

# Monthly Fund Fact Sheet

## — June 2022



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# HLA Venture Growth Fund (HLAVGF)

June 2022

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

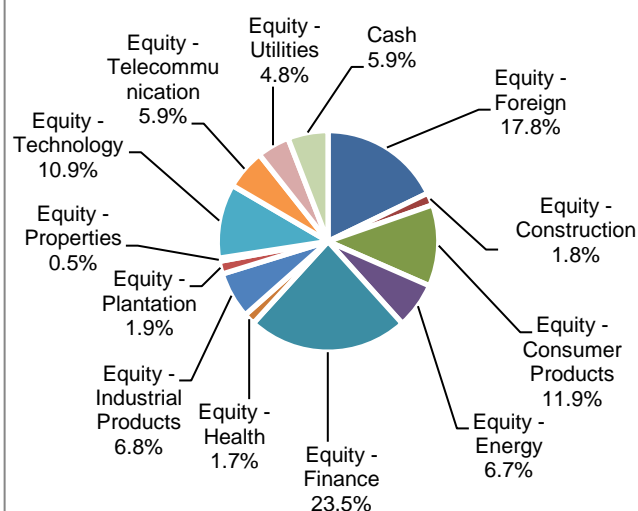
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (30/6/2022)	:RM2.1734
Fund Size (30/6/2022)	:RM369.8mil
Fund Management Fee (effective as at 01/08/2018)	: 1.39% p.a. (capped at 1.50%)
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	:19 Jan 2000
Benchmark	:FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	:Daily

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

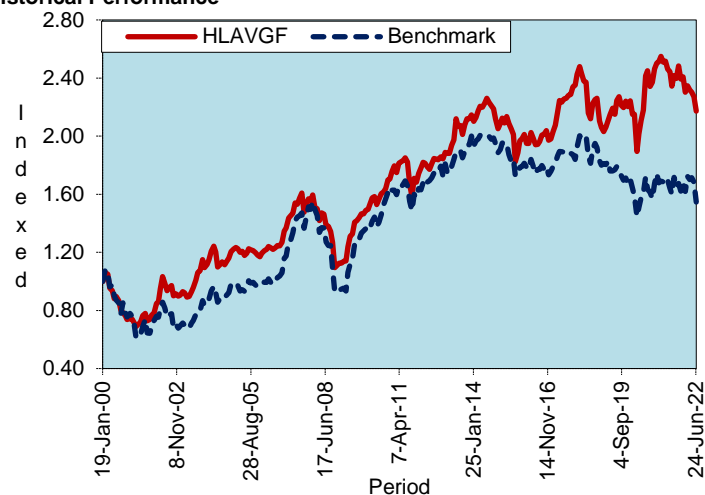
**Asset & Sector Allocation of HLAVGF as at 30 June 2022**



## Top 5 Holdings for HLAVGF as at 30 June 2022

	%
1. CIMB	8.8
2. MAYBANK	8.4
3. RHBBANK	6.3
4. TENCENT	4.9
5. INARI	4.8
Total Top 5	33.1

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	-9.76%	-4.35%	-11.04%	-3.24%	-3.70%	20.08%	-9.76%
Benchmark*	-7.87%	-8.02%	-5.77%	-13.63%	-18.11%	-9.69%	-7.87%
Relative	-1.89%	3.66%	-5.27%	10.39%	14.41%	29.77%	-1.89%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Venture Growth Fund (HLAVGF)

## Market Review, Outlook & Strategy

Global equities declined during the month due to inflation and recessionary fears. In June, the FOMC hiked rates by 75bps and the Fed Chair reiterated that commitment to reigning in inflation was “unconditional”. During the Fed Chair’s testimony to the congress, he acknowledged that a recession was possible and achieving a soft landing would be very challenging. Commodities were not spared from the correction as prices from oil to copper and wheat weakened, pricing in the probability of a recession. Whereas over in China, the sentiment was more positive on the back of easing Covid restrictions as well as more signals on possible reduction in US tariffs over China goods. In a keynote speech to the BRICs Business Forum, the Chinese President also reiterated the commitment to achieve 2022 economic targets as well as mentioned the support for internet/ platform companies.

Domestically, Malaysia was not spared from inflationary pressures due to supply chain disruptions, labour shortages and the impact of the war in Ukraine. In its effort to help temper the effects of rising prices, the government made the decision to keep Peninsular Malaysia’s electricity tariff rates unchanged for 2H22 and reinstated the ceiling price for chicken at RM9.40 per kg (from an earlier decision to remove the ceiling price of RM8.90 per kg). Due to the unanticipated subsidies for fuel, chicken and eggs and cooking oil as well as flood relief, Malaysia is expected to spend around RM77b in subsidies and cash aid for 2022. Plantation stocks corrected during the month following the collapse in CPO prices, breaching the RM5k/MT level following Indonesia’s removal of the ban on palm oil exports. Notable corporate developments include the greenlight given by MCMC to the merger of Celcom and Digi’s operations which will create the leading telco provider in Malaysia. The Ringgit weakened further against the US\$ to end the month at 4.4085 from 4.3770 at the start of the month.

Average daily trading value increased to RM2.59b in June from May’s RM2.4b. Retailers remained net buyers with +RM0.6b and local institutions turned net buyers with +RM0.7b. Foreign institutions turned net sellers with -RM1.3b. Retailers and local institutions accounted for 23.6% and 35.4% of value traded. Foreign institutions accounted for 29.2% of value traded. The four indices continued its downtrend in June. The FBMKLCI, FBM Shariah, FBM Emas and FBMSC declined by 8%, 8.7%, 7.6% and 8.8% mom respectively.

Going into July, market is expecting another round of 75 bps hike by the Fed. But there are also some expectations of the Fed scaling back the additional tightening from December onwards and some probability of rate cuts in 2023. As for China, investors will continue to monitor closely the progress of its reopening and potentially any further easing to both its monetary and fiscal measures. For Malaysia, the Ministry of Finance will be tabling the Fiscal Responsibility Act during the upcoming Parliament session scheduled to start on 18<sup>th</sup> July. This bill will help to boost tax collection by broadening the tax base which is crucial to replenish the nation’s coffers to finance the nation’s development and longer-term reform plans. Malaysia can also finally progress with the 5G deployment as the telco players have finally reached an agreement with state-owned Digital Nasional Bhd (DNB) before the due date on 30 Jun 22. Malaysia’s Communications and Multimedia Minister said an announcement of the deal will be made known at the early part of July, removing the overhang for the sector. We remain defensive and will maintain our barbell strategy by investing in both the value and growth sectors. Sectors that we continue to favour include interest rate hike beneficiaries (banks), selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%	-3.7%
<b>HLAVGF- Gross</b>	10.7%	16.3%	-3.2%	-0.6%	-0.1%	26.0%	-16.1%	12.8%	14.2%	-2.6%
<b>HLAVGF - Net</b>	8.5%	13.6%	-4.4%	-1.9%	-1.5%	22.5%	-16.2%	10.3%	11.7%	-3.8%

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.

**Notice: Past performance of the fund is not an indication of its future performance**

## 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 Growth Fund (HLAVGF)

### Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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 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)

June 2022

## 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

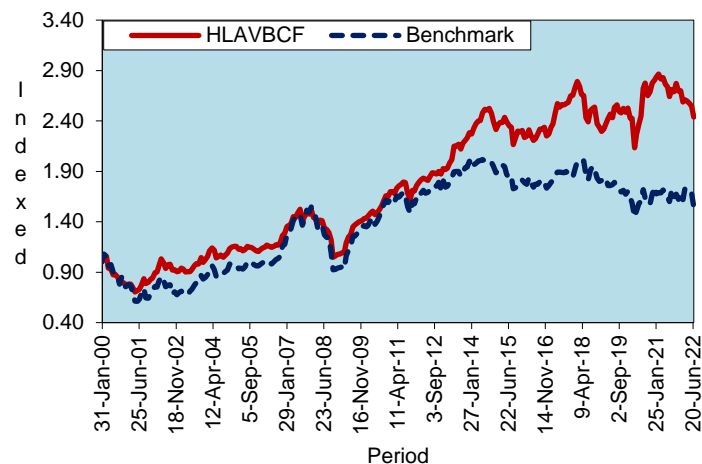
This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

## Fund Details

<b>Unit Price (30/6/2022)</b>	: RM2.4390
<b>Fund Size (30/6/2022)</b>	: RM516.5 mil
<b>Fund Management Fee (effective as at 01/05/2018)</b>	: 1.43% p.a. (capped at 1.50%)
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 19 Jan 2000
<b>Benchmark</b>	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
<b>Frequency of Unit Valuation</b>	: Daily

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

## Historical Performance

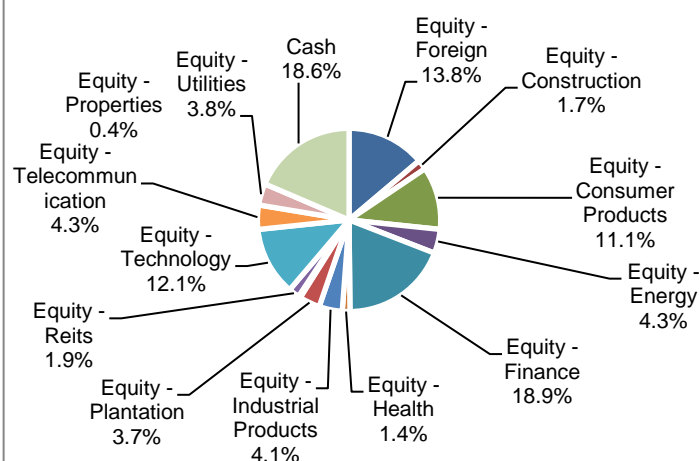


	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVBCF	-9.67%	-4.21%	-10.92%	-3.72%	-4.77%	32.30%	143.90%
Benchmark*	-7.87%	-8.02%	-5.77%	-13.63%	-18.11%	-9.69%	54.73%
Relative	-1.80%	3.80%	-5.16%	9.91%	13.34%	41.98%	89.17%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

**Asset & Sector Allocation of HLAVBCF as at 30 June 2022**



**Top 5 Holdings for HLAVBCF as at 30 June 2022**

	%
1. CIMB	5.9
2. MAYBANK	4.7
3. RHBBANK	4.6
4. GENTING	4.5
5. INARI	3.9
Total Top 5	23.6

# HLA Venture Blue Chip Fund (HLAVBCF)

## Market Review, Outlook & Strategy

Global equities declined during the month due to inflation and recessionary fears. In June, the FOMC hiked rates by 75bps and the Fed Chair reiterated that commitment to reigning in inflation was “unconditional”. During the Fed Chair’s testimony to the congress, he acknowledged that a recession was possible and achieving a soft landing would be very challenging. Commodities were not spared from the correction as prices from oil to copper and wheat weakened, pricing in the probability of a recession. Whereas over in China, the sentiment was more positive on the back of easing Covid restrictions as well as more signals on possible reduction in US tariffs over China goods. In a keynote speech to the BRICs Business Forum, the Chinese President also reiterated the commitment to achieve 2022 economic targets as well as mentioned the support for internet/ platform companies.

Domestically, Malaysia was not spared from inflationary pressures due to supply chain disruptions, labour shortages and the impact of the war in Ukraine. In its effort to help temper the effects of rising prices, the government made the decision to keep Peninsular Malaysia’s electricity tariff rates unchanged for 2H22 and reinstated the ceiling price for chicken at RM9.40 per kg (from an earlier decision to remove the ceiling price of RM8.90 per kg). Due to the unanticipated subsidies for fuel, chicken and eggs and cooking oil as well as flood relief, Malaysia is expected to spend around RM77b in subsidies and cash aid for 2022. Plantation stocks corrected during the month following the collapse in CPO prices, breaching the RM5k/MT level following Indonesia’s removal of the ban on palm oil exports. Notable corporate developments include the greenlight given by MCMC to the merger of Celcom and Digi’s operations which will create the leading telco provider in Malaysia. The Ringgit weakened further against the US\$ to end the month at 4.4085 from 4.3770 at the start of the month.

Average daily trading value increased to RM2.59b in June from May’s RM2.4b. Retailers remained net buyers with +RM0.6b and local institutions turned net buyers with +RM0.7b. Foreign institutions turned net sellers with -RM1.3b. Retailers and local institutions accounted for 23.6% and 35.4% of value traded. Foreign institutions accounted for 29.2% of value traded. The four indices continued its downtrend in June. The FBMKLCI, FBM Shariah, FBM Emas and FBMSC declined by 8%, 8.7%, 7.6% and 8.8% mom respectively.

Going into July, market is expecting another round of 75 bps hike by the Fed. But there are also some expectations of the Fed scaling back the additional tightening from December onwards and some probability of rate cuts in 2023. As for China, investors will continue to monitor closely the progress of its reopening and potentially any further easing to both its monetary and fiscal measures. For Malaysia, the Ministry of Finance will be tabling the Fiscal Responsibility Act during the upcoming Parliament session scheduled to start on 18<sup>th</sup> July. This bill will help to boost tax collection by broadening the tax base which is crucial to replenish the nation’s coffers to finance the nation’s development and longer-term reform plans. Malaysia can also finally progress with the 5G deployment as the telco players have finally reached an agreement with state-owned Digital Nasional Bhd (DNB) before the due date on 30 Jun 22. Malaysia’s Communications and Multimedia Minister said an announcement of the deal will be made known at the early part of July, removing the overhang for the sector. We remain defensive and will maintain our barbell strategy by investing in both the value and growth sectors. Sectors that we continue to favour include interest rate hike beneficiaries (banks), selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%	-3.7%
<b>HLAVBF- Gross</b>	11.9%	21.4%	3.2%	1.1%	-0.1%	23.6%	-15.7%	12.5%	13.4%	-2.5%
<b>HLAVBF - Net</b>	9.6%	18.3%	1.5%	-0.4%	-1.6%	20.3%	-15.9%	10.1%	10.9%	-3.7%

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.

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## Investment Risks

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

### Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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:

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# HLA Venture Dana Putra (HLAVDP)

June 2022

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

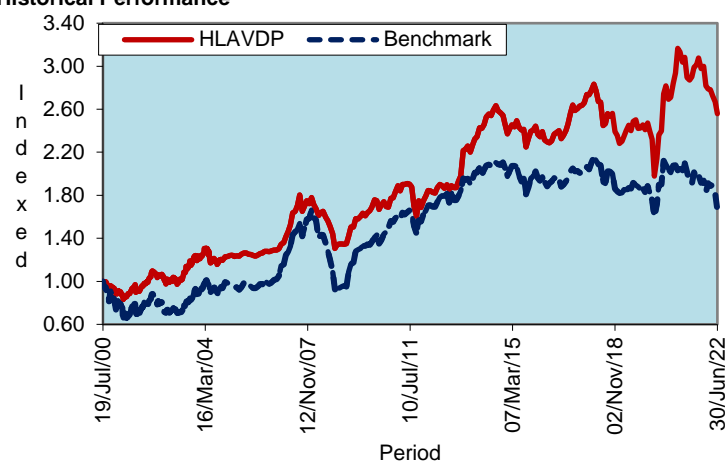
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

Unit Price (30/6/2022)	: RM2.5576
Fund Size (30/6/2022)	: RM138.5 mil
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

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

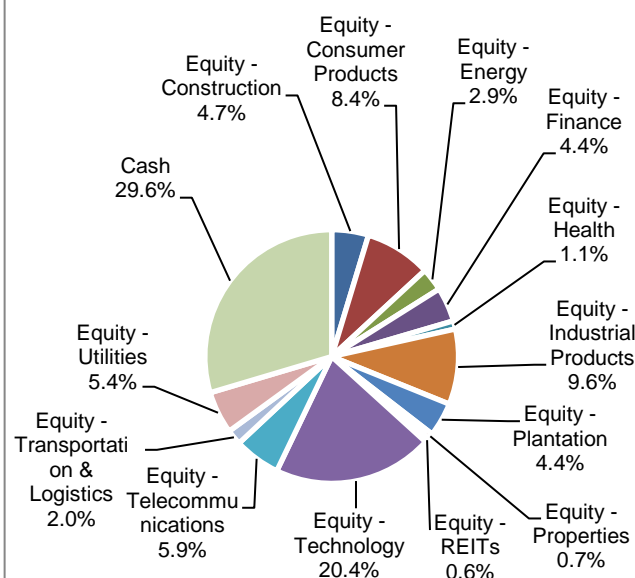


	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-14.73%	-4.18%	-10.94%	2.78%	-1.87%	36.78%	155.76%
Benchmark*	-14.34%	-8.74%	-13.75%	-13.43%	-18.08%	-4.54%	65.87%
Relative	-0.38%	4.55%	2.80%	16.21%	16.21%	41.31%	89.89%

Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

## Asset & Sector Allocation of HLAVDP as at 30 June 2022



## Top 5 Holdings for HLAVDP as at 30 June 2022

	%
1. INARI	4.4
2. MYEG	3.9
3. SIMEPLT	3.7
4. TM	3.6
5. TENAGA	3.2
Total Top 5	18.8

# HLA Venture Dana Putra (HLAVDP)

## Market Review, Outlook & Strategy

Global equities declined during the month due to inflation and recessionary fears. In June, the FOMC hiked rates by 75bps and the Fed Chair reiterated that commitment to reigning in inflation was “unconditional”. During the Fed Chair’s testimony to the congress, he acknowledged that a recession was possible and achieving a soft landing would be very challenging. Commodities were not spared from the correction as prices from oil to copper and wheat weakened, pricing in the probability of a recession. Whereas over in China, the sentiment was more positive on the back of easing Covid restrictions as well as more signals on possible reduction in US tariffs over China goods. In a keynote speech to the BRICs Business Forum, the Chinese President also reiterated the commitment to achieve 2022 economic targets as well as mentioned the support for internet/ platform companies.

Domestically, Malaysia was not spared from inflationary pressures due to supply chain disruptions, labour shortages and the impact of the war in Ukraine. In its effort to help temper the effects of rising prices, the government made the decision to keep Peninsular Malaysia’s electricity tariff rates unchanged for 2H22 and reinstated the ceiling price for chicken at RM9.40 per kg (from an earlier decision to remove the ceiling price of RM8.90 per kg). Due to the unanticipated subsidies for fuel, chicken and eggs and cooking oil as well as flood relief, Malaysia is expected to spend around RM77b in subsidies and cash aid for 2022. Plantation stocks corrected during the month following the collapse in CPO prices, breaching the RM5k/MT level following Indonesia’s removal of the ban on palm oil exports. Notable corporate developments include the greenlight given by MCMC to the merger of Celcom and Digi’s operations which will create the leading telco provider in Malaysia. The Ringgit weakened further against the US\$ to end the month at 4.4085 from 4.3770 at the start of the month.

Average daily trading value increased to RM2.59b in June from May’s RM2.4b. Retailers remained net buyers with +RM0.6b and local institutions turned net buyers with +RM0.7b. Foreign institutions turned net sellers with -RM1.3b. Retailers and local institutions accounted for 23.6% and 35.4% of value traded. Foreign institutions accounted for 29.2% of value traded. The four indices continued its downtrend in June. The FBMKLCI, FBM Shariah, FBM Emas and FBMSB declined by 8%, 8.7%, 7.6% and 8.8% mom respectively.

Going into July, market is expecting another round of 75 bps hike by the Fed. But there are also some expectations of the Fed scaling back the additional tightening from December onwards and some probability of rate cuts in 2023. As for China, investors will continue to monitor closely the progress of its reopening and potentially any further easing to both its monetary and fiscal measures. For Malaysia, the Ministry of Finance will be tabling the Fiscal Responsibility Act during the upcoming Parliament session scheduled to start on 18<sup>th</sup> July. This bill will help to boost tax collection by broadening the tax base which is crucial to replenish the nation’s coffers to finance the nation’s development and longer-term reform plans. Malaysia can also finally progress with the 5G deployment as the telco players have finally reached an agreement with state-owned Digital Nasional Bhd (DNB) before the due date on 30 Jun 22. Malaysia’s Communications and Multimedia Minister said an announcement of the deal will be made known at the early part of July, removing the overhang for the sector. We remain defensive and will maintain our barbell strategy by investing in both the value and growth sectors. Sectors that we continue to favour include interest rate hike beneficiaries (banks), selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%	-3.7%
<b>HLAVBF- Gross</b>	11.9%	21.4%	3.2%	1.1%	-0.1%	23.6%	-15.7%	12.5%	13.4%	-2.5%
<b>HLAVBF - Net</b>	9.6%	18.3%	1.5%	-0.4%	-1.6%	20.3%	-15.9%	10.1%	10.9%	-3.7%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

## 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 Dana Putra (HLAVDP)

### Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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.

**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)

June 2022

## 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

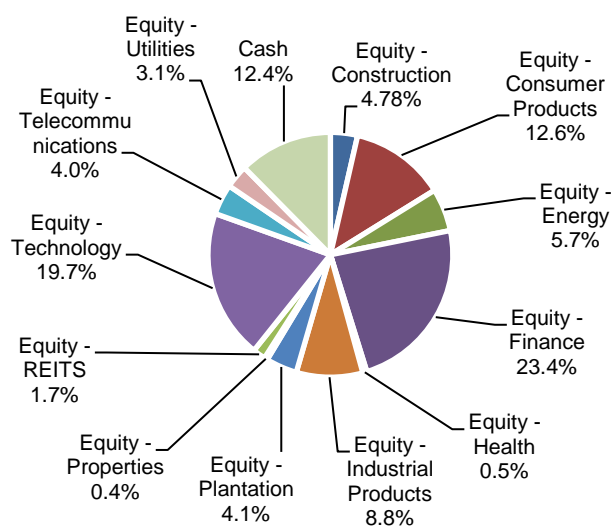
This fund is suitable for aggressive investors who are willing to take higher risk and wish to seek higher returns from a diversified portfolio with thematic investment opportunities.

## Fund Details

Unit Price (30/6/2022)	: RM0.9641
Fund Size (30/6/2022)	: RM139.2 mil
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.

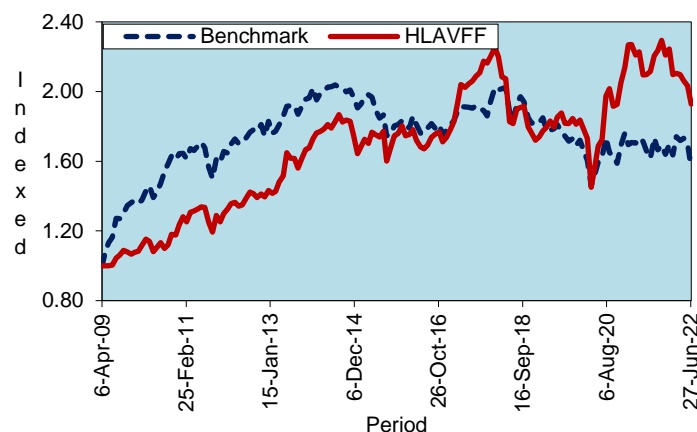
**Asset & Sector Allocation of HLAVFF as at 30 June 2022**



**Top 5 Holdings for HLAVFF as at 30 June 2022**

	%
1. CIMB	8.1
2. MAYBANK	6.1
3. INARI	4.1
4. GENM	4.2
5. RHBBANK	3.9
Total Top 5	26.4

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVFF	-14.09%	-5.15%	-8.03%	4.01%	-5.67%	39.36%	-14.09%
Benchmark*	-7.87%	-8.02%	-5.77%	-13.63%	-18.11%	-9.69%	-7.87%
Relative	-6.22%	2.86%	-2.26%	17.64%	12.44%	49.05%	-6.22%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Venture Flexi Fund (HLAVFF)

## Market Review, Outlook & Strategy

Global equities declined during the month due to inflation and recessionary fears. In June, the FOMC hiked rates by 75bps and the Fed Chair reiterated that commitment to reigning in inflation was “unconditional”. During the Fed Chair’s testimony to the congress, he acknowledged that a recession was possible and achieving a soft landing would be very challenging. Commodities were not spared from the correction as prices from oil to copper and wheat weakened, pricing in the probability of a recession. Whereas over in China, the sentiment was more positive on the back of easing Covid restrictions as well as more signals on possible reduction in US tariffs over China goods. In a keynote speech to the BRICs Business Forum, the Chinese President also reiterated the commitment to achieve 2022 economic targets as well as mentioned the support for internet/ platform companies.

Domestically, Malaysia was not spared from inflationary pressures due to supply chain disruptions, labour shortages and the impact of the war in Ukraine. In its effort to help temper the effects of rising prices, the government made the decision to keep Peninsular Malaysia’s electricity tariff rates unchanged for 2H22 and reinstated the ceiling price for chicken at RM9.40 per kg (from an earlier decision to remove the ceiling price of RM8.90 per kg). Due to the unanticipated subsidies for fuel, chicken and eggs and cooking oil as well as flood relief, Malaysia is expected to spend around RM77b in subsidies and cash aid for 2022. Plantation stocks corrected during the month following the collapse in CPO prices, breaching the RM5k/MT level following Indonesia’s removal of the ban on palm oil exports. Notable corporate developments include the greenlight given by MCMC to the merger of Celcom and Digi’s operations which will create the leading telco provider in Malaysia. The Ringgit weakened further against the US\$ to end the month at 4.4085 from 4.3770 at the start of the month.

Average daily trading value increased to RM2.59b in June from May’s RM2.4b. Retailers remained net buyers with +RM0.6b and local institutions turned net buyers with +RM0.7b. Foreign institutions turned net sellers with -RM1.3b. Retailers and local institutions accounted for 23.6% and 35.4% of value traded. Foreign institutions accounted for 29.2% of value traded. The four indices continued its downtrend in June. The FBMKLCI, FBM Shariah, FBM Emas and FBMSC declined by 8%, 8.7%, 7.6% and 8.8% mom respectively.

Going into July, market is expecting another round of 75 bps hike by the Fed. But there are also some expectations of the Fed scaling back the additional tightening from December onwards and some probability of rate cuts in 2023. As for China, investors will continue to monitor closely the progress of its reopening and potentially any further easing to both its monetary and fiscal measures. For Malaysia, the Ministry of Finance will be tabling the Fiscal Responsibility Act during the upcoming Parliament session scheduled to start on 18<sup>th</sup> July. This bill will help to boost tax collection by broadening the tax base which is crucial to replenish the nation’s coffers to finance the nation’s development and longer-term reform plans. Malaysia can also finally progress with the 5G deployment as the telco players have finally reached an agreement with state-owned Digital Nasional Bhd (DNB) before the due date on 30 Jun 22. Malaysia’s Communications and Multimedia Minister said an announcement of the deal will be made known at the early part of July, removing the overhang for the sector. We remain defensive and will maintain our barbell strategy by investing in both the value and growth sectors. Sectors that we continue to favour include interest rate hike beneficiaries (banks), selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%	-3.7%
<b>HLAVFF- Gross</b>	12.7%	24.1%	-3.9%	12.2%	-2.4%	30.6%	-22.2%	8.8%	19.4%	7.1%
<b>HLAVFF - Net</b>	10.2%	20.8%	-5.0%	9.8%	-3.7%	26.7%	-21.9%	6.7%	16.4%	5.0%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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

## Investment Risks

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

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

## Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company’s investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## HLA Venture Flexi Fund (HLAVFF)

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

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

### Disclaimer:

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



# HLA Value Fund (HLVF)

June 2022

## 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

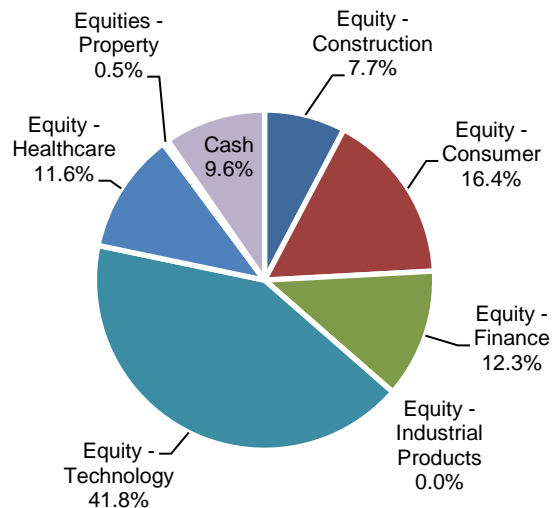
This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

## Fund Details

Unit Price (30/6/2022)	: RM1.5290
Fund Size (30/6/2022)	: RM264.7 mil
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.

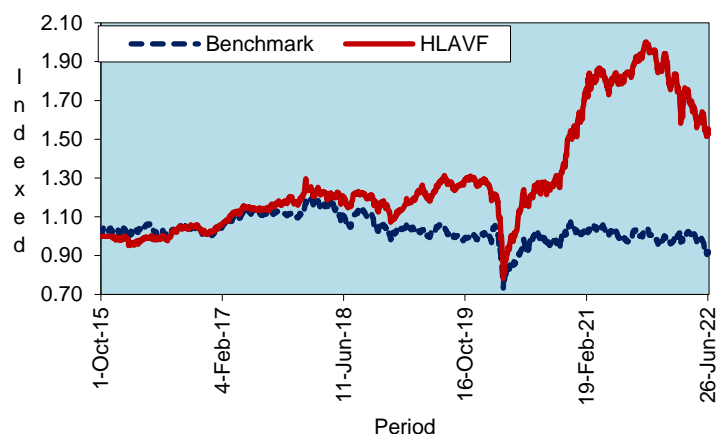
Asset & Sector Allocation of HLVF as at 30 June 2022



Top 5 Holdings for HLVF as at 30 June 2022

	%
1. IHH Healthcare Berhad	7.5
2. D&O Green Technologies Berhad	7.4
3. Pentamaster Corporation Berhad	6.8
4. Frontken Corporation Berhad	6.4
5. AEON Credit Service (M) Berhad	5.3
Total top 5	33.5

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLVF	-21.25%	-5.82%	-14.33%	21.84%	33.98%	52.90%
Benchmark*	-8.86%	-7.57%	-7.61%	-12.51%	-18.19%	-8.57%
Relative	-12.39%	1.75%	-6.72%	34.36%	52.17%	61.47%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

## HLA Value Fund (HLVF)

### Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 8.0% to close at 1,444 points. The broader market outperformed as the FTSE BM EMAS Index declined 7.6% to close at 10,307 points. Small caps underperformed as the FTSE BM Small Cap Index declined 8.8% to close at 14,236 points. The local market fell in tandem with global and regional equities as recession fears rear its head. Falling oil price and crude palm oil prices also affected investors sentiment as the local market experienced foreign investor net outflows during the month for the first time this year. On the corporate front, Axiata Group Berhad and Digi.com Berhad received approval from the Malaysian Communications and Multimedia Commission to proceed with the proposed merger. Carlsberg Brewery Malaysia Berhad plans to raise prices of some of its products due to rising input costs. The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.

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

Year	2015	2016	2017	2018	2019	2020	2021
Benchmark	4.6%	-2.8%	12.9%	-11.1%	-1.6%	3.9%	-3.9%
HLVF- Gross	-0.1%	4.7%	22.2%	-9.3%	20.0%	25.3%	28.4%
HLVF - Net	-0.4%	2.8%	19.0%	-10.0%	17.0%	21.8%	24.3%

Net returns are adjusted for tax and fund management fees.

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

**Notice: Past performance of the fund is not an indication of its future performance.**

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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## HLA Value Fund (HLVF)

### 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

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%	21.8%	26.2%

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.

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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

### Disclaimer:

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

# HLA Dividend Growth Fund (HLDGF)

June 2022

## Fund Features

### 1. Investment Objective

The objective of the fund is to provide investors with return that is potentially higher than prevailing fixed deposit rates. At the same time, the fund also attempts to attain Medium-to-Long term capital appreciation.

### 2. Investment Strategy & Approach

HLDGF will principally feed into third party collective investment schemes that meet the fund's objective. HLDGF may also invest directly in a diversified portfolio of domestic and/or foreign assets including equities, equity-related securities, deposits or any other financial instruments that offer potential capital appreciation.

At inception, the fund will invest by feeding into Hong Leong Dividend Fund ("Target Fund"), with the option to increase the number of funds or replace the Target Fund in future. The Target Fund will invest primarily in equity securities of growth companies operating in Malaysia. Generally, companies which have good dividend payout policies and reasonable Medium-to-Long term capital appreciation opportunities will be selected. At the same time, the Target Fund will invest in fixed income securities with good credit quality yield enhancement opportunities.

### 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.

### 4. Target Market

This fund is suitable for investors looking for investments with potential for Medium-to-Long Term capital appreciation through primarily investing in dividend stocks which have or can potentially have attractive dividend yields.

## Fund Details

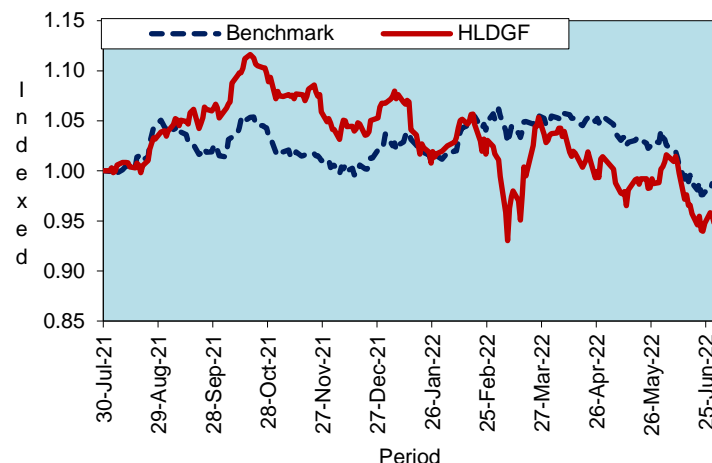
<b>Unit Price 30/6/22</b>	: RM 0.9464
<b>Fund Size 30/6/22</b>	: RM 52.7 mil
<b>Fund Management Fee</b>	: 1.45% p.a.
<b>Fund Manager</b>	: Hong Leong Assurance Berhad
<b>Fund Category</b>	: Equity
<b>Fund Inception</b>	: 2 July 2021
<b>Benchmark</b>	: 70% FTSE Bursa Malaysia KLCI Index (FMB KLCI) & 30% 12-month KLIBOR
<b>Frequency of Unit Valuation</b>	: Daily

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

## Top 5 Holdings for HLDGF as at 30 June 2022

	%
1. Genting Malaysia Berhad	5.2
2. RHB Bank Berhad	5.2
3. AMMB Holdings Berhad	5.1
4. D&O Green Technologies Berhad	5.1
5. Genting Berhad	4.8
<b>Total Top 5</b>	<b>25.4</b>

## Historical Performance

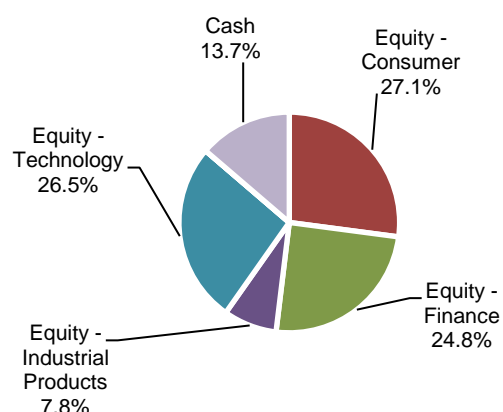


	YTD	1 month	1 year	3 years	5 years	Since Inception
HLDGF	-11.34%	-5.52%	-	-	-	-5.36%
Benchmark*	-5.24%	-5.60%	-	-	-	-1.75%
Relative	-6.10%	0.08%	-	-	-	-3.61%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

## Asset & Sector Allocation of HLDGF as at 30 June 2022



## HLA Dividend Growth Fund (HLDGF)

### Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 8.0% to close at 1,444 points. The broader market outperformed as the FTSE BM EMAS Index declined 7.6% to close at 10,307 points. Small caps underperformed as the FTSE BM Small Cap Index declined 8.8% to close at 14,236 points. The local market fell in tandem with global and regional equities as recession fears rear its head. Falling oil price and crude palm oil prices also affected investors sentiment as the local market experienced foreign investor net outflows during the month for the first time this year. On the corporate front, Axiata Group Berhad and Digi.com Berhad received approval from the Malaysian Communications and Multimedia Commission to proceed with the proposed merger. Carlsberg Brewery Malaysia Berhad plans to raise prices of some of its products due to rising input costs. The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.

### **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**

Defined as the ease with which a security can be sold at or near its fair value. This risk occurs in thinly traded or illiquid securities. Should the fund need to sell a relatively large amount of such securities, such action itself may significantly depress the selling price.

**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**

Concentration risk occurs when a portfolio is overweight on a particular security, sector or asset class. A feeder fund invests mainly into another collective investment scheme (CIS). The fund's risk is increased as any adverse effect on the CIS will inevitably affect the fund. However, by virtue of the CIS investing in a diversified portfolio of equities as well as dynamic asset allocation strategy between equities and cash, the concentration risk is mitigated. The value of the fund is therefore dependent solely on the performance of the CIS's portfolio of investments

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

**6. Country Risk**

The foreign investments made by the fund are subjected to risks specific to the country in which it invests. Such risks include changes in a country's economic fundamentals, social and political stability, currency movements, foreign investment policies and etc. The risk may be mitigated by closely monitoring the developments in the countries in order to identify any changes that potentially occur immediately.

**7. Currency Risk**

This risk applies to foreign investment, in which the investment may rise or fall due to fluctuation in the foreign currencies. Adverse movements in currencies exchange rates can result in a loss to the investment. To mitigate the risk, the fund should limit its investments in the number of countries so that specific country risk is minimised.

### **Risk Management**

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

### **Basis of Unit Valuation**

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

# HLA Dividend Growth Fund (HLDGF)

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	13.06%	9.17%	-0.13%	9.54%	7.27%	23.51%	-6.24%	13.63%	27.08%	30.8%

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

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## Disclaimer:

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# Hong Leong SMART Invest Fund (HLSIF)

June 2022

## 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

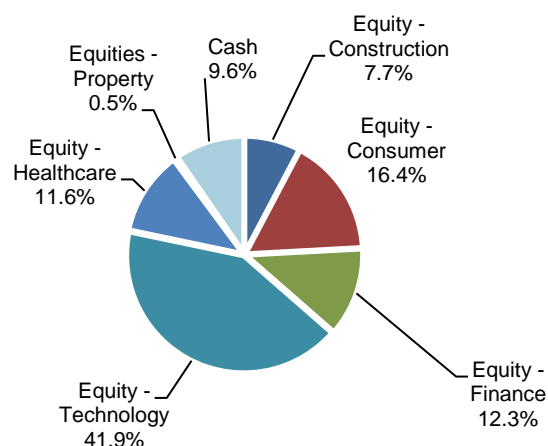
This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

## Fund Details

Unit Price (30/6/2022)	: RM1.2659
Fund Size (30/6/2022)	: RM757.5 mil
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.

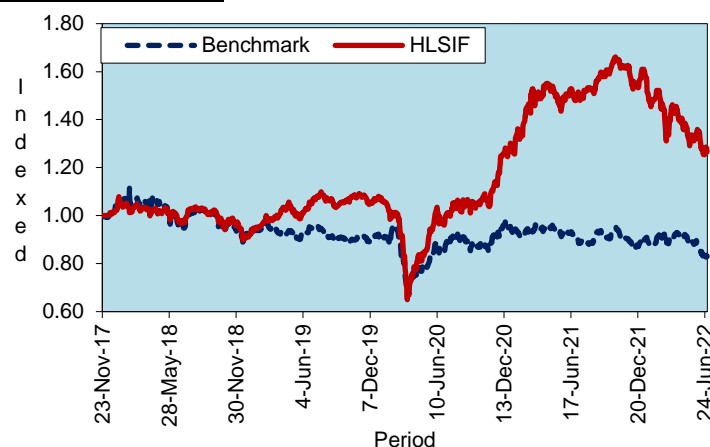
Asset & Sector Allocation of HLSIF as at 30 June 2022



Top 5 Holdings for HLSIF as at 30 June 2022

	%
1. IHH Healthcare Berhad	7.5
2. D&O Green Technologies Berhad	7.4
3. Pentamaster Corporation Berhad	6.8
4. Frontken Corporation Berhad	6.4
5. AEON Credit Service (M) Berhad	5.3
Total Top 5	33.5

## Historical Performance



	YTD	1 month	3 months	1 year	2 years	Since Inception
HLSIF	-21.37%	-5.83%	-11.88%	-14.53%	30.99%	26.59%
Benchmark*	-8.86%	-7.57%	-9.48%	-7.61%	-2.32%	-17.09%
Relative	-12.51%	1.74%	-2.39%	-6.92%	33.31%	43.68%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

# Hong Leong SMART Invest Fund (HLSIF)

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 8.0% to close at 1,444 points. The broader market outperformed as the FTSE BM EMAS Index declined 7.6% to close at 10,307 points. Small caps underperformed as the FTSE BM Small Cap Index declined 8.8% to close at 14,236 points. The local market fell in tandem with global and regional equities as recession fears rear its head. Falling oil price and crude palm oil prices also affected investors sentiment as the local market experienced foreign investor net outflows during the month for the first time this year. On the corporate front, Axiata Group Berhad and Digi.com Berhad received approval from the Malaysian Communications and Multimedia Commission to proceed with the proposed merger. Carlsberg Brewery Malaysia Berhad plans to raise prices of some of its products due to rising input costs. The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.

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

Year	2017	2018	2019	2020	2021
<b>Benchmark</b>	12.9%	-11.1%	-1.57%	3.9%	-3.9%
<b>HLSIF- Gross</b>	2.5%	-9.4%	19.4%	25.0%	28.2%
<b>HLSIF - Net</b>	2.2%	-10.2%	16.4%	21.5%	24.1%

Net returns are adjusted for tax and fund management fees.

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

**Notice: Past performance of the fund is not an indication of its future performance.**

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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

# Hong Leong SMART Invest Fund (HLSIF)

## 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

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%	21.8%	26.2%

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.

## 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.

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# Hong Leong SMART Growth Fund (HLSGF)

June 2022

## 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, such as warrants and convertible loan stocks which are capable of being converted into new shares. The Target Fund may invest up to 25% of the Fund's NAV in foreign markets, which may include but not limited to Singapore, Indonesia, Thailand, Philippines, Vietnam, India, Hong Kong, China, Japan, Korea, Taiwan, Australia, United States of America and any other Eligible Markets where the regulatory authority is an ordinary or associate member of the International Organization of Securities Commissions. The Target Fund does not have an active asset allocation strategy but seeks to manage portfolios by investing in companies that satisfy the criteria of having a sustainable and credible business model, and are also trading at a discount to their intrinsic value. However, under conditions of extreme market volatility and/or when the market is trading at valuations deemed unsustainable, the Fund will seek to judiciously scale back its equity exposure.

### 3. Asset Allocation

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

### 4. Target Market

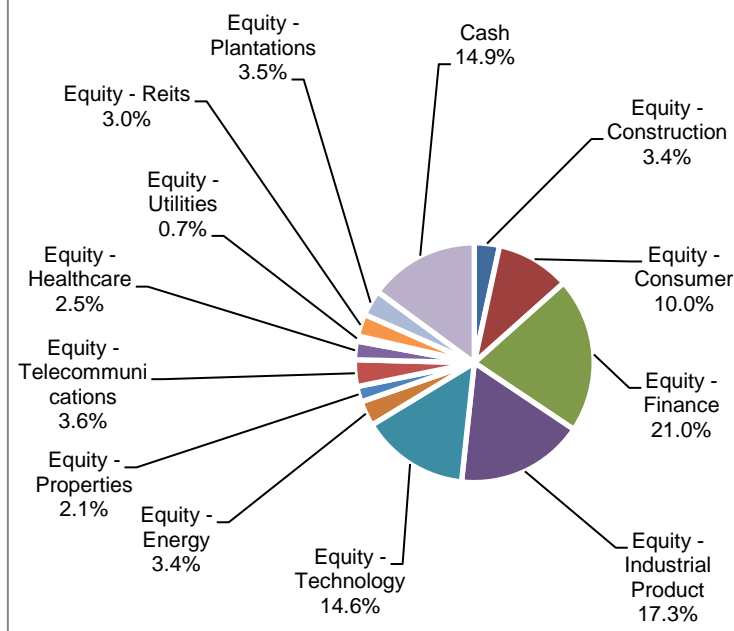
This fund is suitable for investors who have long term investment time horizon and have a moderate risk profile with tolerance for short-term periods of volatility.

## Fund Details

Unit Price (30/6/2022)	: RM1.9713
Fund Size (30/6/2022)	: RM185.4 mil
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.

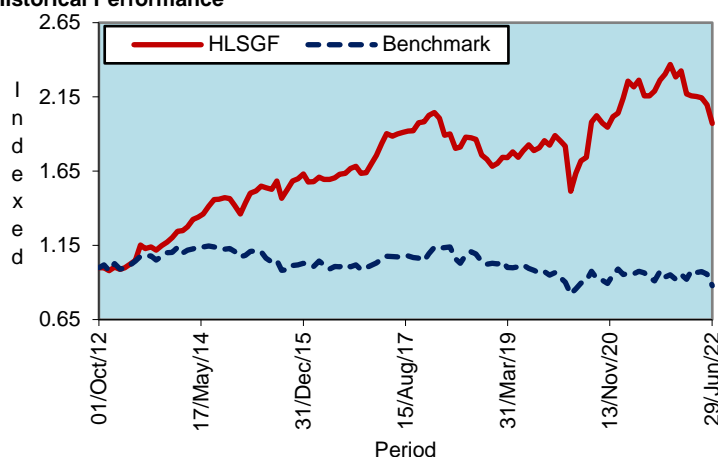
Asset & Sector Allocation of HLSGF as at 30 June 2022



Top 5 Holdings for HLSGF as at 30 June 2022

	%
1. FRONTKEN CORPORATION BERHAD	6.0
2. RHB BANK BHD	3.7
3. HONG LEONG FINANCIAL GROUP BHD	3.7
4. SUNWAY BERHAD	3.6
5. PETRONAS CHEMICALS GROUP	3.3
Total Top 5	20.4

Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	-15.23%	-6.02%	-8.59%	10.39%	3.75%	97.13%
Benchmark*	-7.87%	-8.02%	-5.77%	-13.63%	-18.11%	-12.12%
Relative	-7.37%	2.00%	-2.82%	24.02%	21.86%	109.25%

Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance**

# Hong Leong SMART Growth Fund (HLSGF)

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

US equities slides to close worst first half in 52 years with S&P 500 down by 20.6% YTD and 8.4% in June. The Dow Jones fell by 15.3% YTD, its worst first half performance since 1962 while Nasdaq fell 29.5% YTD, its worst first half record. The annual inflation rate in the US accelerated to 8.6% in May of 2022, the highest since 1981 due to soaring energy costs from the prolong Russia-Ukraine war crisis which added more cost pressure along with labour shortages, and supply disruptions. The Federal Reserve (Fed) hiked interest rate by 75bps, the biggest increase since 1994 to a range of 1.5% to 1.75% in June 2022. The FOMC members indicated a much stronger path of rate hike ahead to tame the inflationary pressure. Analysts are now expecting the Fed to hike interest rate to near 3.5% by end of this year. US retail sales for the month of May posted a surprise 0.3% MoM decline, below the analyst's estimate of an increase of 0.1% MoM. The retail sales growth turned negative in May as consumers pulled back on spending.

Europe STOXX 50 closed 7.7% lower in June and 19.6% YTD on fears that soaring inflation and rising interest rates could hit earnings and tip economies into a recession. Eurozone headline inflation rose 0.5 ppt to 8.6% YoY in June, setting a new record, driven by higher energy and food prices. The ECB left its key policy rates unchanged, but provided a rather hawkish guidance on the interest rate outlook and announced asset purchase programmes to terminate in July as expected.

Meanwhile, in China, equities rallied on the back of continuous fiscal support on consumption, Shanghai reopening and relaxation of mobility restrictions at the country level, as well as more signals on possible reduction in US tariffs over China goods. Chinese President Xi Jinping pledged that China would strengthen the macro-policy adjustment and adopt more effective measures to strive to meet social and economic development targets for 2022.

In local currency, majority of the Asian markets are down for the month except for Shanghai and Hong Kong. The MSCI Asia ex-Japan fell by 5.06% along with the MSCI ASEAN which fell by 8.79%. Outperformers were Shanghai (SHCOMP +6.67%), and Hong Kong (HSI +2.08%). Underperformers were Korea (KOSPI -13.15%), Taiwan (TWSE -11.79%), and Philippines (PSEI -9.14%).

Locally, the KLCI index fell by 8.02% in June to 1,444 points, its sharpest monthly decline since the start of the Covid-19 pandemic in March 2020. YTD, FBMKLCI, FBM100, FBM Small Cap and FBM Shariah index fell by 7.9%, 8.8%, 9.7%, and 14.3% respectively. The weak index was due to negative global market sentiment over concerns on inflation and monetary tightening which could tip the global economy into a recession. Analysts are expecting BNM to raise its OPR by 50 bps in 2HCY22. Nonetheless, inflation remains suppressed by the government's decision to keep electricity and water tariff rates unchanged for the time being.

For month of June, foreign investors were net sellers at RM1,282 million, a reversal from last month net buying position of RM77 million. This brings the cumulative foreign net inflow for 1H22 to RM6.1 billion (versus 5M22 net buy of RM7.4 billion). The top three best-performing sectors in May were REIT (-2.0%), Transport (-3.3%), and Consumer (-3.4%). The top three worst-performing sectors were Energy (-17%), Plantation (-13.4%), and Healthcare (-12.8%).

On to commodities, oil marked its first monthly decline since November 2021 with the Brent declined by 6.5% closing the month at USD114.8/bbl as OPEC+ completed the return of output it halted during the pandemic and signs emerged that the global economy was on weaker footing than expected. CPO prices also closed sharply lower at RM4,910/mt, tumbling 22.1% MoM on oversupply concerns as Indonesia eases export measures.

With US entering late cycle dynamics and decelerating growth, rising inflation and policy tightening would weigh on economic expansion. Key focus remains on the path of central bank monetary policy, easing of geopolitical tensions, China lockdown, as well as corporate earnings.

Malaysia continues to benefit from the reopening trade, with a post-lockdown cyclical rebound ongoing on the back of consumer spending. Meanwhile, China's policy stimulus to spur economic growth, maintaining stability of capital markets, could lend support to the regional economic recovery. However, Malaysia still remains geared to global growth and economic conditions given its high dependence on exports.

Overall, for Malaysia we still maintain a defensive strategy, focusing on companies where fundamentals remain solid. Sector wise, we still prefer consumer discretionary, financials, and industrials. For structural growth themes such as tech, we are buyers on market weakness for its longer-term potential.

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

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.

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	2.8%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%	-3.7%
<b>HLSGF- Gross</b>	3.3%	27.8%	11.8%	23.1%	2.3%	27.1%	-16.8%	15.0%	10.3%	17.1%
<b>HLSGF - Net</b>	1.6%	24.1%	9.3%	19.8%	0.6%	23.5%	-17.0%	12.3%	8.0%	14.0%

**Notice: Past performance of the fund is not an indication of its future performance.**

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.



# Hong Leong SMART Growth Fund (HLSGF)

## 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.

## 8. Warrant and Convertible Loan Stock Risk

The price of the warrant and convertible loan stock are typically linked to the underlying stock. However, it generally fluctuates more than the underlying stocks due to the greater volatility of the warrants market. The fluctuation may have a great impact on the value of the funds. Generally, as the warrants have a limited life, they will depreciate in value as they approach their maturity date, assuming that all other factors remain unchanged. Warrants that are not exercised at maturity become worthless and negatively affect the NAV of the Fund. Convertible loan stocks must be converted to the underlying stock at a predetermined conversion ratio and conversion rate, and in the event the total costs of converting into underlying stock is higher than the market price of that the underlying stock, it will negatively affect the NAV of the Fund.

## Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## Basis of Unit Valuation

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

## Exceptional Circumstances

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

## Target Fund Details

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	14.1%	26.4%	9.3%	20.9%	-0.1%	25.8%	-18.1%	13.5%	8.9%	14.4%

## 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.



## Hong Leong SMART Growth Fund (HLSGF)

### 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)

June 2022

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

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

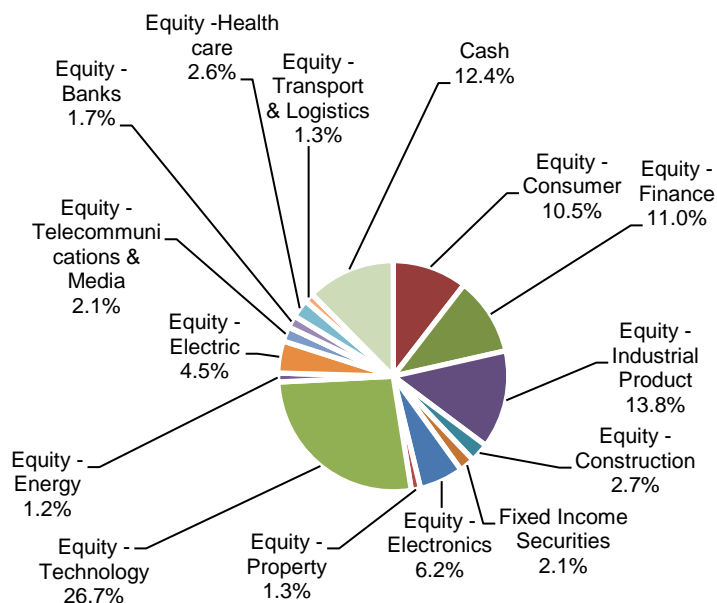
## Fund Details

Unit Price (30/6/2022)	:RM1.5797
Fund Size (30/6/2022)	:RM35.2 mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
Frequency of Unit Valuation	:Daily

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

Asset Allocation for HLAVGLF as at 30 June 2022	%
Hong Leong Asia-Pacific Dividend Fund	66.94
Hong Leong Strategic Fund	32.94
Cash	0.12
Total	100.0

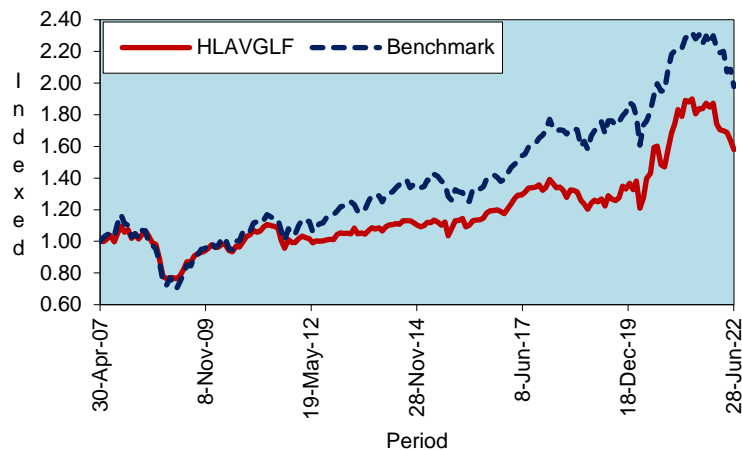
Asset & Sector Allocation of HLAVGLF as at 30 June 2022



Top 5 Holdings for HLAVGLF as at 30 June 2022

1.	Cowell e Holdings Inc	6.2
2.	PT Bank Mandiri (Persero) Tbk	5.4
3.	China Longyuan Power Group Corporation Limited	4.5
4.	D&O Green Technologies Berhad	3.9
5.	Pantech Group Holdings Berhad	3.5
Total Top 5		23.5

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	-15.66%	-3.58%	-16.84%	22.57%	20.57%	57.53%	57.97%
Benchmark*	-14.01%	-5.25%	-14.78%	12.24%	27.46%	81.43%	97.76%
Relative	-1.64%	1.68%	-2.06%	10.33%	-6.89%	-23.90%	-39.79%

Source: Bloomberg, RAM Quantshop

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Venture Global Fund (HLAVGLF)

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

### Equity Review

**Global** – June was another torrid month for global equities after a momentary respite in the previous month. Recession fears appear have moved to the forefront of investor's minds as high prices and borrowing costs are expected to squeeze consumer spending and sentiment. The Dow Jones Industrial Average Index declined 6.7% and the broader S&P 500 Index declined 8.4%. The Euro Stoxx Index declined 8.8% and the FTSE 100 Index declined 5.8%.

**Asia Pacific** – Regional markets also had a difficult month as the ASEAN markets that had been relatively resilient to the sell-off in the beginning of the year started to crumble due to recession fears. In the region, China and Hong Kong were the leaders while Korea and Taiwan were the laggards.

**Malaysia** – The wave of selling pressure also took hold in the local market due to recession fears. The selling was broad-based as investor sentiment deteriorated. The FTSE BM KLCI declined 8.0% to close at 1,444 points. The broader market outperformed as the FTSE BM EMAS Index declined 7.6% to close at 10,307 points. Small caps underperformed as the FTSE BM Small Cap Index declined 8.8% to close at 14,236 points.

### Outlook & Strategy

**Global** - The US Fed initiated a jumbo rate hike of 75bps during the month as they are determined to get inflation under control. Economic data shows a strong labour market but consumer sentiment has fallen sharply. Housing sales data also point towards an imminent slowdown. Gas supply shock remains the biggest risk in Europe due to the reduction in gas supplies from Russia. Business and consumer confidence dropped as gas prices climbed higher.

**Asia Pacific** - Most of the economic data from China beat expectations as the economic re-opening is currently underway. Industrial production and retail sales were higher than expectations. China also announced that quarantine for inbound travellers will be shortened. We expect these measures to help alleviate the supply chain problems and accelerate consumption recovery.

**Malaysia** - June saw the first monthly foreign investor outflows from the local market as recession fears drove investors to pull money out of emerging markets. We prefer to be invested in selected export stocks and selected domestic-centric stocks that may benefit from the local economic recovery.

### Fixed Income Review and Outlook

The Federal Reserve (Fed) accelerated its rate hike cycle by lifting the federal funds target rate by 75 basis points (bps) to 1.50%-1.75% in the June Federal Open Market Committee meeting. The Fed will continue to tighten rates as inflation remains well above the Fed's target, but the pace will be determined at each meeting as Chairman Jerome Powell expects the federal funds target rate to be lifted above the long-term neutral rate of 2.5% to bring down inflation. The local sovereign bond yields edged higher by 10 to 20bps across the curve tracking the movement in the US Treasuries. The newly issued 15-year Malaysian Government Securities trended to as high as 4.76% post auction, 16bps higher from its average auction yield of 4.60%. S&P Global revised Malaysia's outlook from Negative to Stable due to Malaysia's strong economic recovery path, supported by higher exports, high commodity prices and domestic demand. Malaysia's gross domestic product is projected to grow 6.1% in 2022 and 5% in 2023. In the primary pipeline, Sarawak Petrochemical will be looking to raise RM3 billion from the local primary market via several tranches ranging from 3 to 15 years. Danum Capital which serves as Khazanah Nasional's special purpose vehicle as well as Tenaga Nasional Berhad issued in total RM5 billion worth of bonds in the market in June.

Malaysia's inflation measured by the Consumer Price Index increased 2.8% in May 2022 year-on-year (April: 2.3%) mainly driven by food inflation and some seasonal effect during Ramadan highest since October 2011. On the monetary policy front, Bank Negara Malaysia (BNM) added that subsequent rate hikes will be done in a measured and gradual manner to ensure that monetary policy remains supportive of economic growth. Given signs of broader inflation on consumer prices and ongoing domestic recovery, we believe BNM will follow-through with rate normalisation at both the July and September monetary policy meetings. In terms of portfolio action, we continue to remain defensive due to rising rate environment and inflationary pressure.

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	14.0%	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%	16.2%	5.4%
<b>HLAVGLF- Gross</b>	6.8%	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%	26.7%	13.7%
<b>HLAVGLF - Net</b>	5.0%	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%	13.7%	23.3%	11.2%

Net returns are adjusted for tax and fund management fees.

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

**Notice: Past performance of the fund is not an indication of its future performance.**

### 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.

## HLA Venture Global Fund (HLAVGLF)

### 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

### 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	15.2%	-4.8%	-1.0%	6.5%	1.8%	19.2%	-13.3%	24.9%	50.7%	13.1%

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

Source: Hong Leong Asset Management Berhad (HLAM)

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	4.9%	14.5%	-0.7%	4.3%	4.8%	10.9%	-10.3%	2.2%	-13.4%	6.1%

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 Dynamic Fund (HLDF)

June 2022

## 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

HLDF will principally feed into third party collective investment schemes that meet the fund's objective. HLDF may also invest directly in a diversified portfolio of domestic and/or foreign assets including equities, equity-related securities, deposits or any other financial instruments that offer potential capital appreciation.

At inception, HLDF will invest by feeding into Hong Leong Value 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. The manager of the Target Fund will also look at forward looking company-specific events that may lead to a change in the overall business prospects and valuations in its selection of securities for investment. 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 Target Fund will invest a minimum of 70% of its NAV in equities and the balance of its NAV in fixed income securities. Generally, HLDF may invest up to 95% of its NAV in equities.

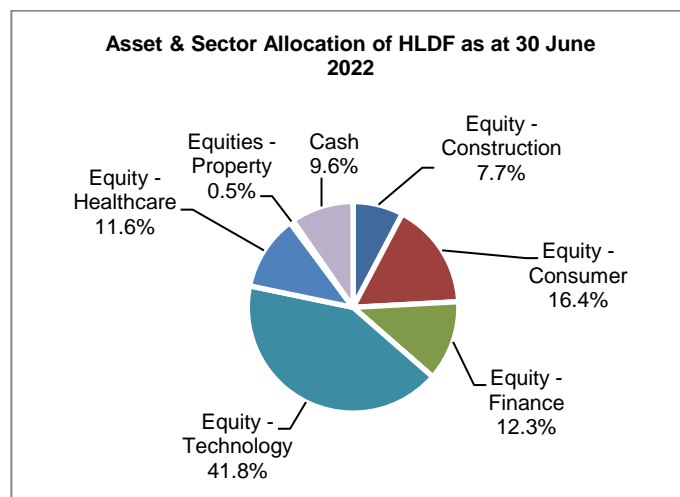
### 4. Target Market

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

## Fund Details

Unit Price (30/6/2022)	: RM0.9704
Fund Size (30/6/2022)	: RM2.7mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Inception	: 27 April 2022
Benchmark	: FTSE Bursa Malaysia EMAS
Frequency of Unit Valuation	: Daily

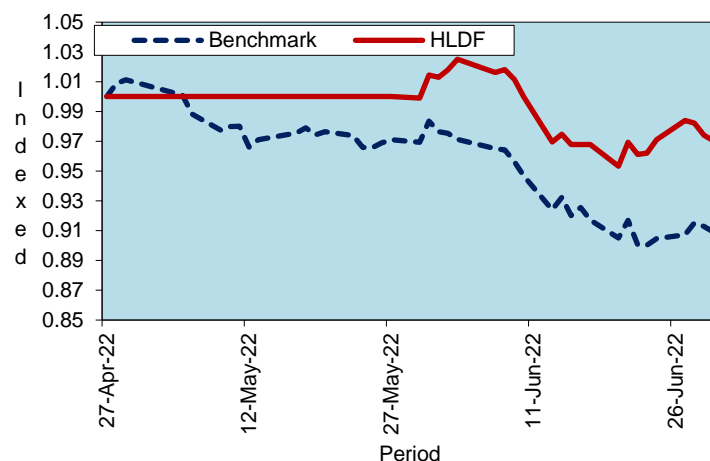
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLDF as at 30 June 2022

	%
1. IHH Healthcare Berhad	7.5
2. D&O Green Technologies Berhad	7.4
3. Pentamaster Corporation Berhad	6.8
4. Frontken Corporation Berhad	6.4
5. AEON Credit Service (M) Berhad	5.3
<b>Total top 5</b>	<b>33.5</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLDF	-	-4.36%	-	-	-	-2.96%
Benchmark*	-	-7.57%	-	-	-	-10.11%
Relative	-	3.22%	-	-	-	7.15%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Dynamic Fund (HLDF)

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 8.0% to close at 1,444 points. The broader market outperformed as the FTSE BM EMAS Index declined 7.6% to close at 10,307 points. Small caps underperformed as the FTSE BM Small Cap Index declined 8.8% to close at 14,236 points. The local market fell in tandem with global and regional equities as recession fears rear its head. Falling oil price and crude palm oil prices also affected investors sentiment as the local market experienced foreign investor net outflows during the month for the first time this year. On the corporate front, Axiata Group Berhad and Digi.com Berhad received approval from the Malaysian Communications and Multimedia Commission to proceed with the proposed merger. Carlsberg Brewery Malaysia Berhad plans to raise prices of some of its products due to rising input costs. The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.

## **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**

Defined as the ease with which a security can be sold at or near its fair value. This risk occurs in thinly traded or illiquid securities. Should the fund need to sell a relatively large amount of such securities, such action itself may significantly depress the selling price.

### **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**

Concentration risk occurs when a portfolio is overweight on a particular security, sector or asset class. As the fund invests mainly into third party collective investment scheme (CIS) and by virtue of the CIS investing in a diversified portfolio of equities as well as dynamic asset allocation strategy between equities and other financial instruments, the concentration risk is mitigated.

### **6. Target Fund(s) Risk**

The fund invests in third party CIS which is being managed by another fund manager. The CIS is carefully selected in order to ensure that the objectives of said CIS are appropriately aligned with the fund. Nevertheless, the Fund Manager does not have control over the management of the CIS and any adverse effect on the CIS will inevitably affect the fund. In such instance, the Fund Manager may replace the CIS with another CIS which the Fund Manager considers to be more appropriate or invest directly in a diversified portfolio in order to meet the objective of the fund. Please also refer to the Target Fund's prospectus for more detailed and comprehensive information on Target Fund specific risks.

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

### **7. Country Risk**

The foreign investments made by the fund are subjected to risks specific to the country in which it invests. Such risks include changes in a country's economic fundamentals, social and political stability, currency movements, foreign investment policies and etc. The risk may be mitigated by closely monitoring the developments in the countries in order to identify any emerging risk.

### **8. Currency Risk**

This risk applies to foreign investment, in which the investment may rise or fall due to fluctuation in the foreign currencies. Adverse movements in currencies exchange rates can result in a loss to the investment.

## **Risk Management**

The Company has in place its authorized investment framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

## **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.



## HLA Dynamic Fund (HLADF)

### 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%	21.8%	26.2%

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.

### 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 Dynamic 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 becomes 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 serve as a guide to the Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.

# HLA Global ESG Fund (HLAGEF)

June 2022

## Fund Features

### 1. Investment Objective

The objective of the fund is to provide medium-to-long term capital growth by investing in a globally diversified portfolio of companies with a focus on Environmental, Social and Governance ("ESG") criteria in the investment process.

### 2. Investment Strategy & Approach

HLAGEF will principally feed into third party collective investment schemes that meet the fund's objective. HLAGEF may also invest directly in a diversified portfolio of domestic and/or foreign assets including equities, equity-related securities, deposits or any other financial instruments that offer potential capital appreciation.

At inception, the fund will invest by feeding into Hong Leong Global ESG Fund ("Target Fund"), with the option to increase the number of funds or replace the Target Fund in future.

The Target Fund follows a rule-based strategy and will only invest in securities of companies with a strong ESG scoring. The Target Fund will incorporate the principles of ESG in security selection through MSCI ESG Ratings. Through MSCI ESG Ratings, companies with poor performance on ESG Factors would be excluded in the investable universe. The Target Fund will only invest in securities with an ESG rating that indicates that the company has a good track record of managing the most significant ESG risks and opportunities relative to industry peers. As such, the investable universe of the Target Fund comprises all equities with a minimum of BBB ESG rating by MSCI. The Target Fund emphasizes on responsible investing and as such will ensure a minimum of 70% of its NAV is invested in accordance with ESG criteria.

Additionally, the Target Fund may also invest in money market instruments and deposits with financial institutions. The Target Fund does not incorporate ESG factors for money market instruments and deposits as the said instruments are used for liquidity purposes.

### 3. Asset Allocation

The Target Fund will invest a minimum of 70% and maximum of 98% of its NAV in equities. The balance of its NAV will be invested in money market instruments.

### 4. Target Market

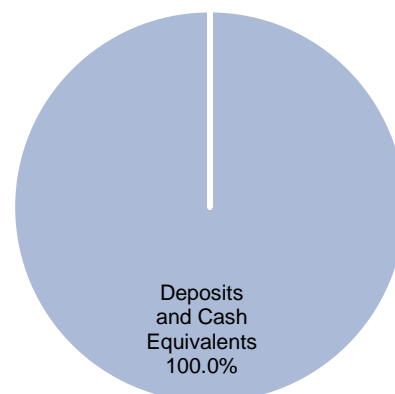
This fund is suitable for investors looking who have a medium-to-long term investment horizon and are willing to assume a higher risk in their investments with exposure to foreign investments.

## Fund Details

Unit Price (30/6/2022)	: RM 1.0005
Fund Size (30/6/2022)	: RM 384,809.1
Fund Management Fee	: 1.50%
Fund Manager	: Hong Leong Assurance Berhad
Fund Inception	: 27 April 2022
Benchmark	: MSCI ACWI ESG Universal Index
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 & Sector Allocation of HLAGEF as at 30 June 2022

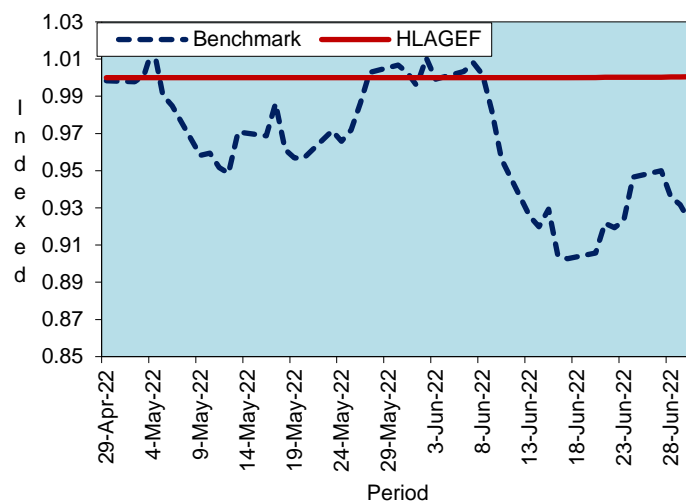


Top 5 Holdings for HLAGEF as at 30 June 2022

	%
1.	
2.	
3.	
4.	
5.	

Total Top 5

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLVF	-	0.05%	-	-	-	0.05%
Benchmark*	-	-7.96%	-	-	-	-7.73%
Relative	-	8.01%	-	-	-	7.78%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Global ESG Fund (HLAGEF)

## Market Review, Outlook & Strategy

The start of 2022 was marked by the Russia-Ukraine conflict and the resulting rise in energy and food prices, a hawkish Federal Reserve (Fed) and the outbreak of the Omicron variant in China. Stagflation concerns have triggered negative return in both equities and fixed income. While these problems have not completely dissipated, there are signs of improvement. China is applying more aggressive economic stimulus to kick-start growth momentum, and the Fed is settling on a clearer policy tightening path, with market expectations stabilizing. Current economic indicators show recession risk is rising in the U.S. over the next 6-12 months. This risk is partly offset by a robust job market and corporate spending. Hence, we expect the U.S. to be progressing from the mid to late phase of the growth cycle. The sustainability of China's economic rebound would be partly determined by its government's pandemic strategy. Europe is still facing a rise in energy costs as well as uncertainty in energy supply approaching the winter months. Investors are concerned that aggressive monetary tightening by the Fed could push the U.S. economy into a recession. While the Fed is indeed focused on taming inflation, it should also try to strike a delicate balance not to jeopardize economic growth. There are several potential economic soft spots to watch out for. The housing market is starting to cool in reaction to rising mortgage rates. Corporate spending is sensitive toward borrowing costs and earnings growth. Both factors are healthy at the moment, but deserve diligence since corporate spending is typically an indicator of recessions. In our view, overall inflation in the U.S. should start to decline, but only slowly. Some transitory forces, such as rising energy prices, higher auto prices arising from a chip shortage and the government's fiscal boost to household spending, should fade in 2H 2022. Global inflation is likely to be mixed. Europe is expected to face a challenging winter with a spike in oil and gas prices. Asia could experience some demand-pull inflation as its domestic economy and tourism sector reopen, but given that fiscal stimulus has been more moderate compared with the U.S., we believe overall inflation pressure should be less challenging. The Fed is expected to raise its policy rate to 3.5-3.75% by the end of 2022. For now, it seems content to have its policy rate peak at around 4% by mid-2023, but this is likely to be influenced by how fast inflation subsides. Meanwhile, U.S. fiscal policy should tighten from 2021's expansionary stance, as Congress is unlikely to pass major spending plans ahead of the midterm elections in November 2022. Most developed markets and Asian central banks should also be on track to raise interest rates to cool inflation, albeit at a less aggressive pace relative to the Fed. The Bank of Japan is an exception here considering the absence of sustained demand-led cost

pressure. Tighter monetary policy globally would also imply the interest rate differentials between the U.S. dollar (USD) and these currencies should stabilize, putting a brake on USD appreciation. The market correction over 1H 2022 has improved the valuation proposition of equities, especially in the U.S. Corporate earnings for 1Q 2022 in the U.S. have been solid, and the key going forward is for companies to better manage their profit margins. Not all companies can achieve this, and therefore active management is key in selecting companies that can benefit from ongoing economic growth, strong pricing power and discipline on cost management. Value and quality should remain in favour until there is a clear peak in interest rates.

On the strategy front, we remain fully holding cash position given the unfavourable outlook which may see further downside in the coming months. However, we believe that the valuation is getting more attractive and we have identified companies with good resiliency against the downshift of the economic growth.

## **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**

Defined as the ease with which a security can be sold at or near its fair value. This risk occurs in thinly traded or illiquid securities. Should the fund need to sell a relatively large amount of such securities, such action itself may significantly depress the selling price.

### **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**

Concentration risk occurs when a portfolio is overweight on a particular security, sector or asset class. As the fund invests mainly into third party collective investment scheme (CIS) and by virtue of the CIS investing in a diversified portfolio of equities as well as dynamic asset allocation strategy between equities and other financial instruments, the concentration risk is mitigated.

### **6. Target Fund(s) Risk**

The fund invests in third party CIS which is being managed by another fund manager. The CIS is carefully selected in order to ensure that the objectives of said CIS are appropriately aligned with the fund. Nevertheless, the Fund Manager does not have control over the management of the CIS and any adverse effect on the CIS will inevitably affect the fund. In such instance, the Fund Manager may replace the CIS with another CIS which the Fund Manager considers to be more appropriate or invest directly in a diversified portfolio in order to meet the objective of the fund. Please also refer to the Target Fund's prospectus for more detailed and comprehensive information on Target Fund specific risks.

### **7. Country Risk**

The foreign investments made by the fund are subjected to risks specific to the country in which it invests. Such risks include changes in a country's economic fundamentals, social and political stability, currency movements, foreign investment policies and etc. The risk may be mitigated by closely monitoring the developments in the countries in order to identify any emerging risk.

### **8. Currency Risk**

This risk applies to foreign investment, in which the investment may rise or fall due to fluctuation in the foreign currencies. Adverse movements in currencies exchange rates can result in a loss to the investment.

## HLA Global ESG Fund (HLAGEF)

### Risk Management

The Company has in place its authorized investment framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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.

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

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

### Others

HLA Global ESG 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 becomes insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

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# HLA Venture Managed Fund (HLAVMF)

June 2022

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

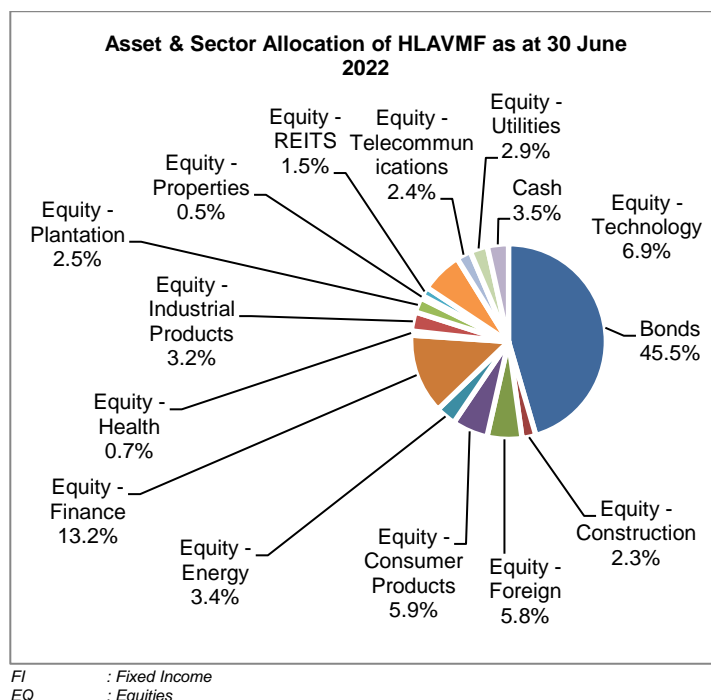
### 4. Target Market

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

## Fund Details

Unit Price (30/6/2022)	:RM2.2259
Fund Size (30/6/2022)	:RM304.6 mil
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

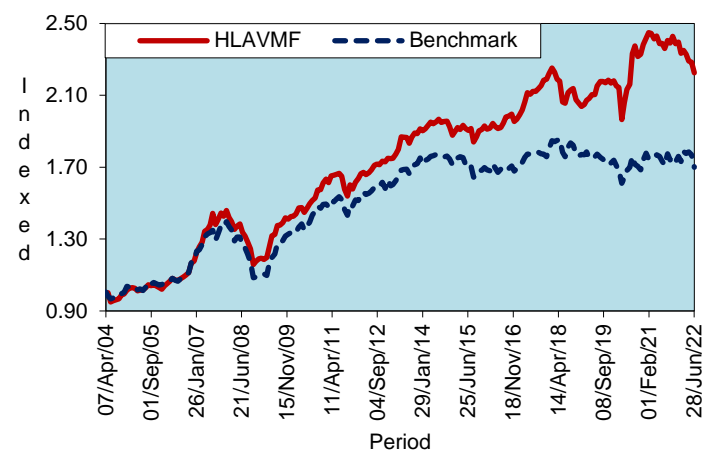
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



### Top 5 Holdings for HLAVMF as at 30 June 2022

		%
1.	IMTIAZ SUKUK II BERHAD 1	FI 9.1
2.	MALAYSIA GOV SECURITIES 1	FI 8.0
3.	CIMB	EQ 4.7
4.	MAYBANK	EQ 4.4
5.	RHBBANK	EQ 3.7
Total Top 5		29.8

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	-7.13%	-2.55%	-6.82%	3.43%	4.92%	32.04%	122.59%
Benchmark*	-3.50%	-3.95%	-1.96%	-4.17%	-4.20%	8.39%	69.11%
Relative	-3.63%	1.40%	-4.87%	7.60%	9.12%	23.65%	53.48%

\*Source: Bloomberg, Maybank

**Notice: Past performance of the fund is not an indication of its future performance**



# HLA Venture Managed Fund (HLAVMF)

## Market Review, Outlook & Strategy - Equities Market

Global equities declined during the month due to inflation and recessionary fears. In June, the FOMC hiked rates by 75bps and the Fed Chair reiterated that commitment to reigning in inflation was "unconditional". During the Fed Chair's testimony to the congress, he acknowledged that a recession was possible and achieving a soft landing would be very challenging. Commodities were not spared from the correction as prices from oil to copper and wheat weakened, pricing in the probability of a recession. Whereas over in China, the sentiment was more positive on the back of easing Covid restrictions as well as more signals on possible reduction in US tariffs over China goods. In a keynote speech to the BRICs Business Forum, the Chinese President also reiterated the commitment to achieve 2022 economic targets as well as mentioned the support for internet/ platform companies.

Domestically, Malaysia was not spared from inflationary pressures due to supply chain disruptions, labour shortages and the impact of the war in Ukraine. In its effort to help temper the effects of rising prices, the government made the decision to keep Peninsular Malaysia's electricity tariff rates unchanged for 2H22 and reinstated the ceiling price for chicken at RM9.40 per kg (from an earlier decision to remove the ceiling price of RM8.90 per kg). Due to the unanticipated subsidies for fuel, chicken and eggs and cooking oil as well as flood relief, Malaysia is expected to spend around RM77b in subsidies and cash aid for 2022. Plantation stocks corrected during the month following the collapse in CPO prices, breaching the RM5k/MT level following Indonesia's removal of the ban on palm oil exports. Notable corporate developments include the greenlight given by MCMC to the merger of Celcom and Digi's operations which will create the leading telco provider in Malaysia. The Ringgit weakened further against the US\$ to end the month at 4.4085 from 4.3770 at the start of the month.

Average daily trading value increased to RM2.59b in June from May's RM2.4b. Retailers remained net buyers with +RM0.6b and local institutions turned net buyers with +RM0.7b. Foreign institutions turned net sellers with -RM1.3b. Retailers and local institutions accounted for 23.6% and 35.4% of value traded. Foreign institutions accounted for 29.2% of value traded. The four indices continued its downtrend in June. The FBMKLCI, FBM Shariah, FBM Emas and FBMSC declined by 8%, 8.7%, 7.6% and 8.8% mom respectively.

Going into July, market is expecting another round of 75 bps hike by the Fed. But there are also some expectations of the Fed scaling back the additional tightening from December onwards and some probability of rate cuts in 2023. As for China, investors will continue to monitor closely the progress of its reopening and potentially any further easing to both its monetary and fiscal measures. For Malaysia, the Ministry of Finance will be tabling the Fiscal Responsibility Act during the upcoming Parliament session scheduled to start on 18<sup>th</sup> July. This bill will help to boost tax collection by broadening the tax base which is crucial to replenish the nation's coffers to finance the nation's development and longer-term reform plans. Malaysia can also finally progress with the 5G deployment as the telco players have finally reached an agreement with state-owned Digital Nasional Bhd (DNB) before the due date on 30 Jun 22. Malaysia's Communications and Multimedia Minister said an announcement of the deal will be made known at the early part of July, removing the overhang for the sector. We remain defensive and will maintain our barbell strategy by investing in both the value and growth sectors. Sectors that we continue to favour include interest rate hike beneficiaries (banks), selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

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

US Treasury ("UST") rates increased in June as Fed officials conveyed that taming inflation would be their main priority and that policy levers would be largely geared towards said goal. The 2-, 5-, 10- and 30-years UST yields increased by 39, 22, 17 and 13 bps respectively m-o-m. During the month, the Fed raised interest rate by 75bps, a move that it had previously claimed as one that is not even being considered. While market participants did have an inkling that a 75bps hike was likely given that May inflation came in at 8.6%, yields did shoot up subsequent to the hike announcement. This is evidenced by the 2- and 10-year note which shot up to 3.44% and 3.48% subsequent to the announcement, the highest level since November 2007 and April 2011 respectively. However, lacklustre economic data and more pronounced fears of recession stemming from aggressive rate hikes led to a drop in yields towards the end of the month with the 2- and 10-year note settling at 2.95% and 3.01% respectively as at end June.

On the local front, relatively similar trend was observed in govies yield as it continued to track the trend in the US. The yields on the 3-, 5-, 10-, 15- and 30- year MGS increased by 4, 23, 7, 9 and 10 bps, respectively. Fundamentally, the increase is also attributable to inflation expectations that have recently gained momentum. It was anticipated that the elimination of the price ceiling for chicken and eggs and the subsidy for bottled cooking oil would have a significant impact on food inflation. On a more positive note, S&P's affirmed Malaysia's sovereign rating with an upward revision in outlook from negative to stable in end June. The outlook revision should boost investors' confidence and demand for government debt securities.

In the corporate bond segment, some prominent new issuances during the month were Johor Corporation (RM1.6 billion, AAA), TNB Power Generation Sdn Berhad (RM1.5 billion, AAA), and Pengurusan Air SPV Berhad (RM1.3 billion, AA3).

Inflation levels and the Fed's subsequent policy action and tone are likely to affect the UST. While the Fed has attempted to appease the market by suggesting that the robust labour market allows for aggressive rate hikes without triggering a recession, market participants appear to disagree, as evidenced by the recent appearance of yield curve inversions. As inflation is currently red-hot and further aggressive rate hikes will have negative effects on economic activity, it is probable that a pronounced risk aversion could drive yields lower.

Domestically, while cognizant of impending inflationary pressures, we believe that the bond market has already priced in the aggressive stance of future monetary policy action with current valuation accounting for at least five rate increases. In fact, we believe the market has overpriced the likelihood of a rate hike despite the anticipated increase in inflationary pressure in the second half of 2022. In the next three to six months, we expect local bond yields to decline from their current levels, as the current valuation is rather attractive. S&P's revision of outlook for Malaysia's sovereign rating from negative to stable on June 27 will also increase buying interest. In view of the above, we will continue to monitor economic data that could induce significant risk-off sentiments while waiting for an opportunity to reinvest.

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	7.0%	7.3%	-2.6%	-1.3%	-0.8%	6.6%	-1.9%	-1.8%	2.3%	-1.0%
<b>HLAVMF - Gross</b>	10.3%	11.4%	-0.7%	4.3%	3.4%	15.4%	-7.6%	9.0%	13.1%	0.4%
<b>HLAVMF - Net</b>	8.3%	9.3%	-1.9%	2.7%	2.0%	12.9%	-8.3%	7.0%	10.8%	-0.9%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**



# HLA Venture Managed Fund (HLAVMF)

## 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## Basis of Unit Valuation

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

## Exceptional Circumstances

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## Basis of Calculation of Past Performance

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

## Others

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# HLA Balanced Fund (HLABF)

June 2022

## Fund Features

### 6. Investment Objective

This fund aims to achieve consistent capital growth over the medium-to-long term by investing in a diversified investment portfolio containing a balanced mixture of equities and fixed income securities.

### 7. Investment Strategy & Approach

HLABF will principally feed into third party collective investment schemes that meet the fund's objective. HLABF may also invest directly in a diversified portfolio of domestic and/or foreign assets including equities, equity-related securities, deposits or any other financial instruments that offer potential capital appreciation.

At inception, the fund will invest by feeding into Hong Leong Balanced Fund ("Target Fund"), with the option to increase the number of funds or replace the Target Fund in future.

The Target Fund invests in equity securities of companies operating in Malaysia. Generally, companies that have low shareholders' risk, strong balance sheets with strong operating cash flows and sustainable earnings, and low relative valuations represented by reasonable price earnings ratio (PER) or price-to-book ratios (P/B) are selected. The manager combines a "top-down" asset and sector allocation analysis with a "bottom-up" stock selection process for the equity portion of the fund. For the fixed income portion of the Target Fund, the manager maintains fundamental and active management of the Target Fund, where investment decisions are made in accordance to future projections of interest rates, return on investments and access to liquidity.

### 8. Asset Allocation

The Target Fund will invest a minimum of 40% and maximum of 60% of its NAV in equities. The balance of its NAV will be invested in fixed income securities and money market instruments.

### 9. Target Market

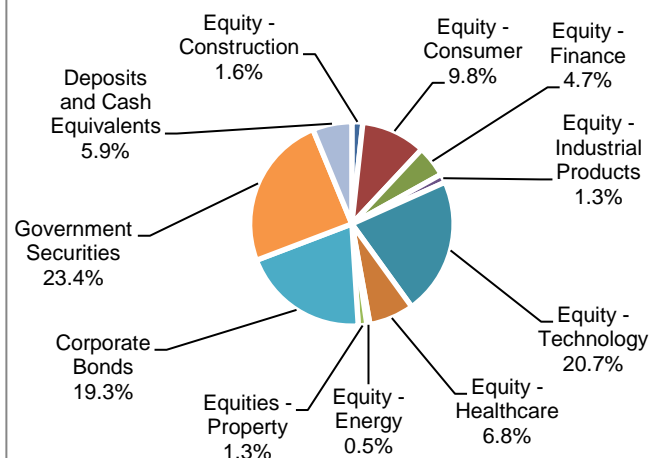
This fund is suitable for investors have conservative to moderate risk-reward temperament and have a medium-to-long term investment horizon.

## Fund Details

Unit Price (30/6/2022)	: RM0.9883
Fund Size (30/6/2022)	: RM76,039.7
Fund Management Fee	: 1.30%
Fund Manager	: Hong Leong Assurance Berhad
Fund Inception	: 27 April 2022
Benchmark	: (60% x FTSE Bursa Malaysia KLCI Index (FMB KLCI) + (40% x 3-month KLIBOR)
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.

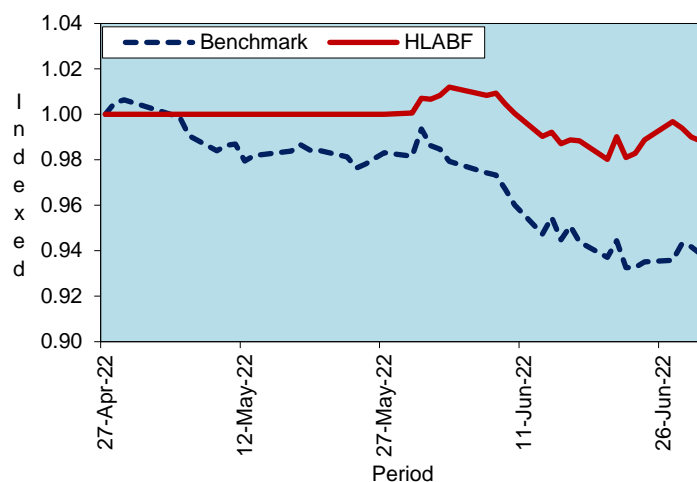
**Asset & Sector Allocation of HLABF as at 30 June 2022**



**Top 5 Holdings for HLABF as at 30 June 2022**

	%
1. Malaysian Government Securities 2028	6.6
2. Frontken Corporation Berhad	3.8
3. IHH Healthcare Berhad	3.8
4. Pentamaster Corporation Berhad	3.7
5. Aeon Credit Service (M) Berhad	3.0
<b>Total Top 5</b>	<b>20.9</b>

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLABF	-	-1.87%	-	-	-	-1.17%
Benchmark*	-	-5.54%	-	-	-	-6.14%
Relative	-	3.67%	-	-	-	4.97%

**Notice: Past performance of the fund is not an indication of its future performance.**

# HLA Balanced Fund (HLABF)

## Market Review, Outlook & Strategy

### Equities

During the month, the FTSE BM KLCI declined 8.0% to close at 1,444 points. The broader market outperformed as the FTSE BM EMAS Index declined 7.6% to close at 10,307 points. Small caps underperformed as the FTSE BM Small Cap Index declined 8.8% to close at 14,236 points. The local market fell in tandem with global and regional equities as recession fears rear its head. Falling oil price and crude palm oil prices also affected investors sentiment as the local market experienced foreign investor net outflows during the month for the first time this year. On the corporate front, Axiata Group Berhad and Digi.com Berhad received approval from the Malaysian Communications and Multimedia Commission to proceed with the proposed merger. Carlsberg Brewery Malaysia Berhad plans to raise prices of some of its products due to rising input costs. The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.

### Fixed Income

The Federal Reserve (Fed) accelerated its rate hike cycle by lifting the federal funds target rate by 75bps to 1.50%-1.75% in the June Federal Open Market Committee meeting. The Fed will continue to tighten rates as inflation remains well above the Fed's target, but the pace will be determined at each meeting as Chairman Jerome Powell expects the federal funds target rate to be lifted above the long-term neutral rate of 2.5% to bring down inflation. The local sovereign bond yields edged higher by 10 to 20bps across the curve tracking the movement in the US Treasuries. The newly issued 15-year Malaysian Government Securities trended to as high as 4.76% post auction, 16bps higher from its average auction yield of 4.60%. S&P Global revised Malaysia's outlook from Negative to Stable due to Malaysia's strong economic recovery path, supported by higher exports, high commodity prices and domestic demand. Malaysia's gross domestic product is projected to grow 6.1% in 2022 and 5% in 2023. In the primary pipeline, Sarawak Petrochemical will be looking to raise RM3 billion from the local primary market via several tranches ranging from 3 to 15 years. Danum Capital which serves as Khazanah National's special purpose vehicle as well as Tenaga Nasional Berhad issued in total RM5 billion worth of bonds in the market in June. Malaysia's inflation measured by the Consumer Price Index increased 2.8% in May 2022 year-on-year (April: 2.3%) mainly driven by food inflation and some seasonal effect during Ramadan highest since October 2011. On the monetary policy front, Bank Negara Malaysia (BNM) added that subsequent rate hikes will be done in a measured and gradual manner to ensure that monetary policy remains supportive of economic growth. Given signs of broader inflation on consumer prices and ongoing domestic recovery, we believe BNM will follow-through with rate normalisation at both the July and September monetary policy meetings. In terms of portfolio action, we continue to remain defensive due to rising rate environment and inflationary pressure.

### 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**

Defined as the ease with which a security can be sold at or near its fair value. This risk occurs in thinly traded or illiquid securities. Should the fund need to sell a relatively large amount of such securities, such action itself may significantly depress the selling price.

#### 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**

Concentration risk occurs when a portfolio is overweight on a particular security, sector or asset class. As the fund invests mainly into third party collective investment scheme (CIS) and by virtue of the CIS investing in a diversified portfolio of equities as well as dynamic asset allocation strategy between equities and other financial securities, the concentration risk is mitigated.

#### 6. **Target Fund(s) Risk**

The fund invests in third party CIS which is being managed by another fund manager. The CIS is carefully selected in order to ensure that the objectives of said CIS are appropriately aligned with the fund. Nevertheless, the Fund Manager does not have control over the management of the CIS and any adverse effect on the CIS will inevitably affect the fund. In such instance, the Fund Manager may replace the CIS with another CIS which the Fund Manager considers to be more appropriate or invest directly in a diversified portfolio in order to meet the objective of the fund. Please also refer to the Target Fund's prospectus for more detailed and comprehensive information on Target Fund specific risks.

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

#### 7. **Country Risk**

The foreign investments made by the fund are subjected to risks specific to the country in which it invests. Such risks include changes in a country's economic fundamentals, social and political stability, currency movements, foreign investment policies and etc. The risk may be mitigated by closely monitoring the developments in the countries in order to identify any emerging risk.

#### 8. **Currency Risk**

This risk applies to foreign investment, in which the investment may rise or fall due to fluctuation in the foreign currencies. Adverse movements in currencies exchange rates can result in a loss to the investment.

# HLA Balanced Fund (HLABF)

## Risk Management

The Company has in place its authorized investment framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## 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 Balanced Fund is a Balanced fund managed by Hong Leong Asset Management. The past performance of this fund is as follows:

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	6.6%	9.9%	1.1%	13.6%	1.1%	15.4%	-4.7%	14.0%	15.2%	11.1%

Source: Hong Leong Asset 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 Balanced 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 becomes insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by HLA.

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## Disclaimer:

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# HLA Venture Income Fund (HLAVIF)

June 2022

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

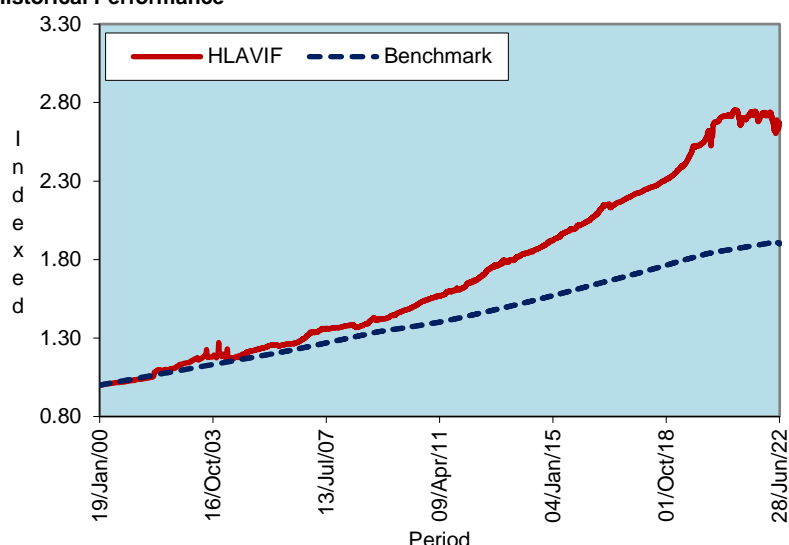
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (30/6/2022)	:RM2.6624
Fund Size (30/6/2022)	:RM520.2 mil
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.

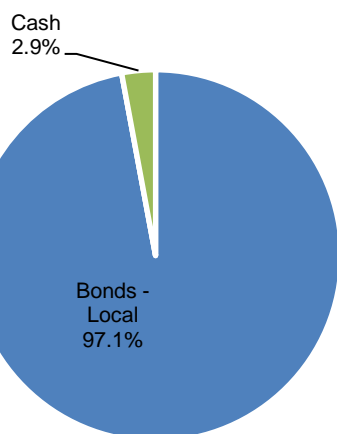
## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVIF	-2.70%	-0.37%	-2.02%	8.73%	21.30%	59.25%	166.24%
Benchmark*	0.00%	-0.32%	0.86%	5.26%	11.99%	30.74%	89.97%
Relative	-2.70%	-0.05%	-2.88%	3.47%	9.32%	28.51%	76.27%

**Notice: Past performance of the fund is not an indication of its future performance.**

## Asset Allocation of HLAVIF as at 30 June 2022



## Top 5 Holdings for HLAVIF as at 30 June 2022

	%
1. M'SIAN GOVERNMENT SECURITIES 1	16.6
2. M'SIAN GOVERNMENT SECURITIES 0	12.6
3. MALAYSIA INVESTMENT ISSUE 1	8.2
4. MSIAN GOVERNMENT SECURITIES	7.0
5. MALAYSIA INVESTMENT ISSUE 1	6.9
Total Top 5	51.4



# HLA Venture Income Fund (HLAVIF)

## Market Review

US Treasury ("UST") rates increased in June as Fed officials conveyed that taming inflation would be their main priority and that policy levers would be largely geared towards said goal. The 2-, 5-, 10- and 30-years UST yields increased by 39, 22, 17 and 13 bps respectively m-o-m. During the month, the Fed raised interest rate by 75bps, a move that it had previously claimed as one that is not even being considered. While market participants did have an inkling that a 75bps hike was likely given that May inflation came in at 8.6%, yields did shoot up subsequent to the hike announcement. This is evidenced by the 2- and 10-year note which shot up to 3.44% and 3.48% subsequent to the announcement, the highest level since November 2007 and April 2011 respectively. However, lacklustre economic data and more pronounced fears of recession stemming from aggressive rate hikes led to a drop in yields towards the end of the month with the 2- and 10-year note settling at 2.95% and 3.01% respectively as at end June.

On the local front, relatively similar trend was observed in govies yield as it continued to track the trend in the US. The yields on the 3-, 5-, 10-, 15- and 30-year MGS increased by 4, 23, 7, 9 and 10 bps, respectively. Fundamentally, the increase is also attributable to inflation expectations that have recently gained momentum. It was anticipated that the elimination of the price ceiling for chicken and eggs and the subsidy for bottled cooking oil would have a significant impact on food inflation. On a more positive note, S&P's affirmed Malaysia's sovereign rating with an upward revision in outlook from negative to stable in end June. The outlook revision should boost investors' confidence and demand for government debt securities.

In the corporate bond segment, some prominent new issuances during the month were Johor Corporation (RM1.6 billion, AAA), TNB Power Generation Sdn Berhad (RM1.5 billion, AAA), and Pengurusan Air SPV Berhad (RM1.3 billion, AA3).

## Outlook & Strategy

Inflation levels and the Fed's subsequent policy action and tone are likely to affect the UST. While the Fed has attempted to appease the market by suggesting that the robust labour market allows for aggressive rate hikes without triggering a recession, market participants appear to disagree, as evidenced by the recent appearance of yield curve inversions. As inflation is currently red-hot and further aggressive rate hikes will have negative effects on economic activity, it is probable that a pronounced risk aversion could drive yields lower.

Domestically, while cognizant of impending inflationary pressures, we believe that the bond market has already priced in the aggressive stance of future monetary policy action with current valuation accounting for at least five rate increases. In fact, we believe the market has overpriced the likelihood of a rate hike despite the anticipated increase in inflationary pressure in the second half of 2022. In the next three to six months, we expect local bond yields to decline from their current levels, as the current valuation is rather attractive. S&P's revision of outlook for Malaysia's sovereign rating from negative to stable on June 27 will also increase buying interest. In view of the above, we will continue to monitor economic data that could induce significant risk-off sentiments while waiting for an opportunity to reinvest.

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	3.1%	3.1%	3.2%	3.2%	3.1%	3.0%	3.3%	3.0%	1.5%	1.7%
<b>HLAVIF- Gross</b>	10.0%	5.4%	5.8%	6.5%	6.9%	5.3%	5.6%	10.2%	9.0%	0.1%
<b>HLAVIF - Net</b>	8.7%	4.5%	4.8%	5.5%	5.8%	4.4%	4.6%	8.9%	7.8%	-0.4%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

## Investment Risks

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

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

## Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate



## HLA Venture Income Fund (HLAVIF)

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

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# HLA Dana Suria (HLADS)

June 2022

## 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

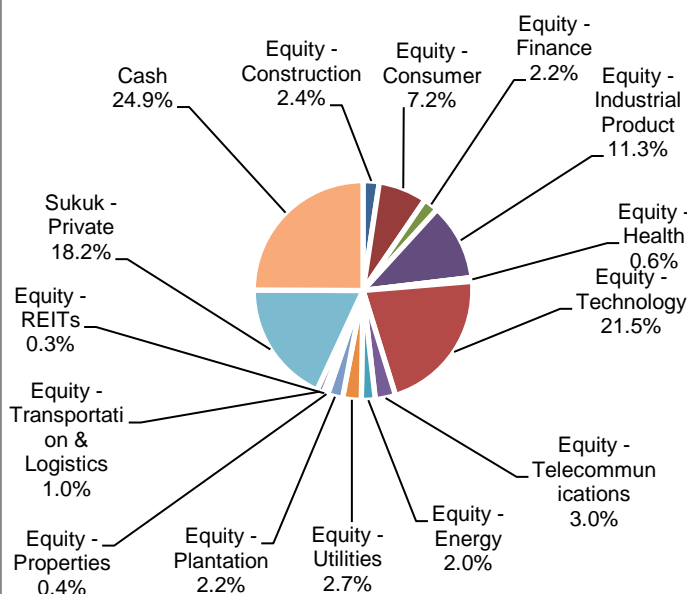
This fund is suitable for investors who have moderate risk-reward temperament and are looking for returns from Shariah-compliant investments in a medium-to-long term investment horizon.

## Fund Details

Unit Price (30/6/2022)	:RM1.3572
Fund Size (30/6/2022)	:RM10.5 mil
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	: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. With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.

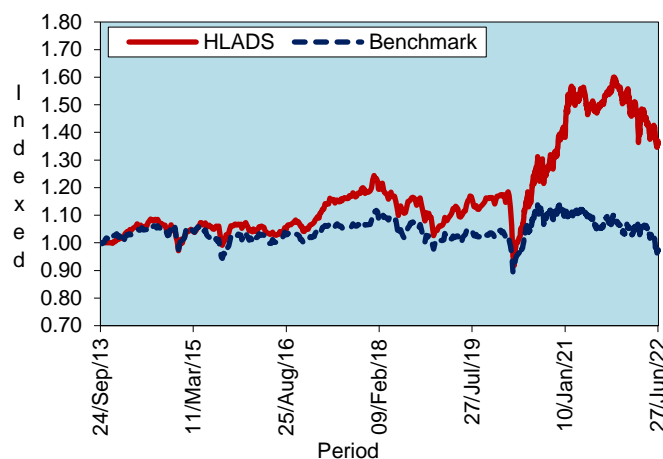
**Asset & Sector Allocation of HLDSF as at 30 June 2022**



**Top 5 Holdings for HLADS as at 30 June 2022**

		%
1.	Samalaju Industrial Port Sdn Bhd	Sukuk 4.8
2.	Government Investment Issue 2024	Sukuk 4.7
3.	Government Investment Issue 2028	Sukuk 2.4
4.	Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA)	Sukuk 2.4
5.	Inari Amertron Berhad	Equity 2.2
Total Top 5		16.5

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLADS	-12.52%	-4.12%	-8.07%	19.26%	18.11%	35.72%
Benchmark*	-8.95%	-5.43%	-8.29%	-6.88%	-8.23%	-2.73%
Relative	-3.57%	1.31%	0.22%	26.14%	26.34%	38.45%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

## HLA Dana Suria (HLADS)

### Market Review, Outlook & Strategy

Global equities declined during the month due to inflation and recessionary fears. In June, the FOMC hiked rates by 75bps and the Fed Chair reiterated that commitment to reigning in inflation was “unconditional”. During the Fed Chair’s testimony to the congress, he acknowledged that a recession was possible and achieving a soft landing would be very challenging. Commodities were not spared from the correction as prices from oil to copper and wheat weakened, pricing in the probability of a recession. Whereas over in China, the sentiment was more positive on the back of easing Covid restrictions as well as more signals on possible reduction in US tariffs over China goods. In a keynote speech to the BRICs Business Forum, the Chinese President also reiterated the commitment to achieve 2022 economic targets as well as mentioned the support for internet/ platform companies.

Domestically, Malaysia was not spared from inflationary pressures due to supply chain disruptions, labour shortages and the impact of the war in Ukraine. In its effort to help temper the effects of rising prices, the government made the decision to keep Peninsular Malaysia’s electricity tariff rates unchanged for 2H22 and reinstated the ceiling price for chicken at RM9.40 per kg (from an earlier decision to remove the ceiling price of RM8.90 per kg). Due to the unanticipated subsidies for fuel, chicken and eggs and cooking oil as well as flood relief, Malaysia is expected to spend around RM77b in subsidies and cash aid for 2022. Plantation stocks corrected during the month following the collapse in CPO prices, breaching the RM5k/MT level following Indonesia’s removal of the ban on palm oil exports. Notable corporate developments include the greenlight given by MCMC to the merger of Celcom and Digi’s operations which will create the leading telco provider in Malaysia. The Ringgit weakened further against the US\$ to end the month at 4.4085 from 4.3770 at the start of the month.

Average daily trading value increased to RM2.59b in June from May’s RM2.4b. Retailers remained net buyers with +RM0.6b and local institutions turned net buyers with +RM0.7b. Foreign institutions turned net sellers with -RM1.3b. Retailers and local institutions accounted for 23.6% and 35.4% of value traded. Foreign institutions accounted for 29.2% of value traded. The four indices continued its downtrend in June. The FBMKLCI, FBM Shariah, FBM Emas and FBMSC declined by 8%, 8.7%, 7.6% and 8.8% mom respectively.

Going into July, market is expecting another round of 75 bps hike by the Fed. But there are also some expectations of the Fed scaling back the additional tightening from December onwards and some probability of rate cuts in 2023. As for China, investors will continue to monitor closely the progress of its reopening and potentially any further easing to both its monetary and fiscal measures. For Malaysia, the Ministry of Finance will be tabling the Fiscal Responsibility Act during the upcoming Parliament session scheduled to start on 18<sup>th</sup> July. This bill will help to boost tax collection by broadening the tax base which is crucial to replenish the nation’s coffers to finance the nation’s development and longer-term reform plans. Malaysia can also finally progress with the 5G deployment as the telco players have finally reached an agreement with state-owned Digital Nasional Bhd (DNB) before the due date on 30 Jun 22. Malaysia’s Communications and Multimedia Minister said an announcement of the deal will be made known at the early part of July, removing the overhang for the sector. We remain defensive and will maintain our barbell strategy by investing in both the value and growth sectors. Sectors that we continue to favour include interest rate hike beneficiaries (banks), selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

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

US Treasury (“UST”) rates increased in June as Fed officials conveyed that taming inflation would be their main priority and that policy levers would be largely geared towards said goal. The 2-, 5-, 10- and 30-years UST yields increased by 39, 22, 17 and 13 bps respectively m-o-m. During the month, the Fed raised interest rate by 75bps, a move that it had previously claimed as one that is not even being considered. While market participants did have an inkling that a 75bps hike was likely given that May inflation came in at 8.6%, yields did shoot up subsequent to the hike announcement. This is evidenced by the 2- and 10-year note which shot up to 3.44% and 3.48% subsequent to the announcement, the highest level since November 2007 and April 2011 respectively. However, lacklustre economic data and more pronounced fears of recession stemming from aggressive rate hikes led to a drop in yields towards the end of the month with the 2- and 10-year note settling at 2.95% and 3.01% respectively as at end June.

On the local front, relatively similar trend was observed in govies yield as it continued to track the trend in the US. The yields on the 3-, 5-, 10-, 15- and 30-year MGS increased by 4, 23, 7, 9 and 10 bps, respectively. Fundamentally, the increase is also attributable to inflation expectations that have recently gained momentum. It was anticipated that the elimination of the price ceiling for chicken and eggs and the subsidy for bottled cooking oil would have a significant impact on food inflation. On a more positive note, S&P’s affirmed Malaysia’s sovereign rating with an upward revision in outlook from negative to stable in end June. The outlook revision should boost investors’ confidence and demand for government debt securities.

In the corporate bond segment, some prominent new issuances during the month were Johor Corporation (RM1.6 billion, AAA), TNB Power Generation Sdn Berhad (RM1.5 billion, AAA), and Pengurusan Air SPV Berhad (RM1.3 billion, AA3).

### Outlook & Strategy

Inflation levels and the Fed’s subsequent policy action and tone are likely to affect the UST. While the Fed has attempted to appease the market by suggesting that the robust labour market allows for aggressive rate hikes without triggering a recession, market participants appear to disagree, as evidenced by the recent appearance of yield curve inversions. As inflation is currently red-hot and further aggressive rate hikes will have negative effects on economic activity, it is probable that a pronounced risk aversion could drive yields lower.

Domestically, while cognizant of impending inflationary pressures, we believe that the bond market has already priced in the aggressive stance of future monetary policy action with current valuation accounting for at least five rate increases. In fact, we believe the market has overpriced the likelihood of a rate hike despite the anticipated increase in inflationary pressure in the second half of 2022. In the next three to six months, we expect local bond yields to decline from their current levels, as the current valuation is rather attractive. S&P’s revision of outlook for Malaysia’s sovereign rating from negative to stable on June 27 will also increase buying interest. In view of the above, we will continue to monitor economic data that could induce significant risk-off sentiments while waiting for an opportunity to reinvest.

## HLA Dana Suria (HLADS)

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

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	3.3%	-1.4%	2.2%	0.4%	7.5%	-7.5%	4.3%	6.7%	-4.0%
<b>HLADS - Gross</b>	2.7%	1.5%	7.4%	-0.6%	17.0%	-12.6%	14.5%	24.1%	12.2%
<b>HLADS - Net</b>	1.2%	0.1%	5.5%	-1.9%	14.3%	-12.9%	12.0%	20.9%	9.8%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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

### Investment Risks

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

#### 1. Market Risk

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

#### 2. Liquidity Risk

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

#### 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

### Target Fund Details

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Performance</b>	6.4%	7.0%	0.1%	9.1%	-1.2%	13.1%	-11.1%	17.8%	28.5%	19.8%

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Performance</b>	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%	2.1%

Source: Hong Leong Assurance Berhad

## HLA Dana Suria (HLADS)

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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

### Disclaimer:

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

# HLA Secure Fund (HLASF)

June 2022

## 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. The Target Fund will invest primarily in Asia pacific excluding Japan companies.

### 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

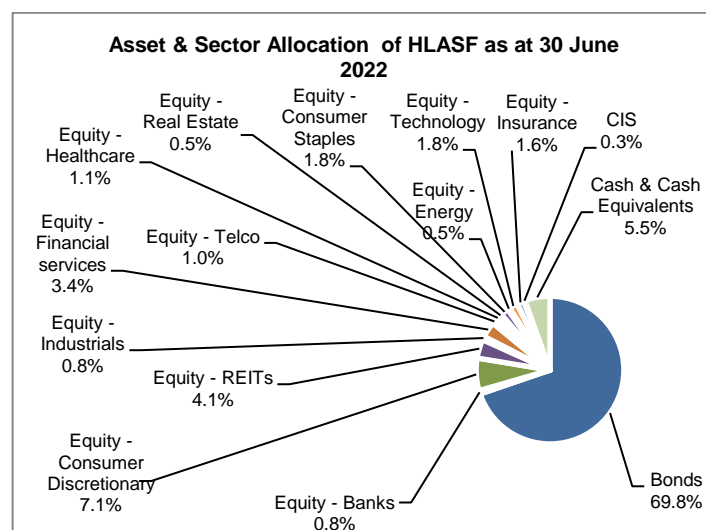
The fund is suitable for investors who are relatively conservative and wish to have a steady and stable return that meets their retirement needs.

## Fund Details

Unit Price (30/6/2022)	:RM1.4327
Fund Size (30/6/2022)	:RM22.9 mil
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 MSCI AC Asia Pacific excluding Japan High Dividend Yield Index)

Frequency of Unit Valuation :Daily

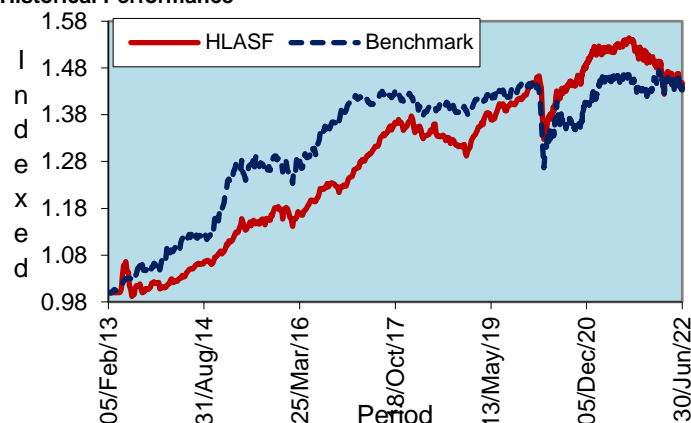
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLASF as at 30 June 2022

		%
1.	MGS (22.05.2040)	FI 2.7
2.	Parkway Pantai Ltd	FI 2.4
3.	Mapletree North Asia Com Trust	Equity 2.1
4.	HSBC Holdings PLC	FI 1.8
5.	Yinson Juniper Ltd	FI 1.8
Total Top 5		10.8

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	-3.69%	-1.56%	-5.48%	3.59%	10.06%	44.45%
Benchmark*	-0.03%	-2.03%	-1.60%	0.46%	1.42%	43.27%
Relative	-3.67%	0.47%	-3.88%	3.13%	8.64%	1.18%

\*Source: AffinHwang

**Notice: Past performance of the fund is not an indication of its future performance.**

## Benchmark\*

Time Frame	Benchmark
Prior to March 2016	(70% x JP Morgan Asia Credit Investment Grade Index) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index)
March 2016 to February 2022	(70% x Maybank 12 Months Fixed Deposit Rate) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index)
February 2022 onwards	(70% x Maybank 12 Months Fixed Deposit Rate) + (30% x MSCI AC Asia Pacific excluding Japan High Dividend Yield Index)



## HLA Secure Fund (HLASF)

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

Global equities sank lower in June as the as the US Federal Reserve ("Fed") embarked on its biggest monetary tightening move since 1994 to tamp down inflation. US stocks whipsawed throughout the month, with the S&P 500 index closing down 8.4% as the benchmark recouped back losses in the last week. In response to a strong CPI (Consumer Price Index) reading in May that rose 8.6% y-o-y, the Fed benchmark interest rates by 75 bps at its policy meeting in June. Recent economic indicators suggest that inflation is starting to peak as commodity and energy prices wane from their recent highs. All eyes will be on June's CPI figures which would confirm whether we have reached an inflection point for inflation when the data is released. This could help quell the Fed's hawkish rhetoric which would be positive for risk assets. In Asia, the broader MSCI Asia ex-Japan index saw better support with the index down 5.1%. The region was propped-up by gains in China, with the MSCI China index closing 5.7% higher. China's stock market was buoyed by remarks from President Xi Jinping who reaffirmed the country's pledge to achieve its economic and social targets this year through various policy levers. China has set its eyes on a GDP growth target of 5.5% this year. Though, the current consensus estimate is that China would only achieve a GDP growth of 4.3% due to multiple sporadic COVID lockdowns which have impacted growth. As such, China would need to play catch-up and expand by at least 6.5% in the 2H2022 in order to still achieve an overall GDP target of 5.0%. On the local front, the benchmark KLCI fell 8.0% amidst cautious sentiment and profit-taking activities. Selling pressure was seen in sectors like banks and plantation which have been darlings of the stock market this year. Crude palm oil prices ("CPO") have come off from its recent highs and erased all its YTD gains due to flip-flop policies by Indonesia which saw higher than expected inventory levels flooding the market. On local fixed income, the 10-year MGS yield rose 7 bps to end the month at 4.26%. Malaysia's Consumer Price Index ("CPI") rose 2.8% year-on-year for the month of May, surpassing initial estimates of 2.6% as well as April's reading of 2.3%. Food prices – which accounts for some 30.0% of CPI components – rose to 5.2%, the highest since November 2011; while transport prices also jumped by 3.9% from a year ago. Bank Negara Malaysia ("BNM") has maintained its CPI guidance of 2.2 to 3.2% for the full year of 2022. Though given persistent inflationary pressure, we expect CPI reading to hover nearer to the top range of the central bank's forecast. With this, BNM is also likely to step up its policy normalisation efforts in its upcoming meetings, where markets are currently expecting a cumulative interest rate increment of 50 bps for 2H'2022.

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

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	7.2%	10.4%	7.7%	8.2%	2.6%	-2.2%	-0.2%	-3.1%	2.2%
<b>HLASF - Gross</b>	2.5%	9.2%	10.2%	5.6%	12.4%	-3.0%	12.3%	6.0%	0.7%
<b>HLASF - Net</b>	1.3%	7.5%	8.4%	4.1%	10.4%	-3.7%	10.4%	4.5%	-0.3%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

## HLA Secure Fund (HLASF)

### 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

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	5.6%	15.1%	2.9%	6.9%	8.6%	4.1%	10.5%	-4.2%	10.0%	4.7%	-0.8%

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)

June 2022

### 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

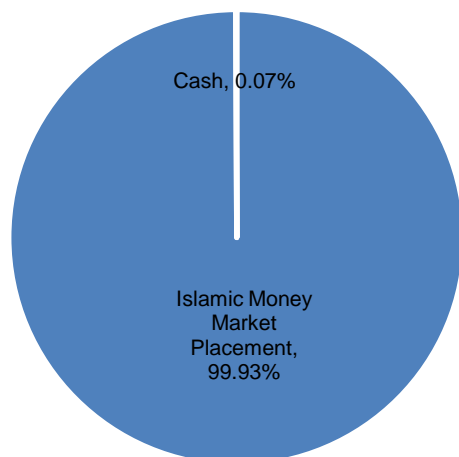
This fund is suitable for investors who are low risk profile.

### Fund Details

Unit Price (30/6/2022)	: RM1.3162
Fund Size (30/6/2022)	: RM27.4 mil
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	: Daily

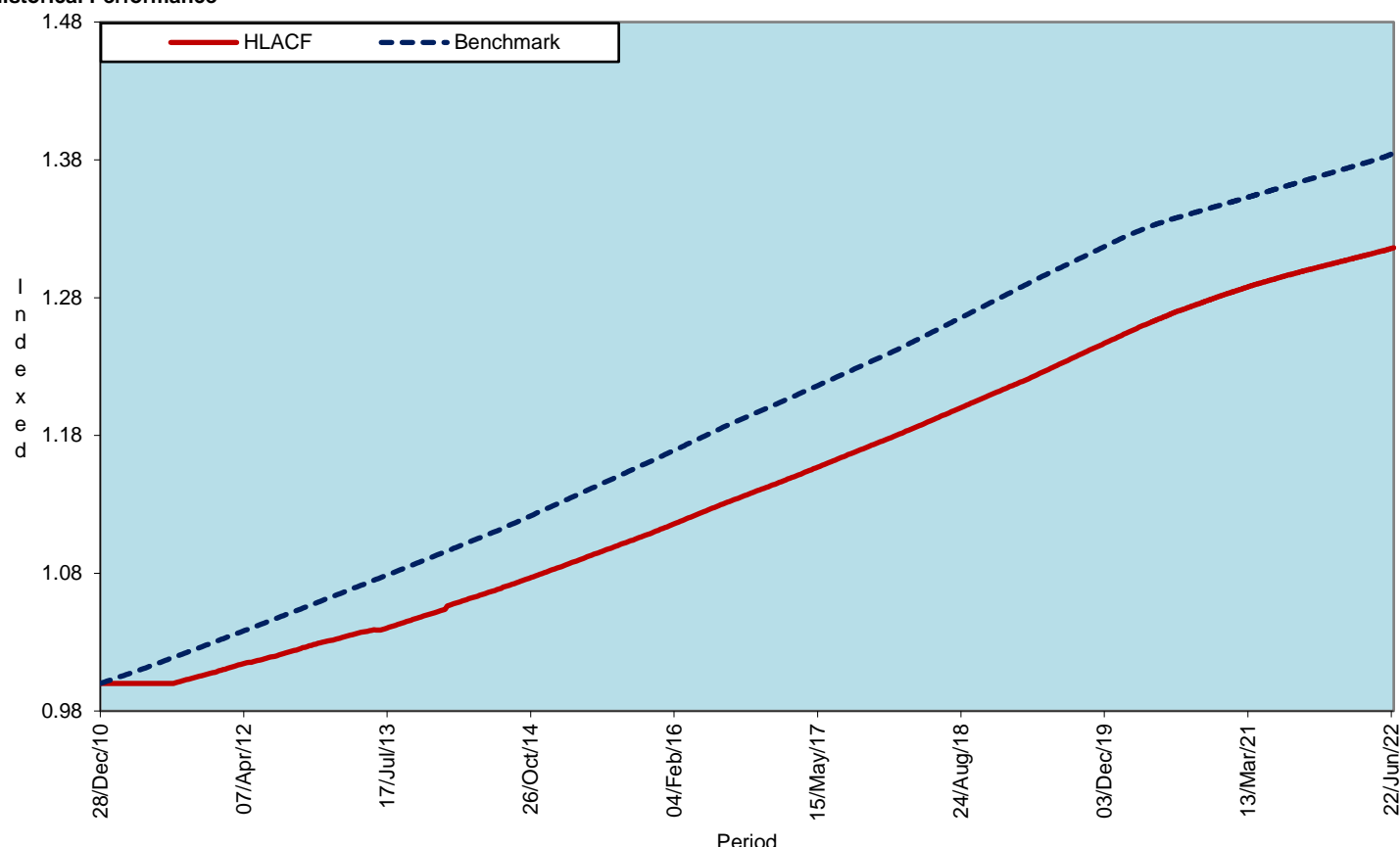
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.

Asset & Sector Allocation of HLACF as at 30 June 2022



# HLA Cash Fund (HLACF)

## Historical Performance



As of 30/6/22	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLACF	0.80%	0.14%	1.64%	7.00%	13.38%	31.62%
Benchmark*	0.93%	0.19%	1.82%	6.54%	13.45%	38.47%
Relative	-0.12%	-0.04%	-0.18%	0.46%	-0.08%	-6.85%

\*Source: Bloomberg

**Notice: Past performance of the fund is not an indication of its future performance.**

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benchmark	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	3.3%	3.1%	2.2%	1.8%
HLACF- Gross	2.8%	2.6%	3.4%	3.3%	3.4%	3.4%	3.5%	3.6%	3.2%	2.2%
HLACF - Net	2.3%	2.1%	2.9%	2.8%	2.9%	2.9%	3.0%	3.1%	2.7%	1.8%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

## Investment Risks

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

### 1. Counterparty risk

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

## Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

## HLA Cash Fund (HLACF)

### 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 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.

# HLA Horizon Funds

June 2022

## 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 @ 30/6/2022	Fund Size 30/6/2022	Guaranteed Unit Price upon Fund Maturity (updated @ 30/6/2022)
HLA Horizon28 Fund	:08/10/2028	RM1.0251	RM8,336,839.77	RM1.00
HLA Horizon38 Fund	:08/10/2038	RM1.0709	RM354,650,464.09	RM1.50
HLA Horizon48 Fund	:08/10/2048	RM1.0462	RM158,512,740.38	RM2.00

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



# HLA Horizon Funds

## Performance Snapshot

Fund	1 Month	1 Year
HLA Horizon28	-0.47%	-6.00%
HLA Horizon38	0.18%	-8.01%
HLA Horizon48	-0.09%	-12.66%

## Exposure to MVO Strategy

Fund	Exposure as at 30/6/2022
HLA Horizon28	85.29%
HLA Horizon38	98.20%
HLA Horizon48	131.48%

## Market Review (by Hong Leong Bank Berhad)

Negative output gaps have encouraged some central banks in Southeast Asia to err on the side of caution with monetary policy normalization despite rising inflationary pressure. In Q3, however, a sustained domestic demand recovery and aggressive rate hikes by the Fed are likely to prompt unusually large and/or inter-meeting rate hikes by some central banks, although their policy rates are unlikely to reach neutral levels this year. In contrast, central banks of advanced Asian economies have prioritized inflation amid robust labour market conditions, pointing to further tightening even into slowing growth.

Gains of MVO Strategy (per unit)	HLA Horizon28	HLA Horizon38	HLA Horizon48
Previous actual executed profit taking at -	N/A	N/A	N/A
Basket Value (as of 30-June-22)	-6.36%	-7.65%	-10.24%
Basket Value (as of 27-May-22)	-5.88%	-7.10%	-9.50%

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 27 May 2022

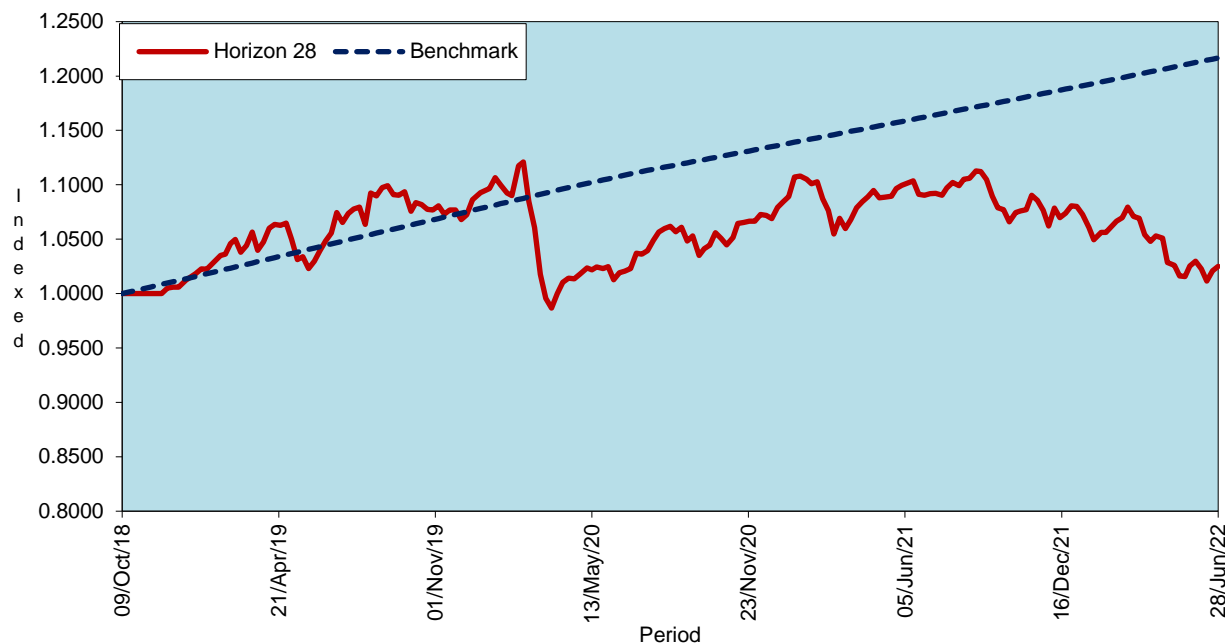
Indices	Bloomberg Ticker	Weightage (%)	Monthly Performance
iShares MSCI EM Index Fund	EEM US Equity	0.00%	-4.64%
S&P 500 Index	SPX Index	0.00%	-8.97%
Euro Stoxx 50 Index	SX5E Index	0.00%	-9.29%
Hang Seng China Enterprises Index	HSCEI Index	0.00%	8.25%
Gold	GOLDLNAM Index	8.33%	-2.44%
Templeton Global Bond Fund	FTGBFAC LX Equity	0.00%	-4.15%
PIMCO Funds – Total Return Bond Fund	PTRBDFE ID Equity	0.00%	-3.05%
DB Fed Funds Effective Rate TR Index	DBMMFED1 Index	91.67%	0.11%
Total		100.00%	

# HLA Horizon Funds

## Historical Performance

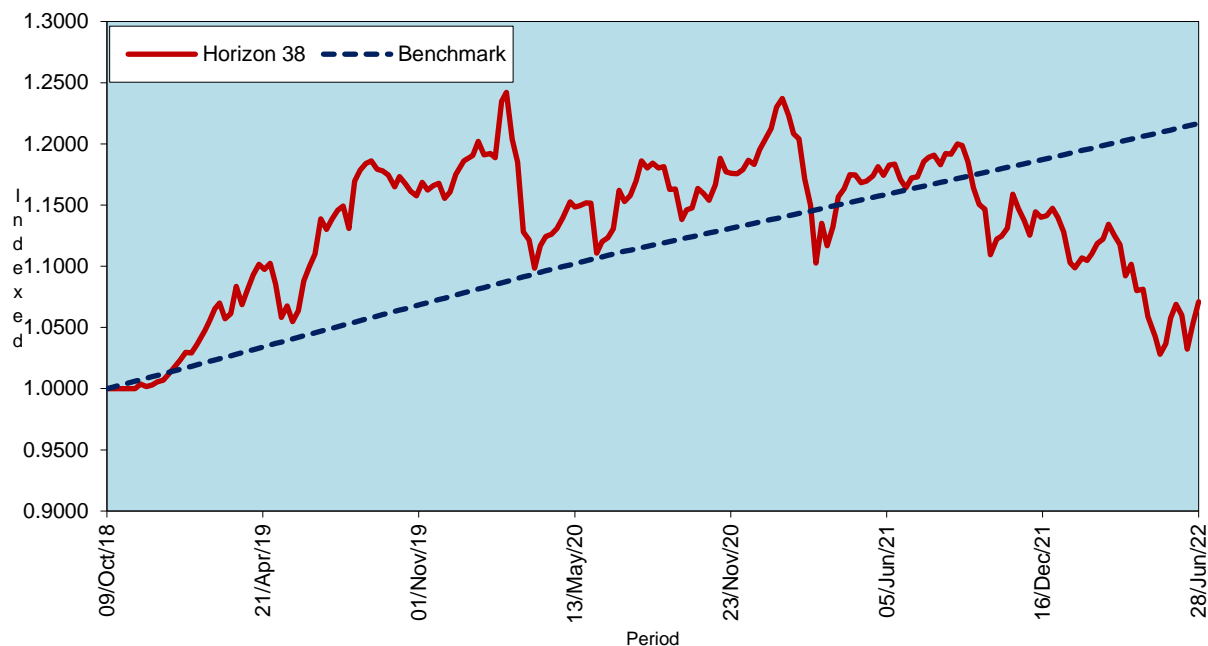
HLA Horizon28 Fund						
As of 30/6/22	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon28	-5.14%	-0.47%	-6.00%	-2.90%	0.00%	2.51%
KLIBOR+2.65% p.a.*	2.32%	0.35%	4.68%	16.35%	0.00%	21.67%
Performance vs Benchmark	-7.46%	-0.82%	-10.68%	-19.25%	0.00%	-19.16%

**Notice: Past performance of the fund is not an indication of its future performance.**



HLA Horizon38 Fund						
As of 30/6/22	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon38	-6.68%	0.18%	-8.01%	-3.51%	0.00%	7.09%
KLIBOR+2.65% p.a.*	2.32%	0.35%	4.68%	16.35%	0.00%	21.67%
Performance vs Benchmark	-9.00%	-0.17%	-12.68%	-19.87%	0.00%	-14.58%

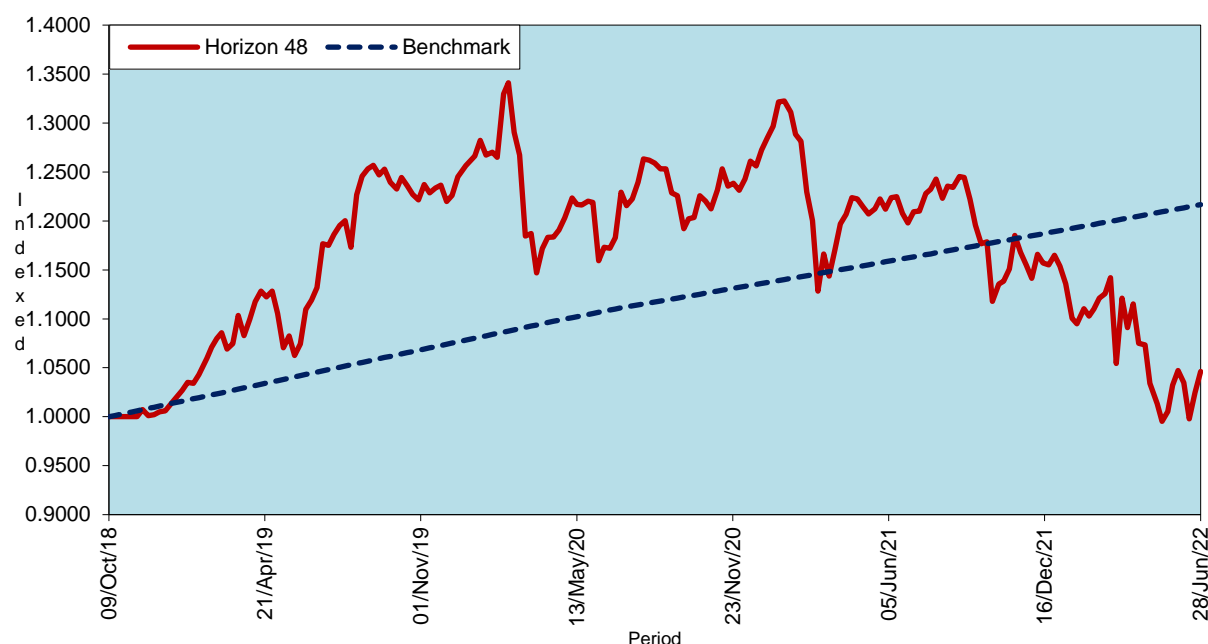
**Notice: Past performance of the fund is not an indication of its future performance.**



## HLA Horizon Funds

HLA Horizon48 Fund						
As of 30/6/22	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon48	-10.20%	-0.09%	-12.66%	-7.57%	0.00%	4.62%
KLIBOR+2.65% p.a.*	2.32%	0.35%	4.68%	16.35%	0.00%	21.67%
Performance vs Benchmark	-12.52%	-0.44%	-17.34%	-23.92%	0.00%	-17.05%

**Notice: Past performance of the fund is not an indication of its future performance.**



\*Source: Bloomberg

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

Year	2018	2019	2020	2021
Benchmark	6.4%	6.4%	5.4%	4.3%
HLA HORIZON28 – Gross	1.7%	10.0%	0.1%	1.6%
HLA HORIZON28 – Net	1.3%	7.9%	-1.2%	0.1%
HLA HORIZON38 – Gross	1.8%	19.9%	2.2%	-3.0%
HLA HORIZON38 – Net	1.3%	17.1%	0.8%	-4.0%
HLA HORIZON48 – Gross	1.9%	27.3%	2.8%	-7.9%
HLA HORIZON48 – Net	1.5%	23.8%	1.3%	-8.44%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

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. Deleveraging Risk

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

## 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 covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

### 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

June 2022

## 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 (30/6/2022)	Fund Size (30/6/2022)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM1.1700	RM23.30mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM1.1131	RM10.38mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM1.0214	RM19.15mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM0.9654	RM53.69mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8100	RM852.69mil	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 recorded its fastest growth in total trade since 1994, locking in double-digit year-on-year (YoY) growth of 24.8% to RM2.2 trillion in 2021 (2020:RM1.8 trillion) with exports and imports accelerating by 26% to RM1.24 trillion and 23.3% to RM987.2 billion respectively. 2022YTD total trade has surpassed RM1 trillion with May recording the fastest growth since November 2021, rising 33.6% YoY to RM228.4 billion. Similar to the global trend, Malaysia saw CPI accelerate to 2.8% in May 2022 (April 2022: 2.3%), led by food inflation which touched new high of 5.2%. In an effort to reduce inflationary pressures, the government expects total subsidies in 2022 to reach a record amount of RM80 billion, with projected consumption subsidies of RM77.3 billion, compared to RM17.4 billion that was estimated in Budget 2022. Credit rating agency S&P upgraded Malaysia's outlook to stable from negative as its fiscal revenue outlook is supported by the rise in oil prices, net government debt to GDP remains below their downgrade trigger level as well as the decrease in political uncertainty since the state of emergency cessation in August 2021. The rating agency also revised Malaysia's 2022 GDP growth by 0.3% higher to 6.1%, but trimmed its 2023 forecast by 0.4% to 5%. The World Bank, however, forecasts Malaysia's economy to grow by 5.5% in 2022, which is higher than their global growth (2.9%) and regional growth (4.4%) forecasts. On the interest rate front, the Federal Reserve delivered its first 75bps hike in the Federal Funds Rate since 1994 in an effort to combat rising inflationary pressures, and may continue with a similar hike quantum during their next meeting in July. CIMB Treasury and Markets Research expects Bank Negara to increase the Overnight Policy Rate (OPR) in July and November 2022 by 25bps each, bringing the end-2022 OPR forecast to 2.50%. Both short and long term rates rose in the month of June.

Sources: CIMB Treasury and Markets Research, CGS-CIMB Research, The Edge Markets, Bloomberg

*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.*

## HLA EverGreen Funds

### 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 July 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.

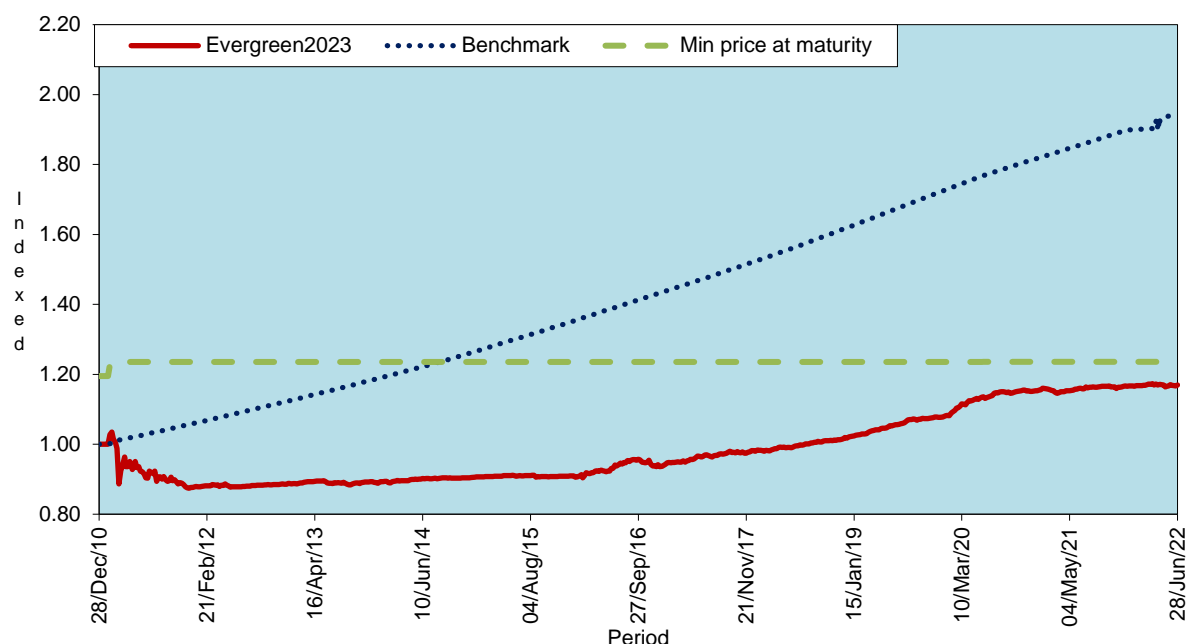


# HLA EverGreen Funds

## Historical Performance

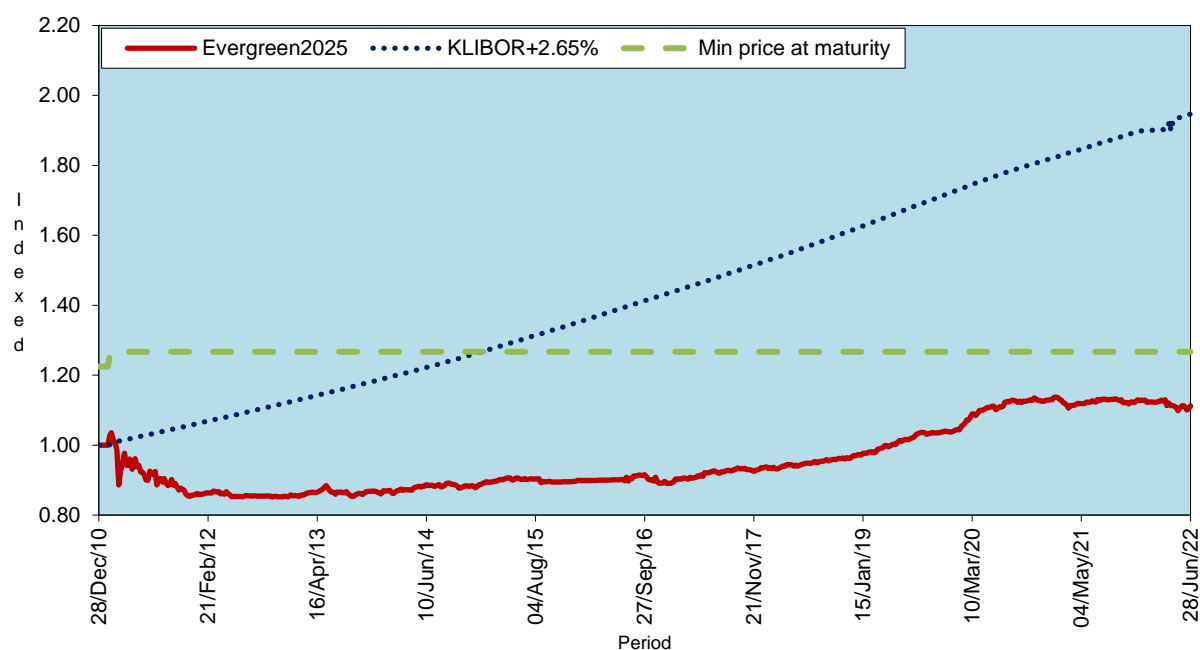
HLA EverGreen 2023 Fund							
As of 30/6/22	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2023	0.27%	-0.02%	0.94%	10.75%	20.93%	33.17%	16.98%
KLIBOR+2.65% p.a.*	2.51%	0.35%	4.69%	16.39%	31.68%	78.57%	94.67%
Performance vs Benchmark	-2.25%	-0.37%	-3.75%	-5.64%	-10.74%	-45.40%	-77.69%

**Notice:** Past performance of the fund is not an indication of its future performance.



HLA EverGreen 2025 Fund							
As of 30/6/22	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2025	-1.37%	-0.10%	-1.01%	9.44%	20.20%	30.36%	11.20%
KLIBOR+2.65% p.a.*	2.51%	0.35%	4.69%	16.39%	31.68%	78.57%	94.67%
Performance vs Benchmark	-3.89%	-0.45%	-5.70%	-6.95%	-11.47%	-48.21%	-83.47%

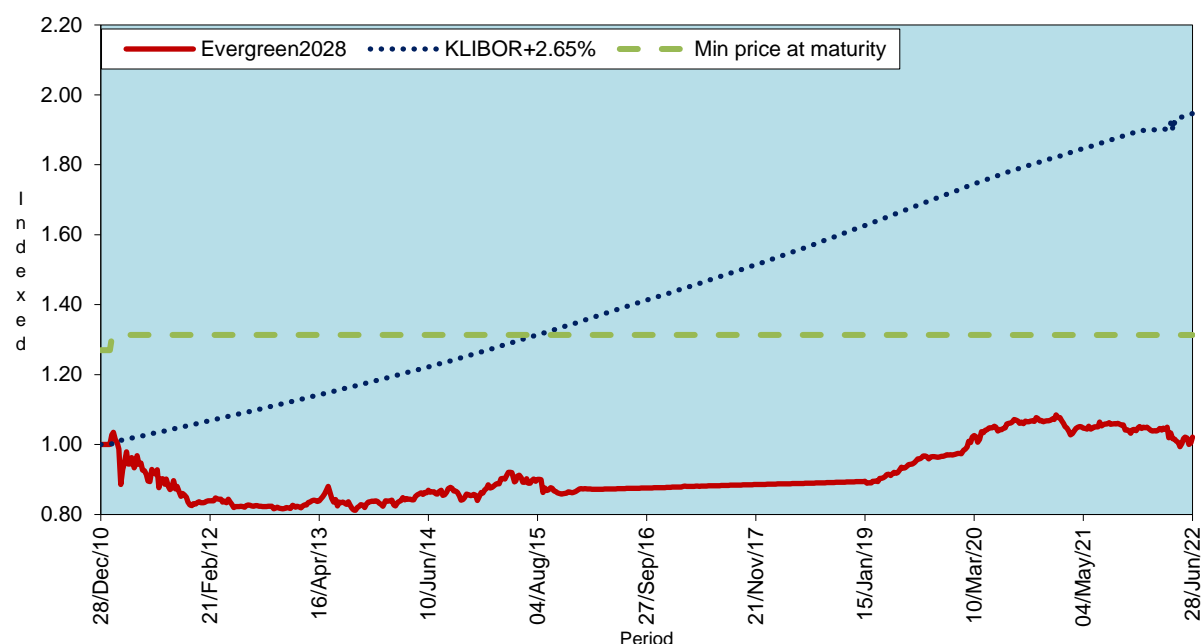
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## HLA EverGreen Funds

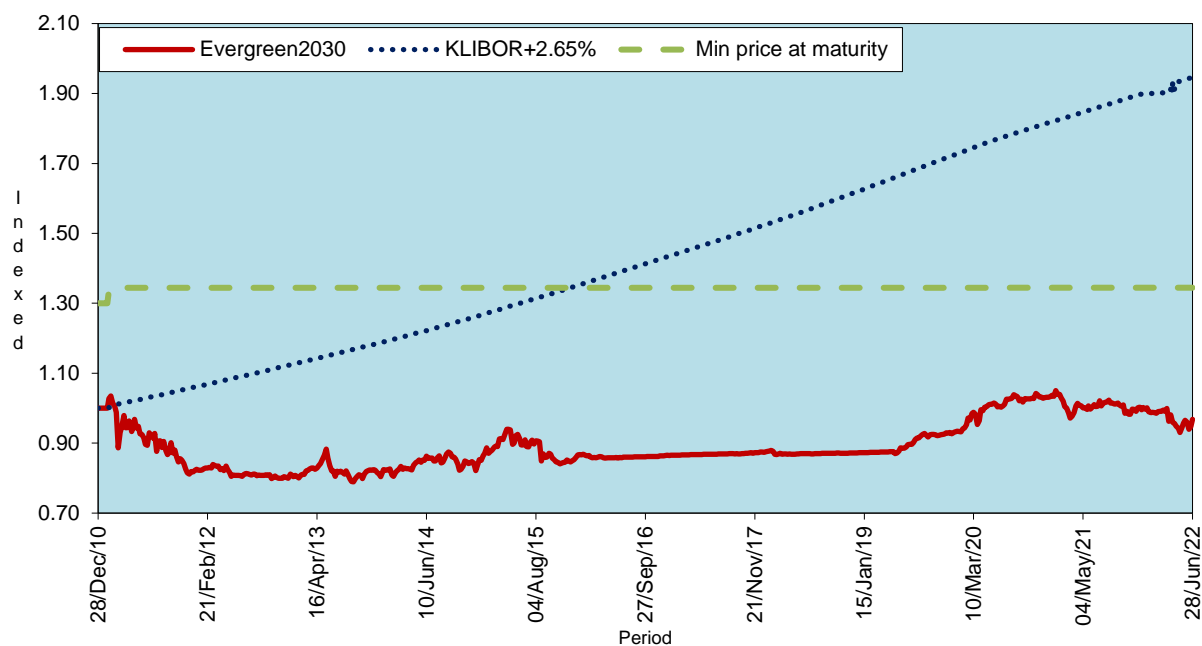
HLA EverGreen 2028 Fund							
As of 30/6/22	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2028	-2.53%	-0.04%	-2.85%	8.83%	15.71%	24.16%	2.10%
KLIBOR+2.65% p.a.*	2.51%	0.35%	4.69%	16.39%	31.68%	78.57%	94.67%
Performance vs Benchmark	-5.04%	-0.39%	-7.54%	-7.56%	-15.97%	-54.41%	-92.57%

**Notice: Past performance of the fund is not an indication of its future performance.**



HLA EverGreen 2030 Fund							
As of 30/6/22	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2030	-2.94%	0.29%	-3.70%	8.82%	11.45%	20.02%	-3.18%
KLIBOR+2.65% p.a.*	2.51%	0.35%	4.69%	16.39%	31.68%	78.57%	94.67%
Performance vs Benchmark	-5.45%	-0.06%	-8.39%	-7.57%	-20.22%	-58.55%	-97.85%

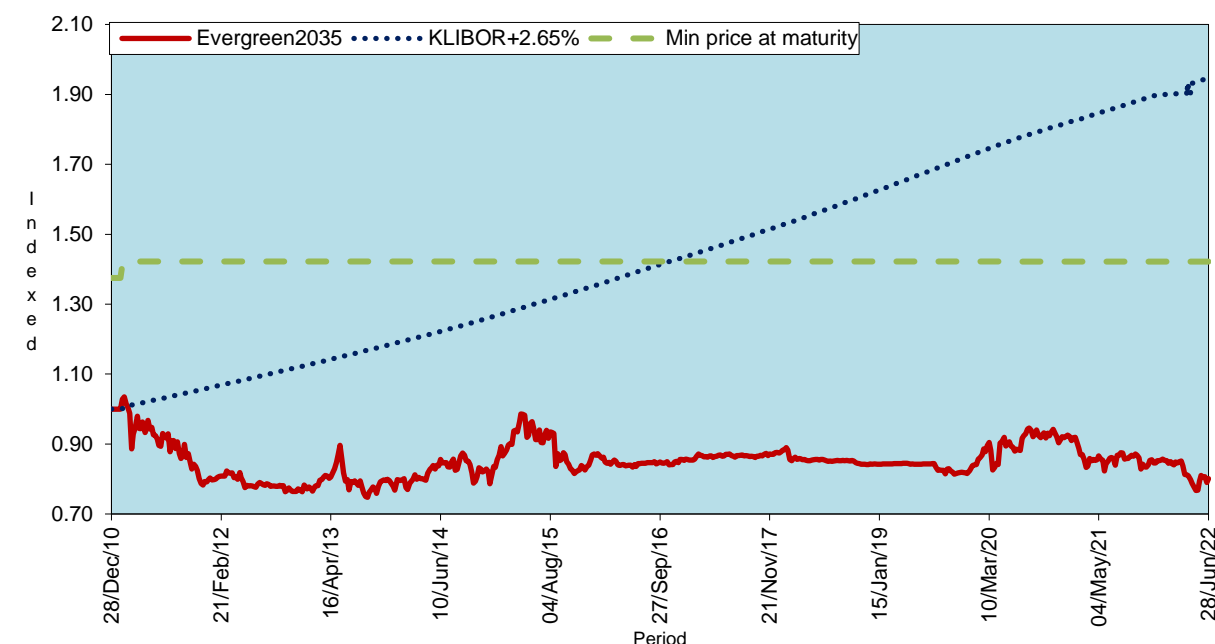
**Notice: Past performance of the fund is not an indication of its future performance.**



# HLA EverGreen Funds

HLA EverGreen 2035 Fund							
As of 30/6/22	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2035	-6.23%	-1.09%	-6.67%	-4.90%	-7.59%	2.93%	-19.88%
KLIBOR+2.65% p.a.*	2.51%	0.35%	4.69%	16.39%	31.68%	78.57%	94.67%
Performance vs Benchmark	-8.74%	-1.44%	-11.36%	-21.29%	-39.27%	-75.64%	-114.55%

**Notice: Past performance of the fund is not an indication of its future performance.**



\*Source: Bloomberg

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Benchmark</b>	6.1%	6.0%	6.3%	6.5%	6.5%	6.2%	6.4%	6.4%	5.4%	4.5%
<b>HLA EVERGREEN 2023 – Gross</b>	2.5%	2.4%	3.0%	1.7%	4.7%	6.5%	6.0%	6.1%	7.5%	1.3%
<b>HLA EVERGREEN 2023 – Net</b>	1.0%	0.9%	1.4%	0.3%	3.0%	4.7%	4.2%	5.6%	6.9%	1.2%
<b>HLA EVERGREEN 2025 – Gross</b>	0.9%	3.6%	3.6%	2.5%	0.8%	6.7%	5.9%	7.4%	9.4%	-0.1%
<b>HLA EVERGREEN 2025 – Net</b>	-0.5%	2.0%	2.0%	1.0%	-0.6%	4.9%	4.1%	6.8%	8.6%	-0.1%
<b>HLA EVERGREEN 2028 – Gross</b>	-0.3%	4.5%	4.5%	1.7%	2.9%	2.5%	2.4%	9.6%	10.9%	-2.3%
<b>HLA EVERGREEN 2028 – Net</b>	-1.6%	2.8%	2.8%	0.3%	1.4%	1.0%	0.9%	8.7%	10.1%	-2.1%
<b>HLA EVERGREEN 2030 – Gross</b>	-1.0%	4.8%	5.1%	1.4%	3.0%	2.6%	1.2%	7.9%	11.8%	-3.7%
<b>HLA EVERGREEN 2030 – Net</b>	-2.3%	3.1%	3.4%	0.0%	1.5%	1.1%	-0.2%	6.8%	10.8%	-3.4%
<b>HLA EVERGREEN 2035 – Gross</b>	-2.2%	6.4%	6.5%	1.9%	3.2%	4.1%	-2.5%	-1.6%	13.0%	-8.0%
<b>HLA EVERGREEN 2035 – Net</b>	-3.5%	4.6%	4.7%	0.4%	1.6%	2.4%	-3.6%	-2.2%	11.9%	-7.4%

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.

**Notice: Past performance of the fund is not an indication of its future performance.**

## 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.

## HLA EverGreen Funds

### 6. Deleverage Risk

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

### 7. Currency Risk

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

### 8. Performance Risk

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

### Risk Management

The company has in place its Authorized Investment Framework which forms part of the Risk Management process. The authority framework covers the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. The potential investment risks that are taken into consideration in managing the fund include economic conditions, liquidity, qualitative and quantitative aspects of the securities. The investment manager(s) have put in place the following controls to reduce the risks through:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

### Basis of Unit Valuation

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

### Exceptional Circumstances

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

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

Not applicable

*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.*

### Performance of CIMB EverGreen Index Against Other Indices

Not applicable

*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.*

### Basis of Calculation of Past Performance

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

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

### Others

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

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

### Disclaimer:

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

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### **CIMB Evergreen Index Disclaimer:**

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

# Fund Risk Type & Customer Risk Appetite

Fund Risk Type

High

Customer Risk Appetite

Aggressive

