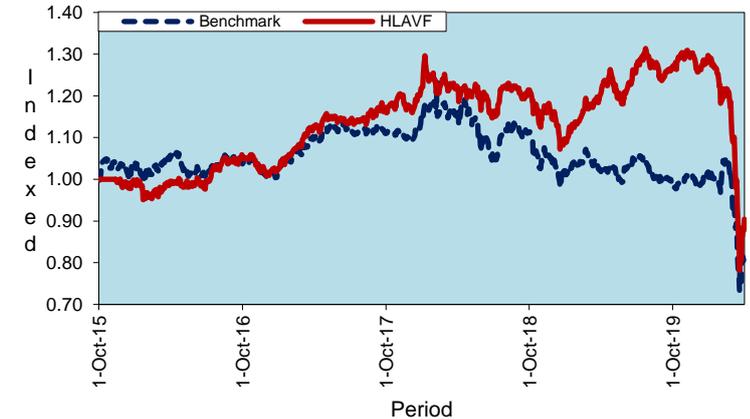
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLVF as at 31 Mar 2020

Rank	Company Name	Percentage
1.	PETRONAS CHEMICALS GROUP BERHAD	10.6
2.	TOP GLOVE CORPORATION BERHAD	8.3
3.	PRESS METAL ALUMINIUM HOLDINGS BERHAD	6.7
4.	BIMB HOLDINGS BERHAD	5.4
5.	MYEG SERVICES BERHAD	4.9
<b>Total Top 5</b>		<b>35.9</b>

## Historical Performance



	YTD	1 month	1 year	2 years	3 years	Since Inception
HLVF	-29.45%	-18.46%	-24.52%	-26.05%	-19.44%	-9.54%
Benchmark*	-18.40%	-16.92%	-20.03%	-29.17%	-25.25%	-18.04%
Relative	-11.05%	-1.54%	-4.49%	3.12%	5.81%	8.50%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 8.9% to close at 1,351 points. The broader market underperformed as the FTSE BM EMAS Index declined 11.8% to close at 9,240 points. Small caps underperformed as the FTSE BM Small Cap Index declined 27.8% to close at 9,209 points.

Turbulence in the equity markets rose a few notches during the month as multiple major cities around the world were shut down in an effort to contain the spread of the COVID-19 outbreak.

On the corporate front, Yinson Holdings Berhad entered into an agreement with lenders of Singapore-listed Ezion Holdings Limited that may result in Yinson Holdings Berhad owning a controlling stake in Ezion Holdings Limited. Top Glove Corporation Berhad announced that it has entered into a settlement agreement with Aspion Sendirian Berhad and will receive a total of RM245 million as final settlements of the disputes.

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

## HLA Value Fund (HLVF)

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

Year	2015	2016	2017	2018	2019
<b>Benchmark</b>	4.6%	-2.8%	12.9%	-11.1%	-1.6%
<b>HLVF- Gross</b>	-0.1%	4.7%	22.2%	-9.3%	20.0%
<b>HLVF - Net</b>	-0.4%	2.8%	19.0%	-10.0%	17.0%

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.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Concentration Risk

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

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

#### 6. Country Risk

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

#### 7. Currency Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

Hong Leong Value Fund, formerly known as 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Performance</b>	20.9%	1.7%	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%

Source: Hong Leong Asset Management

Note: With effect from 27 March 2020, Hong Leong Penny Stock Fund has been renamed to Hong Leong Value Fund.

## HLA Value Fund (HLVF)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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# Hong Leong SMART Invest Fund (HLSIF)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

The indicative asset allocation for Target Fund is to invest a minimum of 70% of its NAV in equities and maximum 30% of its NAV in fixed income securities. Generally, Hong Leong SMART Invest Fund may invest up to 95% of its NAV in equities.

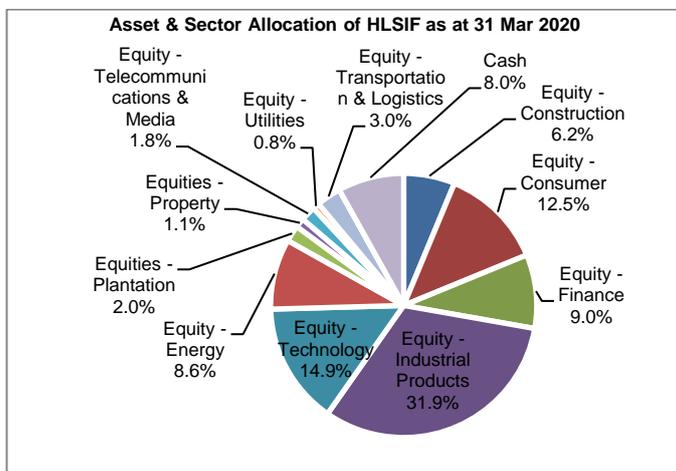
### 4. Target Market

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

## Fund Details

Unit Price (31/3/2020)	: RM0.7526
Fund Size (31/3/2020)	: RM177.8mil
Fund Management Fee (effective as at 23/11/2017)	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 23 November 2017
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

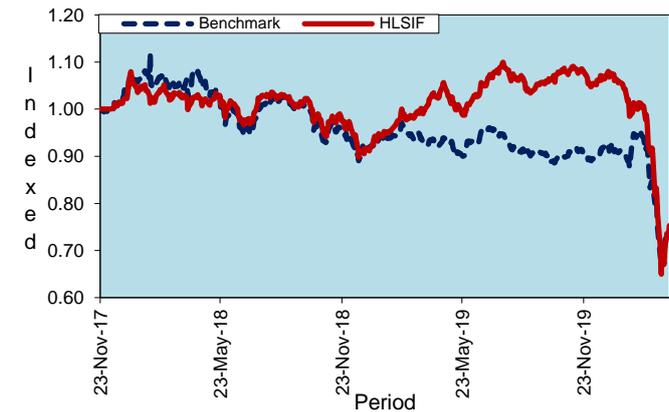
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLSIF as at 31 Mar 2020

Rank	Company Name	Percentage
1.	PETRONAS CHEMICALS GROUP BERHAD	10.6
2.	TOP GLOVE CORPORATION BERHAD	8.3
3.	PRESS METAL ALUMINIUM HOLDINGS BERHAD	6.7
4.	BIMB HOLDINGS BERHAD	5.4
5.	MYEG SERVICES BERHAD	4.8
<b>Total Top 5</b>		<b>35.9</b>

## Historical Performance



	YTD	1 month	3 months	1 year	2 years	Since Inception
HLSIF	-29.53%	-18.59%	-29.53%	-24.89%	-26.90%	-24.74%
Benchmark*	-18.40%	-16.92%	-18.40%	-20.03%	-29.17%	-25.68%
Relative	-11.13%	-1.68%	-11.13%	-4.86%	2.28%	0.94%

\*Source: Bloomberg

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 8.9% to close at 1,351 points. The broader market underperformed as the FTSE BM EMAS Index declined 11.8% to close at 9,240 points. Small caps underperformed as the FTSE BM Small Cap Index declined 27.8% to close at 9,209 points.

Turbulence in the equity markets rose a few notches during the month as multiple major cities around the world were shut down in an effort to contain the spread of the COVID-19 outbreak.

On the corporate front, Yinson Holdings Berhad entered into an agreement with lenders of Singapore-listed Ezion Holdings Limited that may result in Yinson Holdings Berhad owning a controlling stake in Ezion Holdings Limited. Top Glove Corporation Berhad announced that it has entered into a settlement agreement with Aspion Sendirian Berhad and will receive a total of RM245 million as final settlements of the disputes.

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

## Hong Leong SMART Invest Fund (HLSIF)

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

Year	2017	2018	2019
<b>Benchmark</b>	12.9%	-11.1%	-1.57%
<b>HLSIF- Gross</b>	2.5%	-9.4%	19.4%
<b>HLSIF - Net</b>	2.2%	-10.2%	16.4%

Net returns are adjusted for tax and fund management fees.

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

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

#### Investment Risks

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

##### 1. Market Risk

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

##### 2. Liquidity Risk

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

##### 3. Credit Risk

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

##### 4. Interest Rate Risk

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

##### 5. Concentration Risk

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

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

##### 6. Country Risk

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

##### 7. Currency Risk

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

#### Risk Management

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

#### Basis of Unit Valuation

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

#### Exceptional Circumstances

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

#### Target Fund Details

Hong Leong Value Fund, formerly known as 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Performance</b>	20.9%	1.7%	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%

Source: Hong Leong Asset Management

Note: With effect from 27 March 2020, Hong Leong Penny Stock Fund has been renamed to Hong Leong Value Fund.

## Hong Leong SMART Invest Fund (HLSIF)

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

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

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

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

### **Others**

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

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

### **Disclaimer:**

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

# Hong Leong SMART Growth Fund (HLSGF)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

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

## Fund Details

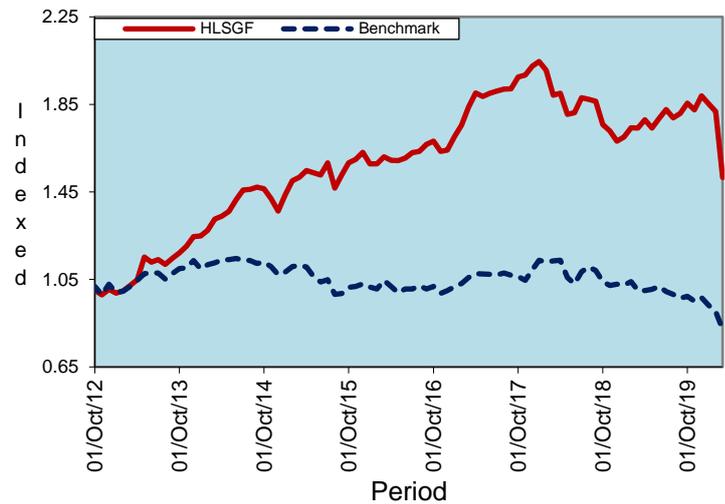
Unit Price (31/3/2020)	: RM1.5153
Fund Size (31/3/2020)	: RM173.8mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 Oct 2012
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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

## Top 5 Holdings for HLSGF as at 31 Mar 2020

	%
1. TENAGA NASIONAL BHD	7.3
2. PENTAMASTER CORP BHD	4.4
3. FRONTKEN CORP BHD	4.4
4. DIALOG GROUP BHD	4.3
5. YINSON HOLDINGS BHD	4.2
<b>Total Top 5</b>	<b>24.6</b>

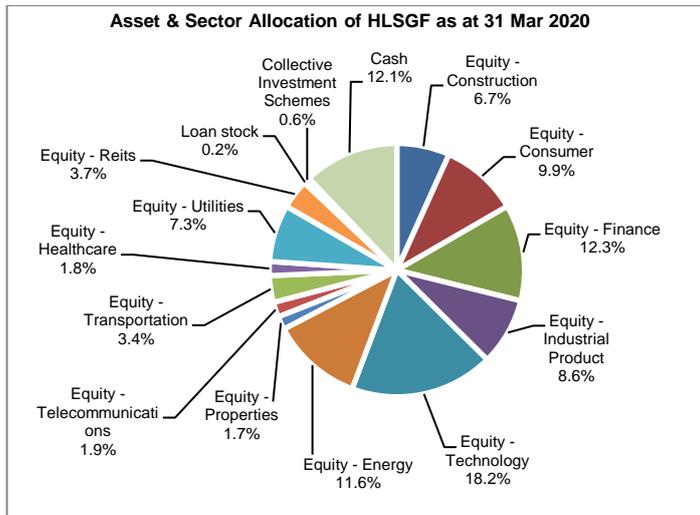
## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	-19.78%	-16.66%	-13.00%	-17.57%	-0.14%	51.53%
Benchmark*	-14.97%	-8.89%	-17.81%	-22.37%	-26.21%	-17.79%
Relative	-4.81%	-7.78%	4.81%	4.80%	26.07%	69.32%

Source: Bloomberg

## Asset & Sector Allocation of HLSGF as at 31 Mar 2020



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

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

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# Hong Leong SMART Growth Fund (HLSGF)

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

It was a brutal month as equities fell across all major markets with heightened volatility. Equity markets started the month with a mild rebound on the back of some improvement in the Covid-19 situation in China. However, sentiment quickly turned for the worse, as the virus spread exponentially in Europe and US, which prompted the World Health Organization to declare a global pandemic on 11th March. As more and more countries implemented lock down measures to contain the outbreak, concerns over the economic impact and liquidity tightness triggered a sharp correction across financial markets. Additionally, the breakdown of OPEC and Russia's talk to extend oil production cuts on the 6th March, and Saudi Arabia's subsequent decision to instead increase output led to a downward spiral in oil price to as low as USD22.7/bbl, the lowest level since 2003.

To alleviate recession risk from the Covid 19 pandemic, central banks and government globally announced a slew of monetary and fiscal measures. Some of these include the USD1 trillion lending facility readied by the IMF, Fed rate cuts towards zero, open-ended asset purchase program by the Federal Reserve, EUR750bn Pandemic Emergency Purchase program by the European Central Bank and many others. These measures, together with recovery in China March PMI data, led to a slight rebound in equity markets in the last week of the month.

The FBMKLCI index fell sharply to 10-year low of 1,219.72 points on 19th March, before recovering to 1,350.89 points at the end of the month, down 8.9% MoM, but still outperforming most global markets. The Ringgit depreciated 2.5% against the USD, alongside the general weakening in emerging market currencies.

Despite the month-end rebound, we opine that global markets will remain volatile in the near term, with the number of Covid-19 cases globally yet to reach its peak. Aside from that, investors will also track macroeconomic data such as 1Q2020 GDP, leading indicators like PMIs and jobless claims closely, in order to gauge the potential impact to economy and corporate earnings, and monitor liquidity condition across financial markets. Meanwhile, the proposed OPEC meeting in April would be crucial for crude oil price trend.

Given the large scale of the virus outbreak, we think the duration of Covid 19-induced economic downturn could last longer than expected. Funds will continue to remain defensive with ample cash reserve and high dividend yielding stocks. Upon sharp market correction, we will gradually increase holdings in sectors with positive outlook over the medium term such as technology, and adopt a trading strategy to generate alpha from the market volatility.

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

Year	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	2.8%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%
<b>HLSGF- Gross</b>	3.3%	27.8%	11.8%	23.1%	2.3%	27.1%	-16.8%	15.0%
<b>HLSGF - Net</b>	1.6%	24.1%	9.3%	19.8%	0.6%	23.5%	-17.0%	12.3%

Net returns are adjusted for tax and fund management fees.

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

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Currency Risk

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

#### 7. Concentration Risk

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

### Risk Management

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

# Hong Leong SMART Growth Fund (HLSGF)

## Basis of Unit Valuation

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

## Exceptional Circumstances

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

## Target Fund Details

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Performance	32.7%	19.1%	14.1%	26.4%	9.3%	20.9%	-0.1%	25.8%	-18.1%	13.5%

## 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)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

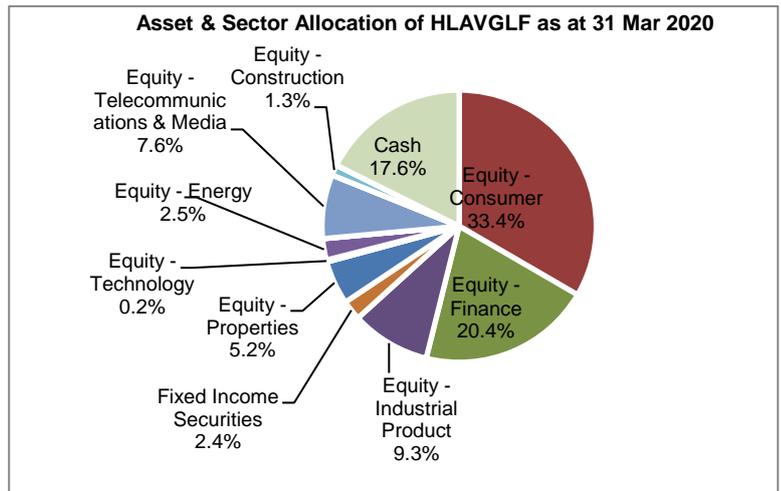
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (31/3/2020)	:RM1.2090
Fund Size (31/3/2020)	:RM26.9mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
Frequency of Unit Valuation	:Daily

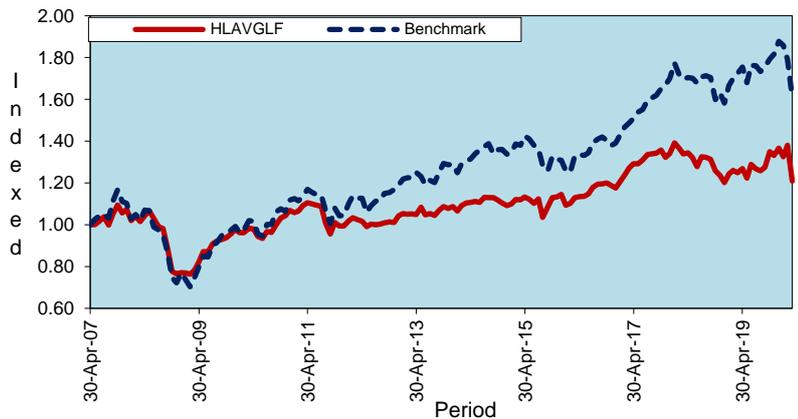
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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

Asset Allocation for HLAVGLF as at 31 Mar 2020	%
Hong Leong Asia-Pacific Dividend Fund	61.0
Hong Leong Strategic Fund	38.2
Cash	0.8
<b>Total</b>	<b>100.0</b>



Top 5 Holdings for HLAVGLF as at 31 Mar 2020		%
1.	Malaysian Government Securities	10.1
2.	Country Garden Services Holdings Co Ltd	7.2
3.	China Conch Venture Holdings	6.5
4.	Shandong Weigao Group Medical Polymer Company Limited	5.9
5.	Greentown Service Group Co Ltd	5.7
<b>Total Top 5</b>		<b>35.3</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
<b>HLAVGLF</b>	-11.53%	-12.45%	-3.20%	-4.99%	8.02%	22.95%	20.90%
<b>Benchmark*</b>	-14.39%	-10.23%	-6.75%	8.05%	16.45%	57.56%	60.75%
<b>Relative</b>	2.86%	-2.23%	3.54%	-13.04%	-8.43%	-34.61%	-39.85%

Source: Bloomberg, RAM Quantshop

# HLA Venture Global Fund (HLAVGLF)

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

### Equity Review

**Global** – Global equity markets experienced a meltdown during the month as COVID-19 raged on around the globe. Investors were concerned about how long and deep the global recession will be as major cities are being shut down to mitigate the virus outbreak. The Dow Jones Industrial Average Index declined 13.7% and the broader S&P 500 Index declined 12.5%. The Euro Stoxx Index declined 16.3% and the FTSE 100 Index declined 13.8%.

**Asia Pacific** – Regional markets also had a torrid month as most regional indices slipped into bear territory. Investors were clearly in 'risk-off' mode due to the alarming rise of COVID-19 infections around the world. Emerging market sentiment also took a hit as oil prices plummeted after the Organization of the Petroleum Exporting Countries (OPEC) and Russia failed to reach an agreement in terms of production cuts. In the region, China and Malaysia markets were the leaders while India and Philippines were the laggards.

**Malaysia** – The FTSE BM KLCI fell along with regional markets but outperformed regional peers. The FTSE BM KLCI declined 8.9% to close at 1,351 points. The broader market underperformed as the FTSE BM EMAS Index declined 11.8% to close at 9,240 points. Small caps underperformed as the FTSE BM Small Cap Index declined 27.7% to close at 9,209 points.

### Outlook & Strategy

**Global** - The COVID-19 outbreak spurs a series of unprecedented monetary and fiscal responses around the world. In the Euro area, United Kingdom (UK) and Germany are committed to subsidise a portion of the wages of selected workers that may face unemployment in an effort to discourage companies from having to lay off employees. In the United States (US), the stimulus package includes government-backed credit to be provided to investment-grade companies so that companies will not fail due to cash-flow problems. The Fed also cut rates to zero and expressed a commitment to purchase as many government bonds as necessary.

**Asia Pacific** - Recent economic data released in China showed that manufacturing activity fell to record low during the month of February when most parts of China was locked-down. Although there are signs that economic activity in China is gradually returning to the level before the lock-down, the People's Bank of China (PBOC) still cuts rates due to concerns that the rest of the world is just starting to experience the worse of the COVID-19 outbreak.

**Malaysia** – The local stock market saw substantial foreign outflows during the month as foreign investors flee to safe-haven assets, in particular the US Dollar. We prefer to be invested in high-yield stocks, selected consumer and export stocks and selected financial stocks.

### Fixed Income Review and Outlook

During the month, the Federal Reserve (Fed) made an emergency rate cut of 100 basis points (bps) and expanded asset purchases as countermeasures to the COVID-19 outbreak. Fed Chair Powell noted that the Committee expects to maintain the target range at these low levels until it is confident that the economy is on track to recover, indicating that the low interest environment is likely to remain. The easing measures helped stabilize risk assets, government bonds and credit markets. The 10-year treasury benchmark yields closed the week 20bps lower to 0.72%. On the domestic front, Bank Negara Malaysia (BNM) cut the Overnight Policy Rate (OPR) by another 25bps in March amid worsening global economic conditions due to the COVID-19 outbreak. On March 27, Prime Minister Tan Sri Muhyiddin Yassin unveiled a RM250 billion economic stimulus package to soften the economic blow due to COVID-19. The stimulus package will see the budget deficit increase by about RM20 billion, bringing total deficit to RM75 billion. Risk assets gained on the back of the stimulus optimism. We saw strong interest for the GII9/27 new issuance which drew a robust bid-to-cover of 2.8 times, the highest cover since January. Corporate bond market new issuance toned down for the month.

Locally, the government bond market remains under pressure on higher supply post economic stimulus announcement. With existing fiscal measures limited, additional easing of monetary policy may be required to protect against a severe growth slowdown. Thus, we think BNM may ease its monetary policy in the near term. On portfolio positioning, we look to increase portfolio duration due to global growth concerns in the medium term. We look to nibble in the bond market at current attractive valuations.

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	12.7%	-6.5%	14.0%	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%
<b>HLAVGLF- Gross</b>	11.4%	-5.8%	6.8%	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%
<b>HLAVGLF - Net</b>	9.2%	-7.1%	5.0%	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%	13.7%

Net returns are adjusted for tax and fund management fees.

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Currency Risk

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

# HLA Venture Global Fund (HLAVGLF)

## 7. Concentration Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Performance	6.4%	-15.0%	15.2%	-4.8%	-1.0%	6.5%	1.8%	19.2%	-13.3%	24.9%

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Performance	18.5%	-0.7%	4.9%	14.5%	-0.7%	4.3%	4.8%	10.9%	-10.3%	2.2%

Source: Hong Leong Asset Management Berhad (HLAM)

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

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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

### Disclaimer:

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

# HLA Venture Managed Fund (HLAVMF)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

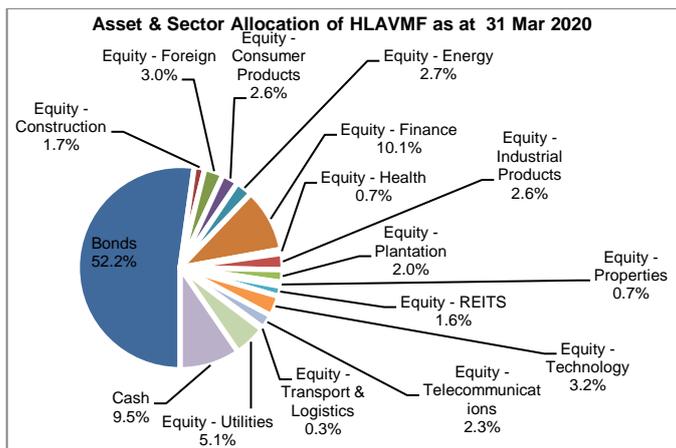
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

Unit Price (31/3/2020)	:RM1.9648
Fund Size (31/3/2020)	:RM234.3mil
Fund Management Fee (effective as at 01/03/2017)	: 1.23% p.a. (capped at 1.25%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:07 April 2004
Benchmark	:50% FTSE Bursa Malaysia KLCI Index (FBM KLCI)&50% 12-month Fixed Deposit Interest Rates

Frequency of Unit Valuation :Daily

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

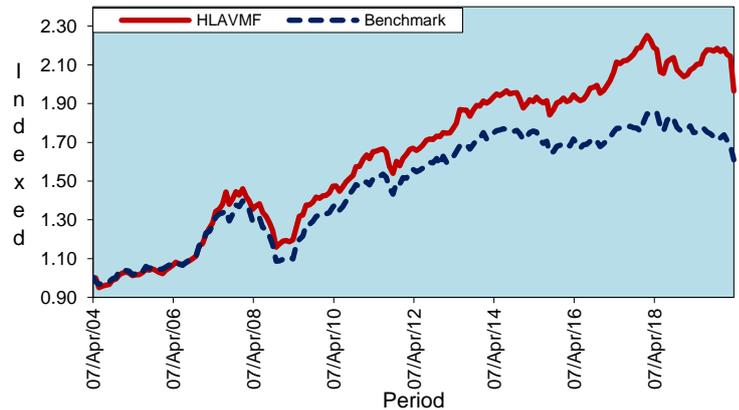


FI : Fixed Income  
EQ : Equities

## Top 5 Holdings for HLAVMF as at 31 Mar 2020

Rank	Asset	Type	%
1.	TENAGA	EQ	4.7
2.	M'SIAN GOVERNMENT SECURITIES 0	FI	4.4
3.	MALAYSIA AIRPORTS HOLDINGS 1	FI	4.3
4.	MAYBANK	EQ	4.2
5.	M'SIAN GOVERNMENT SECURITIES 0	FI	3.8
<b>Total Top 5</b>			<b>21.3</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	-9.94%	-8.34%	-5.67%	-4.74%	2.84%	33.31%	96.48%
Benchmark*	-7.43%	-4.33%	-8.05%	-8.26%	-8.48%	17.72%	60.18%
Relative	-2.51%	-4.01%	2.38%	3.52%	11.32%	15.59%	36.30%

\*Source: Bloomberg, Maybank

# HLA Venture Managed Fund (HLAVMF)

## Market Review, Outlook & Strategy - Equities Market

Global equities posted their worst monthly performance since the Global Financial Crisis with the S&P and Dow Jones falling by 19% and 22% ytd as the global coronavirus pandemic spread at an alarming pace. US, Italy, Spain, and Germany have overtaken China to become the epicentre of the Covid-19 outbreak in the world. Most countries are now in some form of partial lock-down (state of emergency or social distancing) since mid-March including the US (which has now been extended by 2 weeks until 30 Apr). While the rest of the world is trying to contain this health crisis, China is slowly normalising as it comes out of the lock-down imposed since end-January. Even before this outbreak worsened, pandemonium happened in the oil market as OPEC+ talks broke down, followed by Saudi Arabia's move to ignite a market share war with the Russians. Central bankers in the western economies pulled out all stops to buffer the impact of Covid-19 starting with the Fed's move to slash interest rates by 100bps to 0-0.25%, followed by an unlimited and open-ended QE. The US Congress also passed a historic US\$2 trn stimulus package unanimously. The respective governments' and central banks' reactions over the past 2 weeks have been extensive, unprecedented and comparable to the responses during the Global Financial Crisis. The global fiscal financial support amounting to trillions of dollars is said to be at historical highs. On the back of such massive stimulus programmes around the world, the economic fallout could be a sharp but temporary contraction before a potential recovery later this year.

Domestically, in addition to the two global events which translated to 1) a negative China-driven supply shock, a negative global demand shock and 2) an abundance of oil-supply shock, we saw the formation of a new government following the fallout of the erstwhile coalition members of the previous government. This created uncertainty of the continuity of policy reforms that were taking place over the past 2 years. Malaysia was also not spared from the Covid-19 outbreak with the government imposing the Movement Control Order period which started on 18<sup>th</sup> March and has been extended to 14<sup>th</sup> April. To aid the economy during this tough time, the government unveiled a RM250b (17% of GDP) economic stimulus package with key components of the stimulus comprising of 1) loan moratorium for individuals and SMEs (RM98b), 2) Danajamin credit guarantee (RM50b), 3) EPF withdrawals of RM500/month (RM40b), 4) cash handouts (RM10b) and 5) wage subsidies (RM5.9b). The bulk of the RM250b will be financed off-budget (banks, EPF, Danajamin) with only RM25b to be financed by federal budget, mostly via debt issuance. This will cause the fiscal deficit to widen to >4% of GDP for 2020 and push the government's debt level to 57.8% of GDP in 2020.

On a relative basis for the month of March, the KLCI outperformed the broader market by posting a smaller decline of 8.9% mom to close at 1351 pts. The FBM Emas Shariah, FBM Emas and FBM Small Cap recorded declines of 9.1% mom, 11.8% mom and 27.7% mom respectively in March. In March, Malaysian equities saw foreign outflow to the tune of US\$1.3b. Cumulatively, Jan to Mar 20, total net outflow was US\$1.8b.

Globally, investors will be following closely the development of Covid-19 to assess the extent of corporate earnings erosion in the aftermath as well as structural declines (if any). While we remain invested in the current climate of uncertainties, we are also comforted by the fact that we have raised sufficient cash levels prior to the correction. We take no view of when will this health crisis will peak but at current levels and taking a longer investment horizon of >1 year, we see value emerging for some of the liquid and big cap names. We continue to stick to defensive companies offering resilient earnings and dividend prospects with strong cash flow profile to weather through the coming downturn.

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

The month of March saw a wave of extreme volatility where the 10-year US Treasury ("UST") yields completed a roundtrip between 1.2% and 0.3% in two weeks. The Covid-19 outbreak in major parts of the world caused a free fall in UST yields on flight to safety, but the subsequent funding squeeze resulted in a selloff. To avoid the broadening of liquidity and credit crunch, major central banks such as the Fed and European Central Banks have unleashed desperate measures in the form of unlimited quantitative easing.

The Malaysian Government Securities ("MGS") curve bear-steepened for the month of March, with the belly to long-end yield rising 50 to 60bps amid a selloff in durations. In general, Ringgit bonds have been weighted more heavily than regional peers, save for the twin-deficit Indonesia, as a combination of depressed crude oil prices, sovereign rating risk and domestic politics has affected the outlook on the Malaysian bond market. On a brighter note, S&P Global Ratings reaffirmed Malaysia sovereign rating with a stable outlook citing its confidence in the country's core credit strength which include its robust external position and highly credible monetary policy. As such, we have started to see foreign inflows into MGS again towards the end of March. The local corporate bond market was less robust relative to movements seen in the sovereign space. Trading volumes were more prominent in the government guaranteed papers such as Danainfra, Perbadanan Tabung Pendidikan Tinggi Nasional and Prasarana. Prominent issuances for the month include AEON Credit's A1-rated 10-year non call 5-year bonds totalling RM200 million with a coupon of 3.95% and Hap Seng Management Sdn Bhd's unrated 3- to 5-year bonds totalling RM500 million with coupon ranging from 3.85%-3.95%.

At this current juncture, while unprecedented measures by major central banks have provided some form of confidence to the market, we expect to see another leg of volatility as the Covid-19-induced lockdown finds its way into more pronounced pressures on businesses that would eventually lead to worse-than expected economic weakness in the months to come. According to Moody's, if lockdowns around the world to contain the pandemic widespread are short and swift, the global default rate would reach 6.5% this year. However, in a more severe recession, extending into the second half of the year, defaults could surpass levels seen in the 2008 financial crisis and soar to 18.3%. The rating agency has also cut its outlook for US corporate debt from stable to negative as it anticipates a wave of corporate defaults.

On the local front, we think that near-term volatility on the MGS is inevitable given the bearish bias on the broader emerging markets, bigger government bond supply to support the local economy and pressure on Malaysia's sovereign rating as current weaknesses in the economy necessitates extensive fiscal stimulus measures. The government is facing an uphill task of balancing between supporting growth and keeping to its fiscal prudence stance. While the reaffirmation by S&P Ratings provided investors with some reassurance, views from the two other rating agencies, namely Fitch and Moody's, are expected to be closely monitored. As such, we adopt an active management in formulating our investment strategy. We will take advantage of weaknesses in the local sovereign market to lock in attractive yields; without hesitating to take profit should markets turn bullish.

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	11.6%	2.9%	7.0%	7.3%	-2.6%	-1.3%	-0.8%	6.6%	-1.9%	-1.8%
<b>HLAVMF - Gross</b>	15.7%	1.6%	10.3%	11.4%	-0.7%	4.3%	3.4%	15.4%	-7.6%	9.0%
<b>HLAVMF - Net</b>	13.2%	0.3%	8.3%	9.3%	-1.9%	2.7%	2.0%	12.9%	-8.3%	7.0%

Net returns are adjusted for tax and fund management fees.

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

## **Investment Risks**

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

### **1. Market Risk**

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

## HLA Venture Managed Fund (HLAVMF)

### 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

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

# HLA Venture Income Fund (HLAVIF)

Mar 2020

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

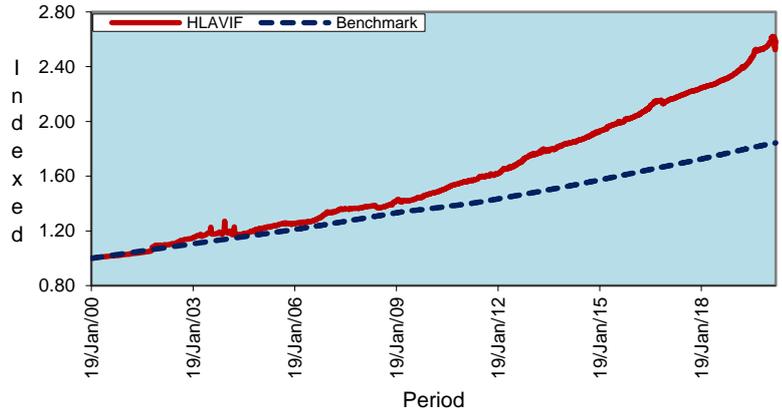
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (31/3/2020)	:RM2.5869
Fund Size (31/3/2020)	:RM264.6mil
Fund Management Fee	: 0.50% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Bond
Fund Inception	:19 Jan 2000
Benchmark	:3-month Fixed Deposit Interest Rates
Frequency of Unit Valuation	:Daily

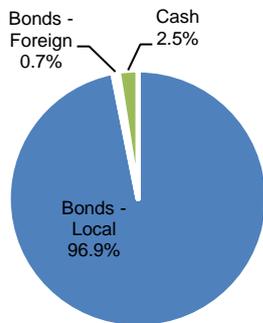
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVIF	1.45%	-1.00%	8.08%	19.29%	32.63%	74.31%	158.69%
Benchmark*	0.61%	0.17%	2.88%	9.47%	16.51%	34.68%	84.32%
Relative	0.84%	-1.17%	5.20%	9.82%	16.12%	39.63%	74.37%

## Asset Allocation of HLA Venture Income Fund as at 31 Mar 2020



## Top 5 Holdings for HLA Venture Income Fund as at 31 Mar 2020

	%
1. M'SIAN GOVERNMENT SECURITIES 1	15.8
2. M'SIAN GOVERNMENT SECURITIES 0	13.1
3. M'SIAN GOVERNMENT SECURITIES 0	11.6
4. M'SIAN GOVERNMENT SECURITIES 2	7.6
5. MALAYAN BANKING BERHAD 3	7.1
<b>Total Top 5</b>	<b>55.3</b>

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

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

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

## HLA Venture Income Fund (HLAVIF)

### Market Review

The month of March saw a wave of extreme volatility where the 10-year US Treasury (“UST”) yields completed a roundtrip between 1.2% and 0.3% in two weeks. The Covid-19 outbreak in major parts of the world caused a free fall in UST yields on flight to safety, but the subsequent funding squeeze resulted in a selloff. To avoid the broadening of liquidity and credit crunch, major central banks such as the Fed and European Central Banks have unleashed desperate measures in the form of unlimited quantitative easing.

The Malaysian Government Securities (“MGS”) curve bear-steepened for the month of March, with the belly to long-end yield rising 50 to 60bps amid a selloff in durations. In general, Ringgit bonds have been weighted more heavily than regional peers, save for the twin-deficit Indonesia, as a combination of depressed crude oil prices, sovereign rating risk and domestic politics has affected the outlook on the Malaysian bond market. On a brighter note, S&P Global Ratings reaffirmed Malaysia sovereign rating with a stable outlook citing its confidence in the country’s core credit strength which include its robust external position and highly credible monetary policy. As such, we have started to see foreign inflows into MGS again towards the end of March. The local corporate bond market was less robust relative to movements seen in the sovereign space. Trading volumes were more prominent in the government guaranteed papers such as Danainfra, Perbadanan Tabung Pendidikan Tinggi Nasional and Prasarana. Prominent issuances for the month include AEON Credit’s A1-rated 10-year non call 5-year bonds totalling RM200 million with a coupon of 3.95% and Hap Seng Management Sdn Bhd’s unrated 3- to 5-year bonds totalling RM500 million with coupon ranging from 3.85%-3.95%.

### Market Outlook & Strategy

At this current juncture, while unprecedented measures by major central banks have provided some form of confidence to the market, we expect to see another leg of volatility as the Covid-19-induced lockdown finds its way into more pronounced pressures on businesses that would eventually lead to worse-than expected economic weakness in the months to come. According to Moody’s, if lockdowns around the world to contain the pandemic widespread are short and swift, the global default rate would reach 6.5% this year. However, in a more severe recession, extending into the second half of the year, defaults could surpass levels seen in the 2008 financial crisis and soar to 18.3%. The rating agency has also cut its outlook for US corporate debt from stable to negative as it anticipates a wave of corporate defaults.

On the local front, we think that near-term volatility on the MGS is inevitable given the bearish bias on the broader emerging markets, bigger government bond supply to support the local economy and pressure on Malaysia’s sovereign rating as current weaknesses in the economy necessitates extensive fiscal stimulus measures. The government is facing an uphill task of balancing between supporting growth and keeping to its fiscal prudence stance. While the reaffirmation by S&P Ratings provided investors with some reassurance, views from the two other rating agencies, namely Fitch and Moody’s, are expected to be closely monitored. As such, we adopt an active management in formulating our investment strategy. We will take advantage of weaknesses in the local sovereign market to lock in attractive yields; without hesitating to take profit should markets turn bullish.

## HLA Venture Income Fund (HLAVIF)

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	2.3%	2.8%	3.1%	3.1%	3.2%	3.2%	3.1%	3.0%	3.3%	3.0%
<b>HLAVIF- Gross</b>	7.0%	4.8%	10.0%	5.4%	5.8%	6.5%	6.9%	5.3%	5.6%	10.2%
<b>HLAVIF - Net</b>	5.9%	3.9%	8.7%	4.5%	4.8%	5.5%	5.8%	4.4%	4.6%	8.9%

Net returns are adjusted for tax and fund management fees.

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

#### Investment Risks

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

##### 1. Market Risk

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

##### 2. Liquidity Risk

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

##### 3. Credit Risk

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

##### 4. Interest Rate Risk

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

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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.

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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 Horizon Funds

Mar 2020

## Fund Features

### 1. Investment Objective

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

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

### 2. Investment Strategy & Approach

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

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

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

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

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

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

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

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

The condition for profit taking:

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

Where,

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

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

### 3. Target Market

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

#### Fund Details

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

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

\*Source: Bloomberg

#### Other Details

Fund Name	Fund Maturity Date	Unit Price @ 31/3/2020	Fund Size 31/3/2020	Guaranteed Unit Price upon Fund Maturity (updated @ 31/3/2020)
HLA Horizon28 Fund	:08/10/2028	RM1.0000	RM2,933,370.30	RM1.00
HLA Horizon38 Fund	:08/10/2038	RM1.1169	RM90,101,134.74	RM1.50
HLA Horizon48 Fund	:08/10/2048	RM1.1717	RM45,808,189.75	RM2.00

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

## HLA Horizon Funds

### Performance Snapshot

Fund	1 Month	1 Year
HLA Horizon28	-7.82%	-3.82%
HLA Horizon38	-7.22%	4.52%
HLA Horizon48	-9.21%	8.22%

### Exposure to MVO Strategy

Fund	Exposure as at 31/3/2020
HLA Horizon28	59.91%
HLA Horizon38	68.96%
HLA Horizon48	92.32%

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

The global economy is falling rapidly into a deep recession as more countries opt for lockdowns and border closures to combat the Covid-19 pandemic.

We expect the US and European economies to post their worst quarterly declines in real GDP since WWII in the current quarter. In Asia, we expect the recession to be the most severe at least since the Asian Financial Crisis. While China seems to have successfully contained the outbreak, albeit at a significant cost of more than 10% of GDP in lost activity, and local transmissions seem to be reasonably well contained in Hong Kong, Japan, Singapore, South Korea and Taiwan, countries in South and Southeast Asia have only begun to confront this virus. India is the latest country to implement a national lockdown, but Malaysia and the Philippines have also tried to lock down most, if not all, of their populations. Elsewhere, social distancing is becoming more prevalent.

We estimate that the US economy will contract 33% annualized in Q2, more than three times the largest contraction in the post-war period and about four times the decline during the worst growth quarter of the financial crisis.

We recently revised our GDP growth forecasts down heavily and across Europe. We expect European economies to contract more than 10% qoq in Q2-2020 before rebounding quickly, but not completely, in Q3.

We expect BNM to cut its OPR by a further 100bp to 1.50%, and also reduce the SRR by at least 50bp with high odds of an inter-meeting easing. Malaysian headlines indicated an enormous MYR250bn (16% of GDP) fiscal stimulus package had been proposed. So far, the government has not indicated additional debt financing, which may suggest GLC dividends as a possible source for the revenue.

Gains of MVO Strategy (per unit)	HLA Horizon28	HLA Horizon38	HLA Horizon48
Previous actual executed profit taking at -	N/A	N/A	N/A
As at 31 Mar 2020	-12.53%	-14.74%	-19.73%
As at 25 Feb 2020	-1.19%	-1.68%	-2.24%

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

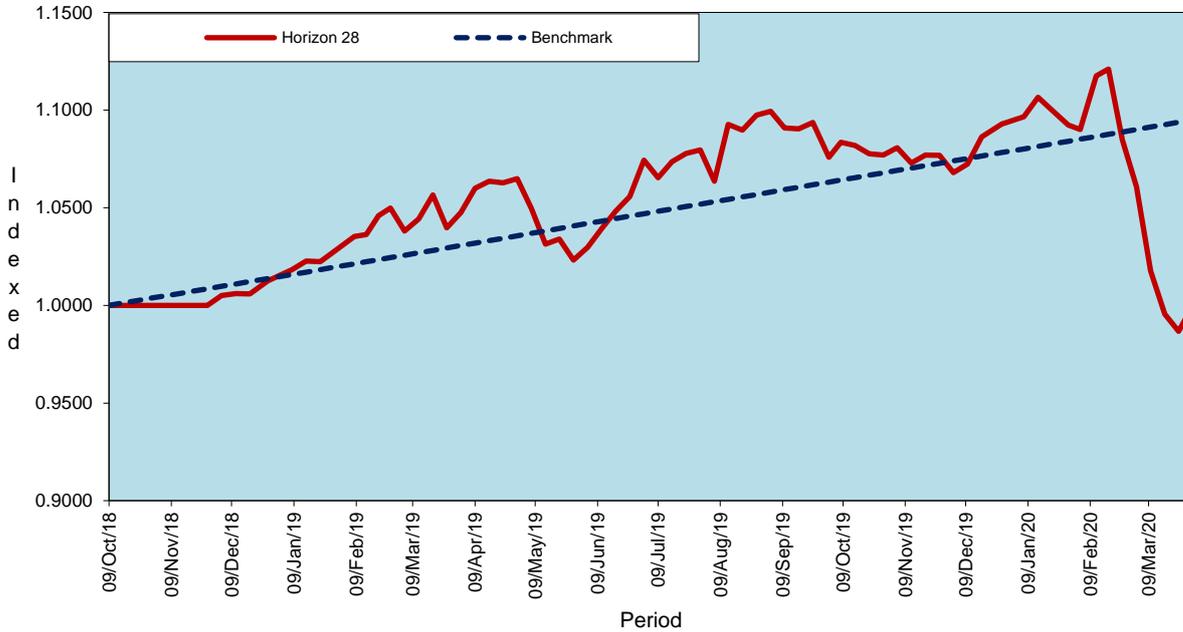
### Underlying Asset in the MVO Strategy as at 31 Mar 2020

Indices	Bloomberg Ticker	Weightage (%)	Monthly Performance
iShares MSCI EM Index Fund	EEM US Equity	0.00%	-17.44%
S&P 500 Index	SPX Index	0.00%	-17.38%
Euro Stoxx 50 Index	SX5E Index	0.00%	-20.90%
Hang Seng China Enterprises Index	HSCEI Index	23.33%	-8.90%
Gold	GOLDLNAM Index	25.00%	-3.09%
Templeton Global Bond Fund	FTGBFAC LX Equity	16.67%	-3.88%
PIMCO Funds – Total Return Bond Fund	PTRBDFE ID Equity	30.00%	-1.15%
DB Fed Funds Effective Rate TR Index	DBMMFED1 Index	5.00%	0.08%
<b>Total</b>		<b>100.00%</b>	

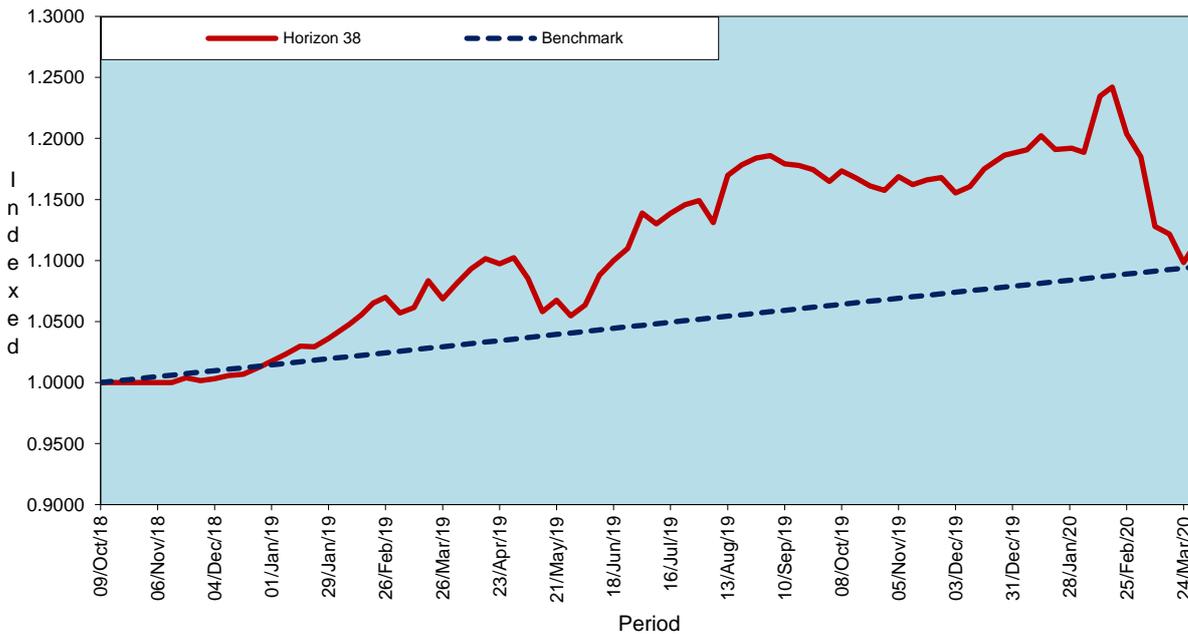
# HLA Horizon Funds

## Historical Performance

HLA Horizon28 Fund						
As of 31/3/20	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon28	-8.49%	-7.82%	-3.82%	-	-	0.00%
KLIBOR+2.65% p.a.*	1.56%	0.57%	6.37%	-	-	9.50%
Performance vs Benchmark	-10.05%	-8.39%	-10.19%	-	-	-9.50%

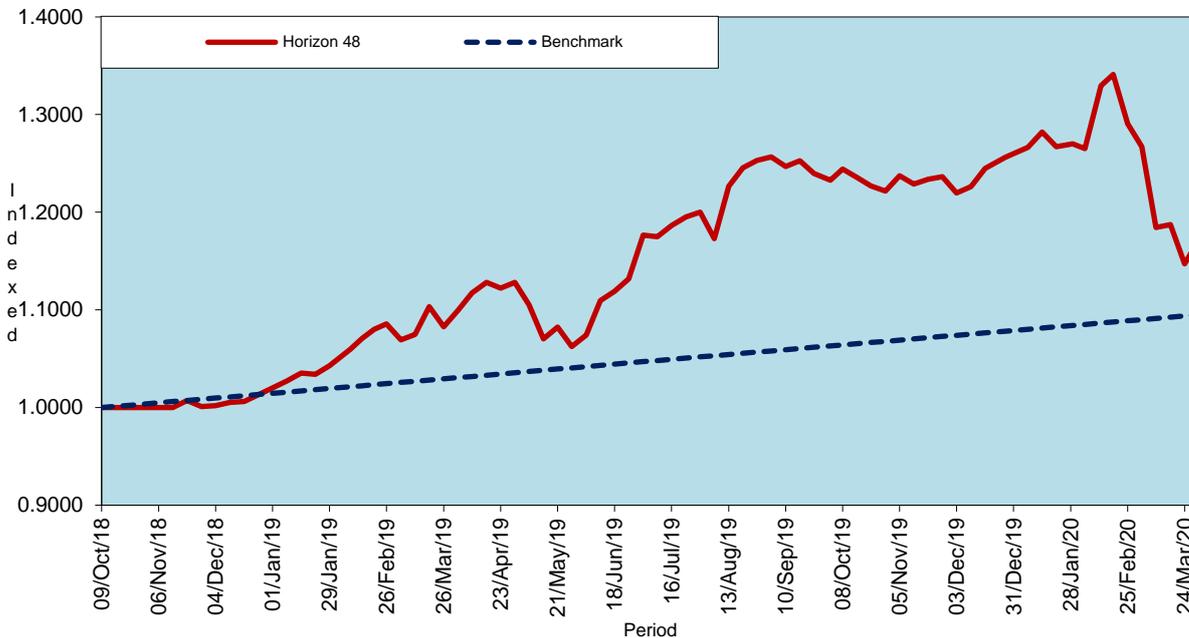


HLA Horizon38 Fund						
As of 31/3/20	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon38	-5.84%	-7.22%	4.52%	-	-	11.69%
KLIBOR+2.65% p.a.*	1.56%	0.57%	6.37%	-	-	9.50%
Performance vs Benchmark	-7.40%	-7.79%	-1.85%	-	-	2.19%



## HLA Horizon Funds

HLA Horizon48 Fund						
As of 31/3/20	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon48	-6.73%	-9.21%	8.22%	-	-	17.17%
KLIBOR+2.65% p.a.*	1.56%	0.57%	6.37%	-	-	9.50%
Performance vs Benchmark	-8.29%	-9.78%	1.85%	-	-	7.67%



\*Source: Bloomberg

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

Year	2018	2019
Benchmark	6.4%	6.4%
HLA HORIZON28 – Gross	1.7%	10.0%
HLA HORIZON28 – Net	1.3%	7.9%
HLA HORIZON38 – Gross	1.8%	19.9%
HLA HORIZON38 – Net	1.3%	17.1%
HLA HORIZON48 – Gross	1.9%	27.3%
HLA HORIZON48 – Net	1.5%	23.8%

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 9 October 2018. The actual investment returns are calculated based on unit price from 9 October 2018 to 31 December 2018.

### Investment Risks

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

- 1. Market Risk**  
 Market risk stems from the fact that there are other economy-wide perils, which threaten all businesses. It is mainly caused by uncertainties in the economy, political and social environment.
- 2. Liquidity Risk**  
 Liquidity risk is the risk that the fund invested cannot be readily sold and converted into cash. This may arise when the trading volume is low and/or where there is a lack of demand for the security.
- 3. Credit Risk**  
 This refers to the possibility that the issuer of a security will not be able to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of the funds.
- 4. Interest Rate Risk**  
 The level of interest rates has an impact on the value of investments. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the funds.
- 5. Deleverage Risk**  
 Deleveraging may occur if the bond floor rises due to falling interest rates or due to nearing maturity, or due to sustained underperformance of the underlying asset. When this occurs, the Funds will unwind all allocation to the underlying asset and will effectively become a zero-coupon bond fund.

## HLA Horizon Funds

### 6. Currency Risk

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

### 7. Country Risk

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

### Risk Management

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

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

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

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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 EverGreen Funds

Mar 2020

### Fund Features

#### 1. Investment Objective

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

#### 2. Investment Strategy & Approach

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

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

#### 3. Asset Allocation

The fund will invest in a FRNID.

#### 4. Target Market

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

### Fund Details

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

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

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

### Other Details

Fund Name	Unit Price (31/3/2020)	Fund Size (31/3/2020)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM1.1192	RM25.91 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM1.0910	RM10.55 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM1.152	RM14.80 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.9647	RM46.95 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8329	RM716.55 mil	26 Dec 2035	1.4221

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

### Market Review (by CIMB Bank Berhad)

Malaysia's trade activity dropped by 2% in January, with imports declining by 2.4% and exports slipping by 1.5% from the year before. On the other hand, CPI readings for February showed a 1.3% increase from the previous February, a slight decrease from January's increase of 1.6%. Malaysia's GDP grew by 4.3% for the entire year in 2019, but is now forecasted to gain between 3.2% - 4.2% in 2020, as Covid-19 developments may hamper growth. The main story in March was the rapid development of the coronavirus outbreak globally. The Malaysian government initially announced a MYR20 billion stimulus package at the beginning of the month but later introduced a more comprehensive MYR 250 billion proposal to keep the economy afloat during these trying times. The government also implemented a nationwide lockdown to mitigate the spread of the virus, but these measures are expected to significantly affect economic activity. Bank Negara Malaysia also stepped in to provide a helping hand by reducing the Overnight Policy Rate (OPR) by another 0.25% after doing similarly in January. BNM went one step further by lowering the Statutory Reserve Requirement by 1.00% to release more funds into the banking system. In addition, oil prices plummeted after Russia and Saudi Arabia decided to engage in a price war. Over the course of the month, short term interest rates declined. (Source: CIMB Research)

Note: With effect from 14 August 2019, the fund no longer has any exposure to the CIMB EverGreen Index. Moving forward, the unit price of the fund is expected to behave like a synthetic zero coupon bond portfolio. As such, the performance of fund is no longer dependent on the index but instead on the movement of MYR interest rates.

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

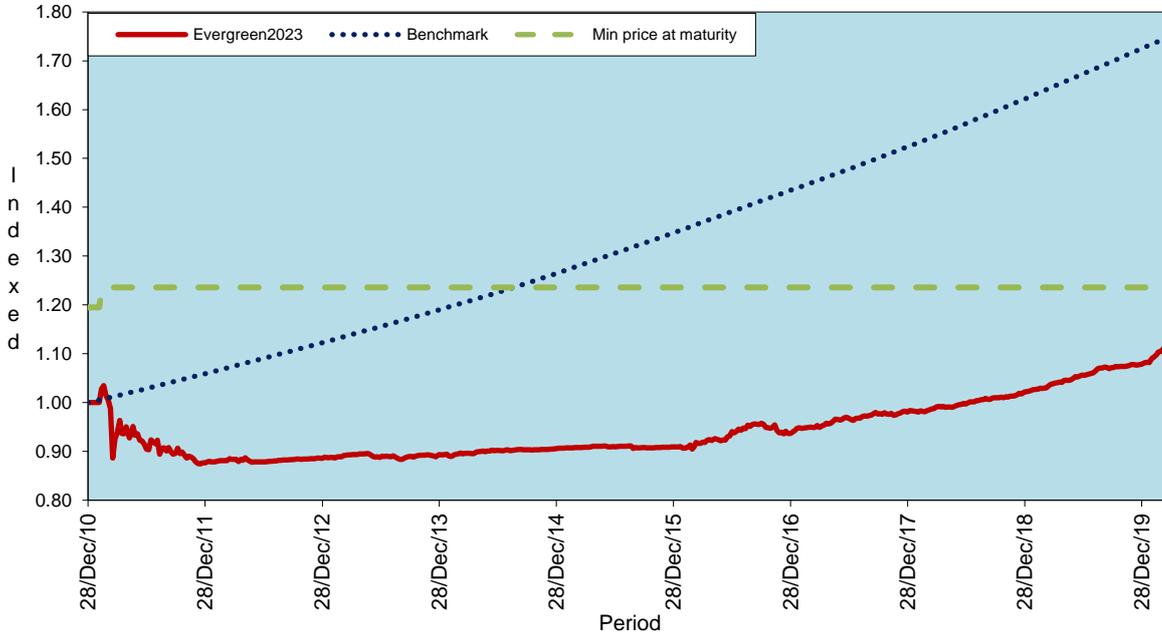
Fund	HLA EverGreen 2023	HLA EverGreen 2025	HLA EverGreen 2028	HLA EverGreen 2030	HLA EverGreen 2035
Avg Exposure of Maximum Assurance FRNID to Max InvestSave PSSIA-i 30Y	0.00%	0.00%	0.00%	0.00%	0.00%
Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index	Not Applicable				
Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in Mar 2020	0.00%	0.00%	0.00%	0.00%	0.00%

With effect from 14 August 2019, the fund no longer has any exposure to the CIMB EverGreen Index. Moving forward, the unit price of the fund is expected to behave like a synthetic zero coupon bond portfolio. As such, the performance of fund is no longer dependent on the index but instead on the movement of MYR interest rates.

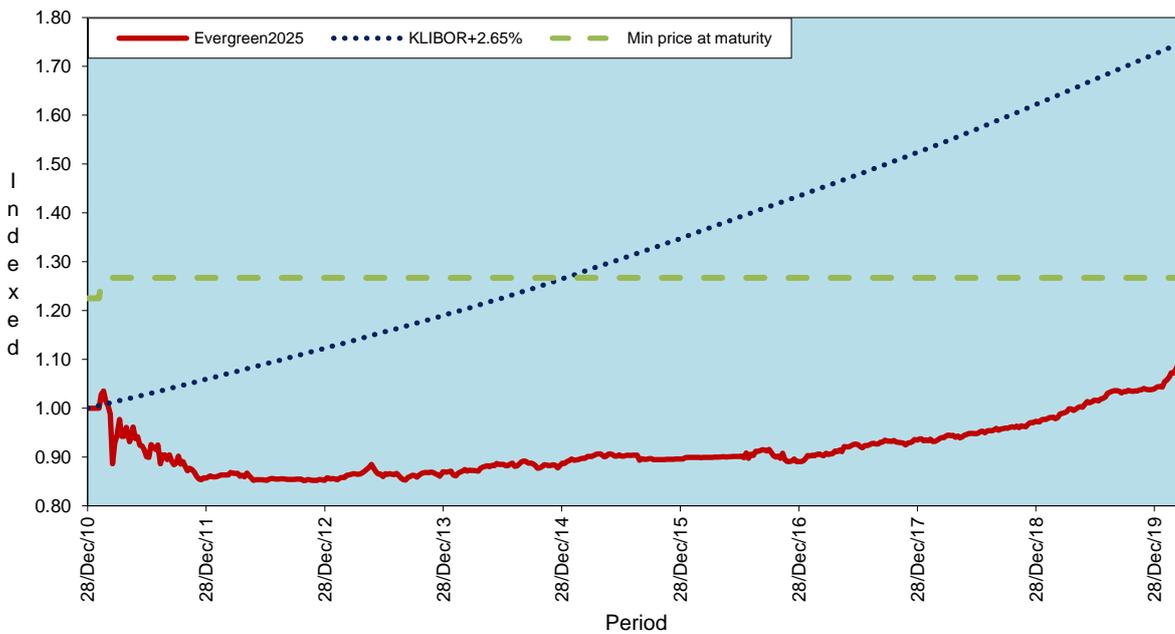
# HLA EverGreen Funds

## Historical Performance

HLA EverGreen 2023 Fund						
As of 31/3/20	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2023	3.78%	1.30%	7.78%	17.90%	23.19%	11.92%
KLIBOR+2.65% p.a.*	1.56%	0.57%	6.37%	20.28%	36.24%	75.14%
Performance vs Benchmark	2.22%	0.73%	1.41%	-2.38%	-13.05%	-63.22%

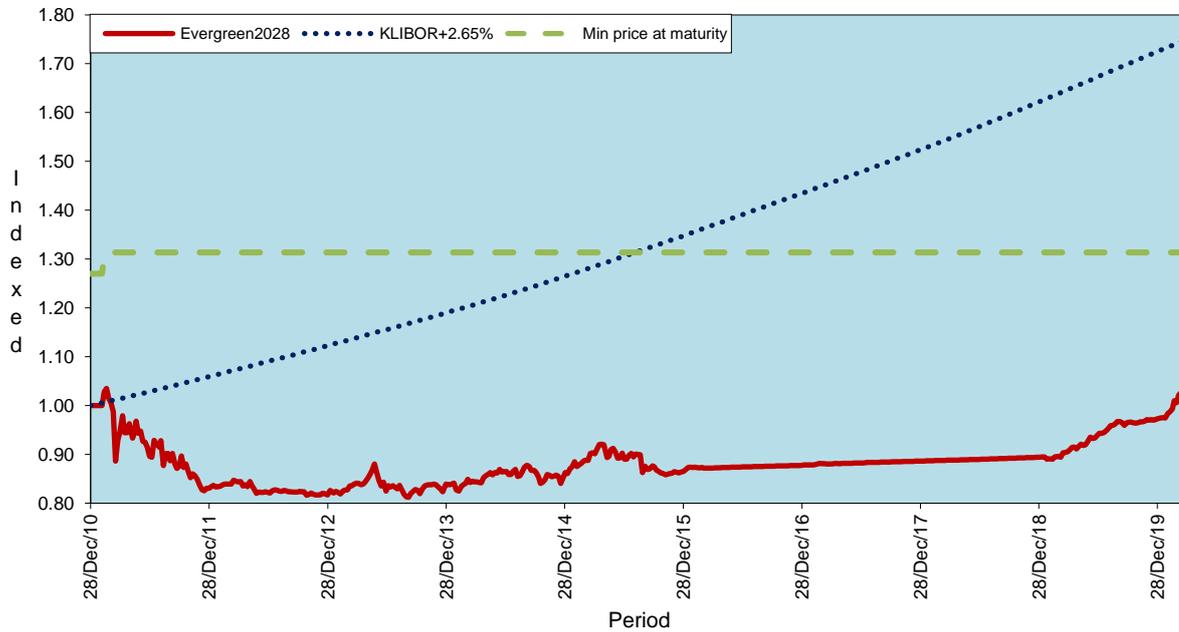


HLA EverGreen 2025 Fund						
As of 31/3/20	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2025	4.96%	1.78%	10.14%	20.54%	21.07%	9.10%
KLIBOR+2.65% p.a.*	1.56%	0.57%	6.37%	20.28%	36.24%	75.14%
Performance vs Benchmark	3.40%	1.21%	3.77%	0.26%	-15.17%	-66.04%

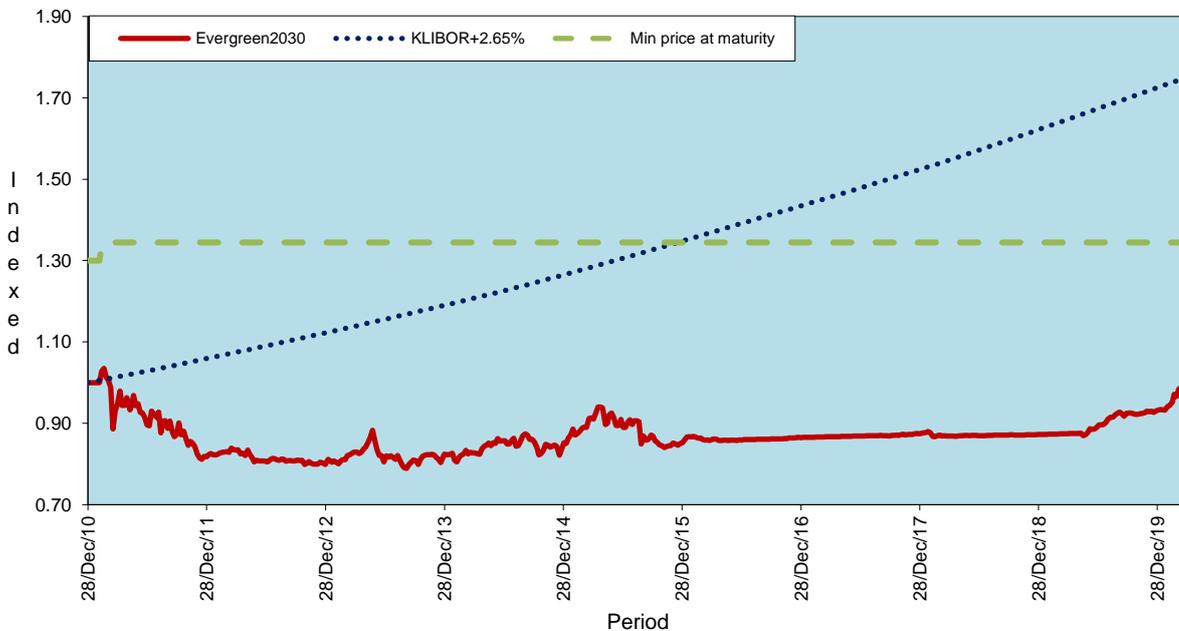


# HLA EverGreen Funds

HLA EverGreen 2028 Fund						
As of 31/3/20	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2028	4.41%	0.90%	12.16%	15.30%	12.62%	1.52%
KLIBOR+2.65% p.a.*	1.56%	0.57%	6.37%	20.28%	36.24%	75.14%
Performance vs Benchmark	2.85%	0.34%	5.80%	-4.98%	-23.62%	-73.62%

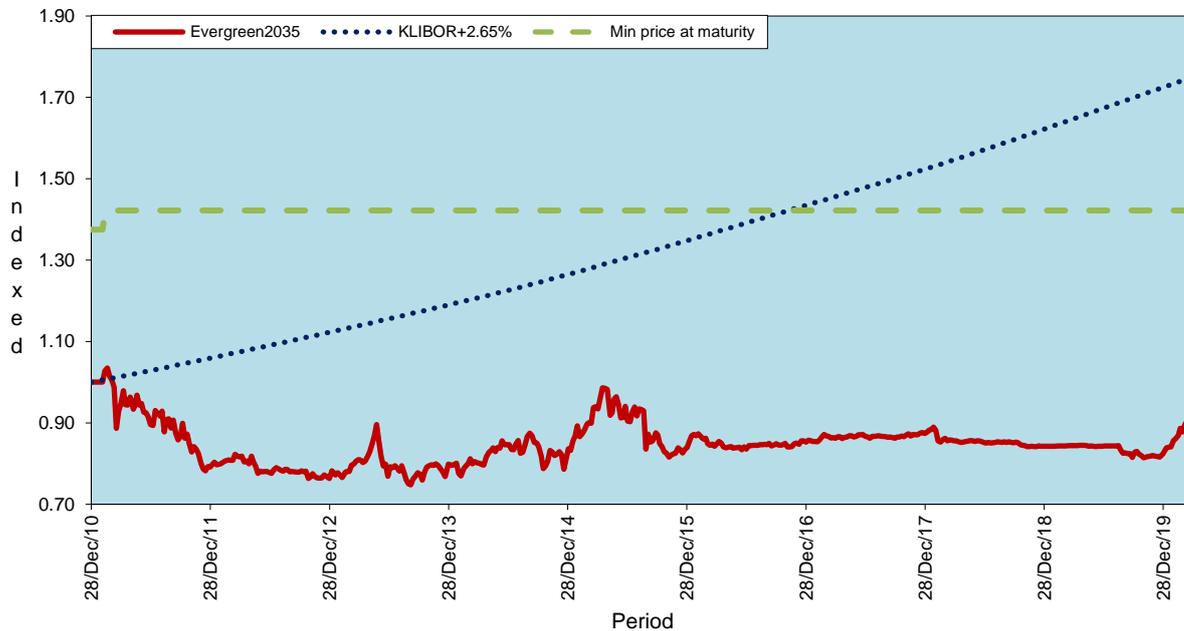


HLA EverGreen 2030 Fund						
As of 31/3/20	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2030	3.52%	-0.13%	10.31%	11.26%	5.94%	-3.53%
KLIBOR+2.65% p.a.*	1.56%	0.57%	6.37%	20.28%	36.24%	75.14%
Performance vs Benchmark	1.96%	-0.70%	3.95%	-9.02%	-30.30%	-78.67%



## HLA EverGreen Funds

HLA EverGreen 2035 Fund						
As of 31/3/20	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA EverGreen 2035	1.08%	-5.16%	-1.33%	-3.41%	-10.89%	-16.71%
KLIBOR+2.65% p.a.*	1.56%	0.57%	6.37%	20.28%	36.24%	75.14%
Performance vs Benchmark	-0.48%	-5.73%	-7.69%	-23.69%	-47.13%	-91.85%



\*Source: Bloomberg

### Actual Annual Investment Returns for the Past Nine (9) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	5.9%	6.1%	6.0%	6.3%	6.5%	6.5%	6.2%	6.4%	6.4%
<b>HLA EVERGREEN 2023 – Gross</b>	-11.0%	2.5%	2.4%	3.0%	1.7%	4.7%	6.5%	6.0%	6.1%
<b>HLA EVERGREEN 2023 – Net</b>	-12.3%	1.0%	0.9%	1.4%	0.3%	3.0%	4.7%	4.2%	5.6%
<b>HLA EVERGREEN 2025 – Gross</b>	-13.0%	0.9%	3.6%	3.6%	2.5%	0.8%	6.7%	5.9%	7.4%
<b>HLA EVERGREEN 2025 – Net</b>	-14.3%	-0.5%	2.0%	2.0%	1.0%	-0.6%	4.9%	4.1%	6.8%
<b>HLA EVERGREEN 2028 – Gross</b>	-15.7%	-0.3%	4.5%	4.5%	1.7%	2.9%	2.5%	2.4%	9.6%
<b>HLA EVERGREEN 2028 – Net</b>	-17.0%	-1.6%	2.8%	2.8%	0.3%	1.4%	1.0%	0.9%	8.7%
<b>HLA EVERGREEN 2030 – Gross</b>	-16.9%	-1.0%	4.8%	5.1%	1.4%	3.0%	2.6%	1.2%	7.9%
<b>HLA EVERGREEN 2030 – Net</b>	-18.2%	-2.3%	3.1%	3.4%	0.0%	1.5%	1.1%	-0.2%	6.8%
<b>HLA EVERGREEN 2035 – Gross</b>	-19.5%	-2.2%	6.4%	6.5%	1.9%	3.2%	4.1%	-2.5%	-1.6%
<b>HLA EVERGREEN 2035 – Net</b>	-20.8%	-3.5%	4.6%	4.7%	0.4%	1.6%	2.4%	-3.6%	-2.2%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past nine (9) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 3. Credit Risk

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

#### 4. Interest Rate Risk

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

#### 5. Country Risk

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

#### 6. Deleverage Risk

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.

## HLA EverGreen Funds

### 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

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

### Exceptional Circumstances

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

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

Not applicable

*Note: With effect from 14 August 2019, the fund no longer have any exposure to the CIMB EverGreen Index. Moving forward, the unit price of the fund is expected to behave like a synthetic zero coupon bond portfolio. As such, the performance of fund is no longer dependent on the index but instead on the movement of MYR interest rates.*

### Performance of CIMB EverGreen Index Against Other Indices

Not applicable

*Note: With effect from 14 August 2019, the fund no longer have any exposure to the CIMB EverGreen Index. Moving forward, the unit price of the fund is expected to behave like a synthetic zero coupon bond portfolio. As such, the performance of fund is no longer dependent on the index but instead on the movement of MYR interest rates.*

### 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.

$$\frac{\text{Unit Price}_{t_1} - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

### Others

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

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

### Disclaimer:

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

### CIMB Evergreen Index Disclaimer:

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

# HLA Dana Suria (HLADS)

Mar 2020

## 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 (31/3/2020)	:RM0.973
Fund Size (31/3/2020)	:RM5.9mil
Fund Management Fee	:1.30% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:24 Sept 2013
Benchmark	:(70% x FTSE Bursa Malaysia EmasShariah Index) + (30% x 3-month Klibor)

### Frequency of Unit Valuation :Weekly

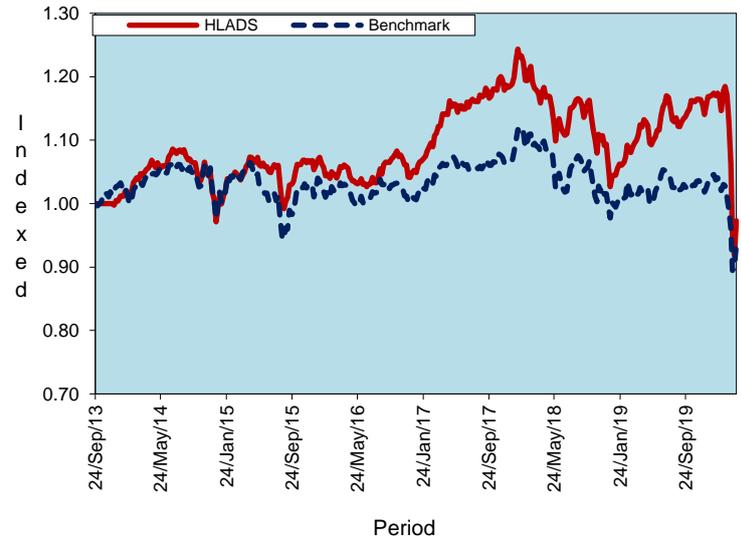
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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

With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.

## Top 5 Holdings for HLADS as at 31 Mar 2020

		%
1.	Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA)	Sukuk 7.3
2.	TNB Western Energy Berhad	Sukuk 4.0
3.	TENAGA	Equity 3.7
4.	Grand Sepadu (NK) Sendirian Berhad	Sukuk 3.7
5.	Sepangar Bay Power Corporation Sendirian Berhad	Sukuk 3.7
<b>Total Top 5</b>		<b>22.4</b>

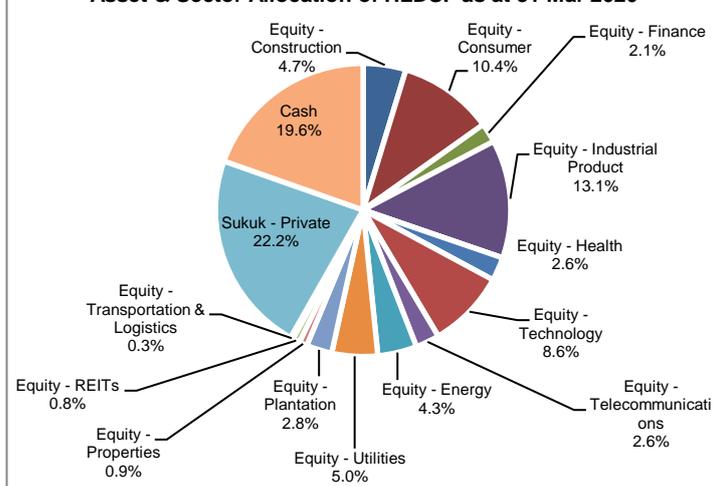
## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLADS	-16.80%	-16.92%	-11.55%	-13.30%	-7.26%	-2.70%
Benchmark*	-10.26%	-7.27%	-7.65%	-11.51%	-11.02%	-6.34%
Relative	-6.55%	-9.66%	-3.90%	-1.79%	3.76%	3.64%

\*Source: Bloomberg

## Asset & Sector Allocation of HLDSF as at 31 Mar 2020



Hong Leong Assurance Berhad 198201014849 (94613-X)

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## HLA Dana Suria (HLADS)

### Market Review, Outlook & Strategy

Global equities posted their worst monthly performance since the Global Financial Crisis with the S&P and Dow Jones falling by 19% and 22% ytd as the global coronavirus pandemic spread at an alarming pace. US, Italy, Spain, and Germany have overtaken China to become the epicentre of the Covid-19 outbreak in the world. Most countries are now in some form of partial lock-down (state of emergency or social distancing) since mid-March including the US (which has now been extended by 2 weeks until 30 Apr). While the rest of the world is trying to contain this health crisis, China is slowly normalising as it comes out of the lock-down imposed since end-January. Even before this outbreak worsened, pandemonium happened in the oil market as OPEC+ talks broke down, followed by Saudi Arabia's move to ignite a market share war with the Russians. Central bankers in the western economies pulled out all stops to buffer the impact of Covid-19 starting with the Fed's move to slash interest rates by 100bps to 0-0.25%, followed by an unlimited and open-ended QE. The US Congress also passed a historic US\$2 trn stimulus package unanimously. The respective governments' and central banks' reactions over the past 2 weeks have been extensive, unprecedented and comparable to the responses during the Global Financial Crisis. The global fiscal financial support amounting to trillions of dollars is said to be at historical highs. On the back of such massive stimulus programmes around the world, the economic fallout could be a sharp but temporary contraction before a potential recovery later this year.

Domestically, in addition to the two global events which translated to 1) a negative China-driven supply shock, a negative global demand shock and 2) an abundance of oil-supply shock, we saw the formation of a new government following the fallout of the erstwhile coalition members of the previous government. This created uncertainty of the continuity of policy reforms that were taking place over the past 2 years. Malaysia was also not spared from the Covid-19 outbreak with the government imposing the Movement Control Order period which started on 18<sup>th</sup> March and has been extended to 14<sup>th</sup> April. To aid the economy during this tough time, the government unveiled a RM250b (17% of GDP) economic stimulus package with key components of the stimulus comprising of 1) loan moratorium for individuals and SMEs (RM98b), 2) Danajamin credit guarantee (RM50b), 3) EPF withdrawals of RM500/month (RM40b), 4) cash handouts (RM10b) and 5) wage subsidies (RM5.9b). The bulk of the RM250b will be financed off-budget (banks, EPF, Danajamin) with only RM25b to be financed by federal budget, mostly via debt issuance. This will cause the fiscal deficit to widen to >4% of GDP for 2020 and push the government's debt level to 57.8% of GDP in 2020.

On a relative basis for the month of March, the KLCI outperformed the broader market by posting a smaller decline of 8.9% mom to close at 1351 pts. The FBM Emas Shariah, FBM Emas and FBM Small Cap recorded declines of 9.1% mom, 11.8% mom and 27.7% mom respectively in March. In March, Malaysian equities saw foreign outflow to the tune of US\$1.3b. Cumulatively, Jan to Mar 20, total net outflow was US\$1.8b.

Globally, investors will be following closely the development of Covid-19 to assess the extent of corporate earnings erosion in the aftermath as well as structural declines (if any). While we remain invested in the current climate of uncertainties, we are also comforted by the fact that we have raised sufficient cash levels prior to the correction. We take no view of when will this health crisis will peak but at current levels and taking a longer investment horizon of >1 year, we see value emerging for some of the liquid and big cap names. We continue to stick to defensive companies offering resilient earnings and dividend prospects with strong cash flow profile to weather through the coming downturn.

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

The month of March saw a wave of extreme volatility where the 10-year US Treasury ("UST") yields completed a roundtrip between 1.2% and 0.3% in two weeks. The Covid-19 outbreak in major parts of the world caused a free fall in UST yields on flight to safety, but the subsequent funding squeeze resulted in a selloff. To avoid the broadening of liquidity and credit crunch, major central banks such as the Fed and European Central Banks have unleashed desperate measures in the form of unlimited quantitative easing.

The Malaysian Government Securities ("MGS") curve bear-steepened for the month of March, with the belly to long-end yield rising 50 to 60bps amid a selloff in durations. In general, Ringgit bonds have been weighted more heavily than regional peers, save for the twin-deficit Indonesia, as a combination of depressed crude oil prices, sovereign rating risk and domestic politics has affected the outlook on the Malaysian bond market. On a brighter note, S&P Global Ratings reaffirmed Malaysia sovereign rating with a stable outlook citing its confidence in the country's core credit strength which include its robust external position and highly credible monetary policy. As such, we have started to see foreign inflows into MGS again towards the end of March. The local corporate bond market was less robust relative to movements seen in the sovereign space. Trading volumes were more prominent in the government guaranteed papers such as Danainfra, Perbadanan Tabung Pendidikan Tinggi Nasional and Prasarana. Prominent issuances for the month include AEON Credit's A1-rated 10-year non call 5-year bonds totalling RM200 million with a coupon of 3.95% and Hap Seng Management Sdn Bhd's unrated 3- to 5-year bonds totalling RM500 million with coupon ranging from 3.85%-3.95%.

At this current juncture, while unprecedented measures by major central banks have provided some form of confidence to the market, we expect to see another leg of volatility as the Covid-19-induced lockdown finds its way into more pronounced pressures on businesses that would eventually lead to worse-than expected economic weakness in the months to come. According to Moody's, if lockdowns around the world to contain the pandemic widespread are short and swift, the global default rate would reach 6.5% this year. However, in a more severe recession, extending into the second half of the year, defaults could surpass levels seen in the 2008 financial crisis and soar to 18.3%. The rating agency has also cut its outlook for US corporate debt from stable to negative as it anticipates a wave of corporate defaults.

On the local front, we think that near-term volatility on the MGS is inevitable given the bearish bias on the broader emerging markets, bigger government bond supply to support the local economy and pressure on Malaysia's sovereign rating as current weaknesses in the economy necessitates extensive fiscal stimulus measures. The government is facing an uphill task of balancing between supporting growth and keeping to its fiscal prudence stance. While the reaffirmation by S&P Ratings provided investors with some reassurance, views from the two other rating agencies, namely Fitch and Moody's, are expected to be closely monitored. As such, we adopt an active management in formulating our investment strategy. We will take advantage of weaknesses in the local sovereign market to lock in attractive yields; without hesitating to take profit should markets turn bullish.

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

Year	2013	2014	2015	2016	2017	2018	2019
Benchmark	3.3%	-1.4%	2.2%	0.4%	7.5%	-7.5%	4.3%
HLADS - Gross	2.7%	1.5%	7.4%	-0.6%	17.0%	-12.6%	14.5%
HLADS - Net	1.2%	0.1%	5.5%	-1.9%	14.3%	-12.9%	12.0%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past seven (7) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 24 September 2013. The actual investment returns are calculated based on unit price from 24 September to 31 December 2013.

### Investment Risks

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

## HLA Dana Suria (HLADS)

### 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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Performance	14.4%	2.8%	6.4%	7.0%	0.1%	9.1%	-1.2%	13.1%	-11.1%	17.8%

Source: Hong Leong Asset Management Berhad

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Performance	11.9%	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%

Source: Hong Leong Assurance Berhad

### Basis of Calculation of Past Performance

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

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

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

### Others

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

**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)

Mar 2020

## 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.

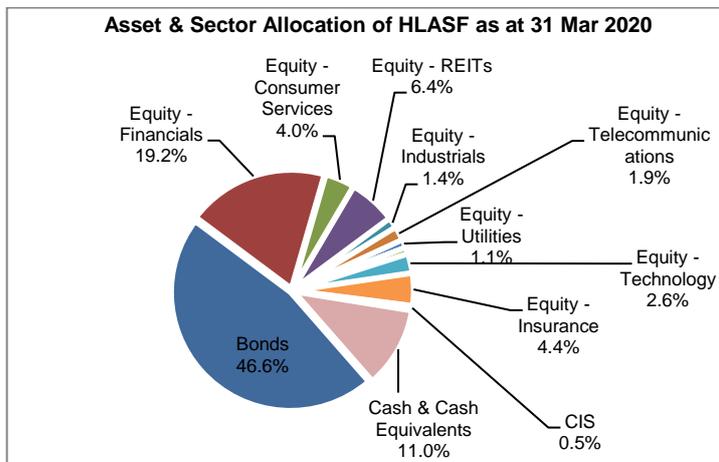
### 4. Target Market

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 (31/3/2020)	:RM1.3305
Fund Size (31/3/2020)	:RM19.6mil
Fund Management Fee	:1.00% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:05 Feb 2013
Benchmark	:(70% x Maybank 12 Months Fixed Deposit Rate) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index)
Frequency of Unit Valuation	:Weekly

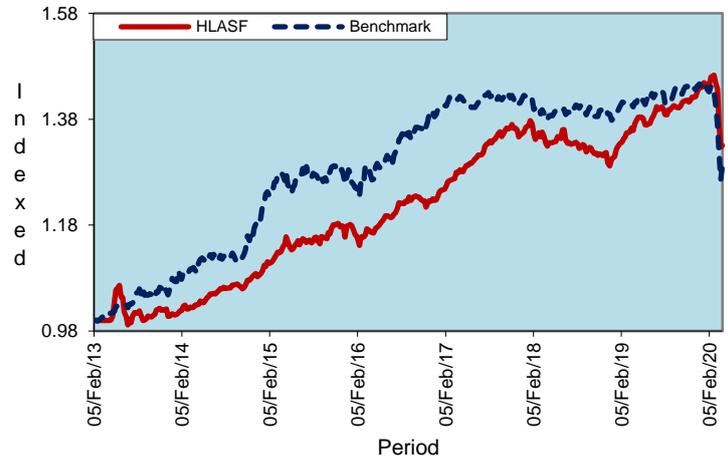
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.



## Top 5 Holdings for HLASF as at 31 Mar 2020

Rank	Company	Asset Class	Weight (%)
1.	Alibaba Group Holding Ltd	Equity	2.1
2.	AIA Group Ltd	Equity	2.1
3.	China Life Insurance Co Ltd	FI	2.0
4.	Ping An Insurance Grp Co China	Equity	1.9
5.	TSMC	Equity	1.8
<b>Total Top 5</b>			<b>9.9</b>

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	-7.61%	-9.07%	-2.08%	4.07%	16.86%	33.05%
Benchmark*	-10.57%	-9.58%	-7.79%	-8.67%	1.53%	29.39%
Relative	2.96%	0.51%	5.72%	12.74%	15.33%	3.66%

\*Source: AffinHwang

## HLA Secure Fund (HLASF)

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

It was a rapid washout for global markets in March as few asset classes were spared from the selloff due to Covid-19 pandemic fears as infection rates continue to escalate rapidly. The MSCI Asia ex-Japan index closed 12.2% lower in the month and is down 18.6% YTD. In the US, the S&P 500 index closed 12.5% lower in March and is down by 20% YTD.

In Asia, China is starting to ease on mobility restrictions within the country, and it is expected to lift the lockdown on Wuhan, the epicentre of the outbreak on 8 April. Work resumption levels have also picked up with 80%-90% of factories starting back operations. That said, subway and traffic congestion level data points are showing a slower pace of normalisation. Property sector in China has also shown encouraging trend, with sales posting strong week-on-week improvement. China observers will be closely monitoring when the annual plenary session would take place after it was postponed due to the coronavirus outbreak. The annual meetings of the National People's Congress ("NPC") and the Chinese People's Political Consultative Conference (CPPCC), known as the "two sessions", were initially scheduled for early March but looks to be postponed towards late April. In the annual plenary, the country's top policymakers will set the tone for the country's economic targets and projections for spending. Market expectations are that the world's second largest economy would unveil a swathe of stimulus measures to prop-up growth once lockdown restrictions are lifted and there is easing of mobility.

Whilst we see unprecedented steps taken by governments and global central banks to stimulate the economy and provide liquidity, such measures are unlikely to fuel a full recovery as we are dealing with a global pandemic that has caused economies to come to a virtual standstill. Cutting interest rates, injecting liquidity or even putting money directly in the hands of consumers is unlikely to lead to its desired effects if people's health are at stake. Getting businesses to reopen and encouraging consumers to spend can only happen when the Covid-19 pandemic fears subside. That can only happen when we see visibility of infection rates peaking or a development of a vaccine. Nonetheless, the effects of monetary and fiscal stimulus is still net positive as it would provide some semblance of normalcy in markets. We saw a dislocation of financial markets with traditional safe haven assets like US Treasuries behaving abnormally and investment-grade bonds trading at very wide bid-to-ask spreads which is not healthy. What we've seen following these stimulus measures are indications of normalisation in the behaviour of markets. It will be important to see a peak of infection levels in order for markets and the economy to recover.

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

Year	2013	2014	2015	2016	2017	2018	2019
<b>Benchmark</b>	7.2%	10.4%	7.7%	8.2%	2.6%	-2.2%	-0.2%
<b>HLASF - Gross</b>	2.5%	9.2%	10.2%	5.6%	12.4%	-3.0%	12.3%
<b>HLASF - Net</b>	1.3%	7.5%	8.4%	4.1%	10.4%	-3.7%	10.4%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past seven (7) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

The fund was only launched on 14 February 2013. The actual investment returns are calculated based on unit price from 14 February 2013 to 31 December 2013.

### **Investment Risks**

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

#### **1. Market Risk**

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

#### **2. Liquidity Risk**

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

#### **3. Country Risk**

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

#### **4. Currency Risk**

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

#### **5. Concentration Risk**

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

### **Risk Management**

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

### **Basis of Unit Valuation**

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

## HLA Secure Fund (HLASF)

4. To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

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

### Target Fund Details

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Performance	9.3%	5.6%	15.1%	2.9%	6.9%	8.6%	4.1%	10.5%	-4.2%	10.0%

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.

### Others

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

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

### Disclaimer:

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

# HLA Cash Fund (HLACF)

Mar 2020

## 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

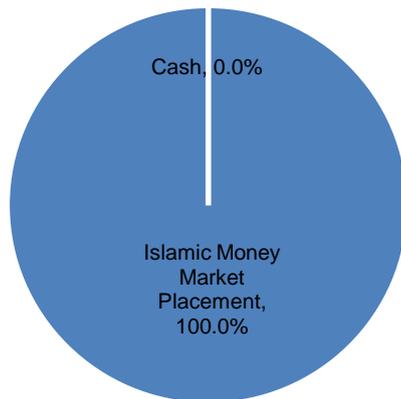
This fund is suitable for investors who are low risk profile.

## Fund Details

Unit Price (31/3/2020)	: RM1.2591
Fund Size (31/3/2020)	: RM33.5mil
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

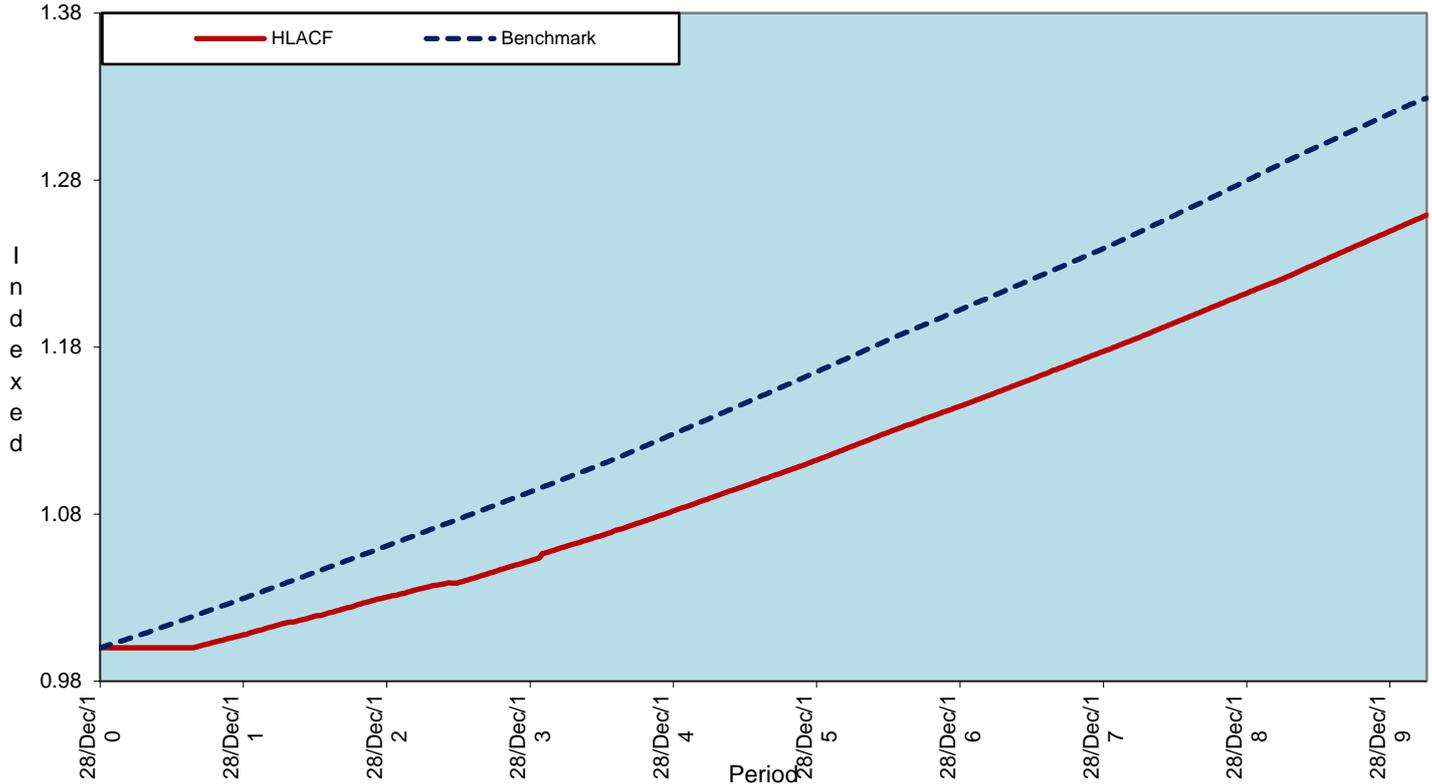
*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.*

**Asset & Sector Allocation of HLACF as at 31 Mar 2020**



# HLA Cash Fund (HLACF)

## Historical Performance



As of 31/3/20	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLACF	0.78%	0.29%	3.16%	9.24%	15.57%	25.91%
Benchmark*	0.71%	0.24%	3.05%	9.72%	16.86%	32.91%
Relative	0.07%	0.05%	0.12%	-0.48%	-1.29%	-7.00%

\*Source: Bloomberg

### Actual Annual Investment Returns for the Past Nine (9) Calendar Years

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Benchmark	3.0%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	3.3%	3.1%
HLACF- Gross	1.1%	2.8%	2.6%	3.4%	3.3%	3.4%	3.4%	3.5%	3.6%
HLACF - Net	0.8%	2.3%	2.1%	2.9%	2.8%	2.9%	2.9%	3.0%	3.1%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past nine (9) years, or since inception if shorter, and are strictly the performance of the investment-linked fund. Thus, the returns are not earned on the actual premium paid of the investment-linked product.

### Investment Risks

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

#### 1. Counterparty risk

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

### Risk Management

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

### Basis of Unit Valuation

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

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

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Telephone 03-7650 1818 Facsimile 03-7650 1991

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

## HLA Cash Fund (HLACF)

4. To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

### Exceptional Circumstances

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

### Basis of Calculation of Past Performance

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

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

### Others

HLA 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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### Disclaimer:

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

# Fund Risk Type & Customer Risk Appetite

Fund Risk Type

Customer Risk Appetite

