

# Monthly Fund Fact Sheet

## — June 2021



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# HLA Venture Growth Fund (HLAVGF)

June 2021

## 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

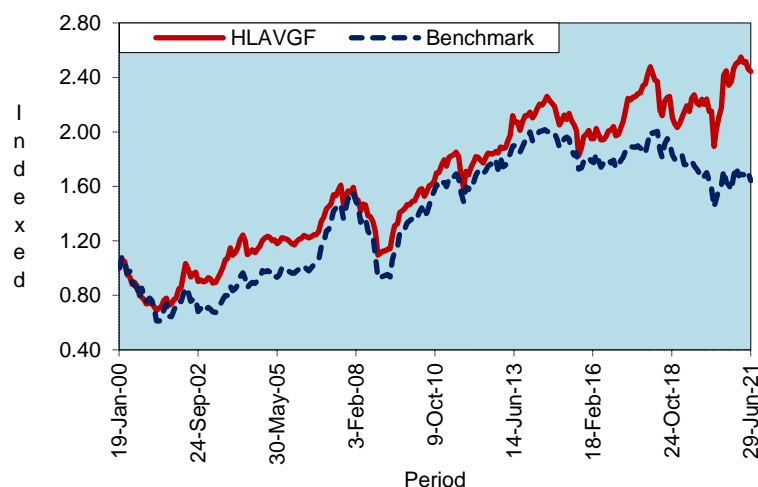
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

<b>Unit Price (30/6/2021)</b>	:RM2.4432
<b>Fund Size (30/6/2021)</b>	:RM419.2 mil
<b>Fund Management Fee (effective as at 01/08/2018)</b>	: 1.39% 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

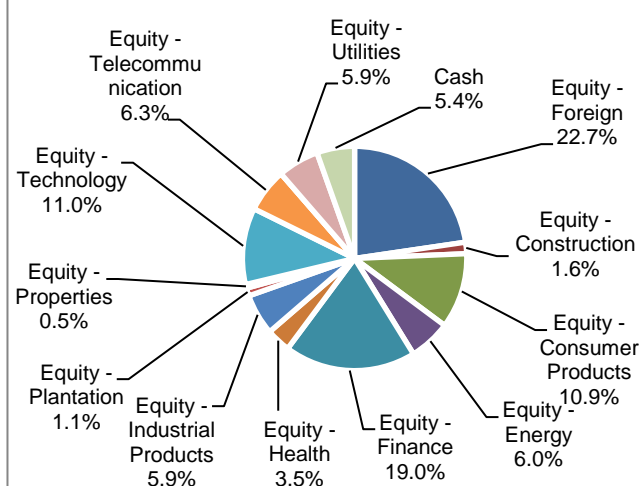


	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGF	-2.40%	-0.70%	12.16%	15.21%	25.70%	32.01%	144.32%
Benchmark*	-5.81%	-3.22%	2.11%	-9.39%	-7.34%	-2.94%	64.20%
Relative	3.42%	2.52%	10.05%	24.60%	33.05%	34.96%	80.12%

\*Source: Bloomberg

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

**Asset & Sector Allocation of HLAVGF as at 30 June 2021**



## Top 5 Holdings for HLAVGF as at 30 June 2021

	%
1. CIMB	7.4
2. TENCENT	6.7
3. MAYBANK	6.7
4. TENAGA	5.2
5. ALIBABA	5.1
<b>Total Top 5</b>	<b>31.1</b>

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# HLA Venture Growth Fund (HLAVGF)

## Market Review, Outlook & Strategy

For the month of June, global equities continued to edge higher driven by the US and Europe, while Asian markets continued to underperform. Strong economic data and continued assurances from the Fed and ECB of unwavering support provided a boost to markets despite the spread of the Delta variant. The Fed chief reiterated that the central bank would not simply raise interest rates too quickly based only on the fear of coming inflation as the central bank views the recent high inflation readings as transitory. They will instead focus more on encouraging a broad and inclusive recovery of the job market. Vaccination rollout continues to gain momentum in the US making it the first country out the “reopening” gate. Likewise in Europe, its economy is slowly accelerating on the backdrop of reopening and progress in vaccinations. In contrast, parts of Asia that performed well in the pandemic like Singapore, Hong Kong and Australia dropped in rankings as strict border curbs remain in place and a zero-tolerance approach to small virus flare-ups limit their ability to reopen. Elsewhere within the Asean region, Malaysia, Thailand and Indonesia have shifted to some form of lockdown to contain new cases whilst accelerating vaccinations.

Back to Malaysia, the full MCO 3.0 was extended beyond 14th Jun dragging into July as daily new Covid-19 cases remain stubbornly high at >5k levels. The National Recovery Plan was also unveiled during the month and it comprised four phases of an exit strategy from the Covid-19 pandemic. Each phase will have three main threshold indicators that need to be met for progression to the next phase which are – daily cases of infection, bed utilization rates in ICU and the % of population having received two doses of Covid-19 vaccine injections. The government also announced further aid under the PEMULIH package worth RM150b where RM10b will be via direct fiscal injection. This will likely result in a widening of the fiscal deficit, putting further downward pressure on its sovereign ratings. S&P during the month affirmed Malaysia’s credit rating at A- but maintained the “negative” outlook which has been in place since Jun 2000. There were some interesting corporate actions during the month with MMC to be privatized by Tan Sri Syed Mokhtar via a selective capital reduction (SCR) at RM2/share (>60% premium to the last traded price prior to the announcement), KLK will be acquiring IJM Corp’s 56.2% equity stake in IJM Plant for total consideration of RM1.5b (RM3.10/share) and Sunway successfully divested a 16% stake in Sunway Healthcare for RM750m to GIC (implied valuation for Sunway Healthcare was RM4.7b).

Retailers were net buyers at +RM1.7bn (+USD409m) whilst local institutions were net sellers at – RM1.2bn (-USD289m). Foreign institutions were net sellers at -RM1.2bn (-USD289m). Retailers and local institutions accounted for 35.7% and 27.5% of value traded with foreigners the remaining 17.4%. For the month, FBMKLCI was down by 3.22% mom to 1,532.63 pts. The FBM Shariah declined by 4.7%, FBMSC retraced by 3.6% and FBM Emas was lower by 3%.

Going forward, market will continue to be sensitive to economic data, inflation readings and the movement in bond yields. Sustained inflation beyond the near-term transitory increases and/or a sudden spike in bond yields will result in a very volatile market. Given the emergence of the Delta variant, the sustainability of the US reopening will be closely followed by market participants. In Malaysia, the Covid-19 infection trend and pace of vaccination will continue to dictate market movements. The domestic political turmoil continues as despite calls from the King to resume parliament, there has not been a firm announcement from the Prime Minister or his cabinet. The upcoming MPC meeting will also be closely followed where given the recent turn of events, there are noises of a potential rate cut. Markets will remain volatile – we maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

The UST’s performance over the near term will be influenced by key economic data releases which will form a basis of investors’ perception on inflationary pressures be it one that is sustained or transient. The market will also be keeping a close watch on the Fed’s tone as signs of a shift in its previously dovish tone at the onset of the pandemic have been made present as of late. On the supply front, progress and outcome of President Biden’s USD 1 trillion infrastructure plan will be monitored as the plan could be partly funded through issuances of public debt.

On the domestic front, close attention will be paid on the MPC meeting in July given the challenges facing the economy amid growing concerns on the public health situation. Key indicators on the nations’ pandemic containment measure will be monitored given that there are now clear conditions that are to be met before gradual reopening of the economy would resume. Over the near term, supply of domestic debt could increase to fund the government latest stimulus package dubbed ‘PEMULIH’ which includes a RM10.0 billion direct fiscal injection. Any weakness in the bond market will provide good opportunity for the Fund to rebuild its position for the second half of the year as we expect OPR to remain low for a prolong period coupled with a potential rate cut within next 6 to 12 months.

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%
<b>HLAVGF- Gross</b>	0.5%	10.7%	16.3%	-3.2%	-0.6%	-0.1%	26.0%	-16.1%	12.8%	14.2%
<b>HLAVGF - Net</b>	-0.9%	8.5%	13.6%	-4.4%	-1.9%	-1.5%	22.5%	-16.2%	10.3%	11.7%

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.

## HLA Venture Growth Fund (HLAVGF)

### 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:

- 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 2021

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

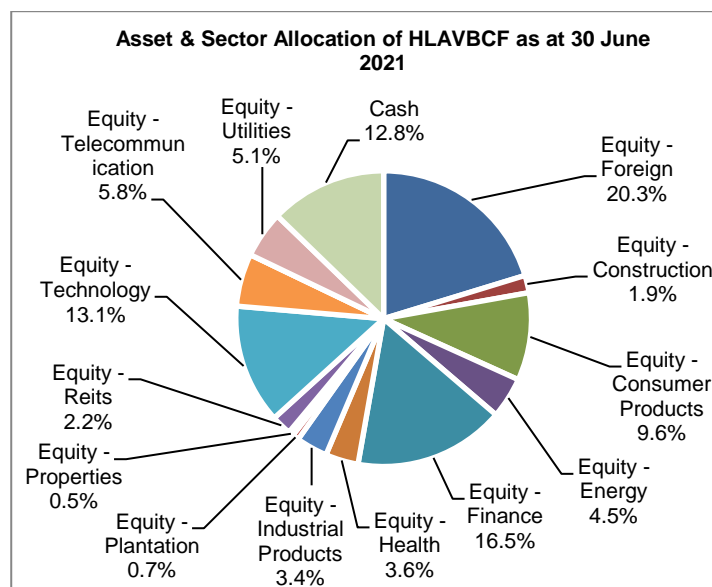
### 4. Target Market

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

## Fund Details

Unit Price (30/6/2021)	: RM2.7381
Fund Size (30/6/2021)	: RM456.8 mil
Fund Management Fee (effective as at 01/05/2018)	: 1.43% p.a. (capped at 1.50%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jan 2000
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

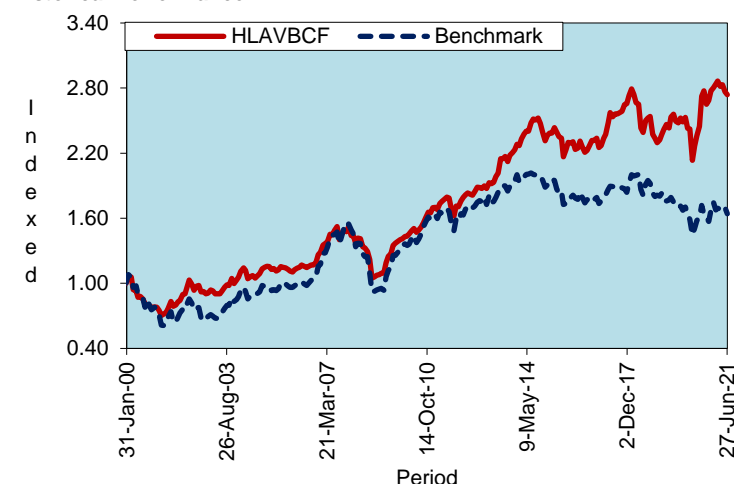
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



## Top 5 Holdings for HLAVBCF as at 30 June 2021

	%
1. CIMB	5.3
2. MAYBANK	4.8
3. TENAGA	4.6
4. RHBBANK	4.5
5. TENCENT	4.4
Total Top 5	23.5

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVBCF	-2.37%	-1.01%	11.90%	14.47%	23.10%	52.60%	173.81%
Benchmark*	-5.81%	-3.22%	2.11%	-9.39%	-7.34%	-2.94%	64.20%
Relative	3.44%	2.20%	9.79%	23.86%	30.44%	55.54%	109.61%

\*Source: Bloomberg

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# HLA Venture Blue Chip Fund (HLAVBCF)

## Market Review, Outlook & Strategy

For the month of June, global equities continued to edge higher driven by the US and Europe, while Asian markets continued to underperform. Strong economic data and continued assurances from the Fed and ECB of unwavering support provided a boost to markets despite the spread of the Delta variant. The Fed chief reiterated that the central bank would not simply raise interest rates too quickly based only on the fear of coming inflation as the central bank views the recent high inflation readings as transitory. They will instead focus more on encouraging a broad and inclusive recovery of the job market. Vaccination rollout continues to gain momentum in the US making it the first country out the "reopening" gate. Likewise in Europe, its economy is slowly accelerating on the backdrop of reopening and progress in vaccinations. In contrast, parts of Asia that performed well in the pandemic like Singapore, Hong Kong and Australia dropped in rankings as strict border curbs remain in place and a zero-tolerance approach to small virus flare-ups limit their ability to reopen. Elsewhere within the Asean region, Malaysia, Thailand and Indonesia have shifted to some form of lockdown to contain new cases whilst accelerating vaccinations.

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<b>HLAVBF- Gross</b>	5.4%	11.9%	21.4%	3.2%	1.1%	-0.1%	23.6%	-15.7%	12.5%	13.4%
<b>HLAVBF - Net</b>	3.6%	9.6%	18.3%	1.5%	-0.4%	-1.6%	20.3%	-15.9%	10.1%	10.9%

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.

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### 2. Liquidity Risk

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

### 3. Credit Risk

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### 4. Interest Rate Risk

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## HLA Venture Blue Chip Fund (HLAVBCF)

### 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:

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### Basis of Unit Valuation

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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

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# HLA Venture Dana Putra (HLAVDP)

June 2021

## 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

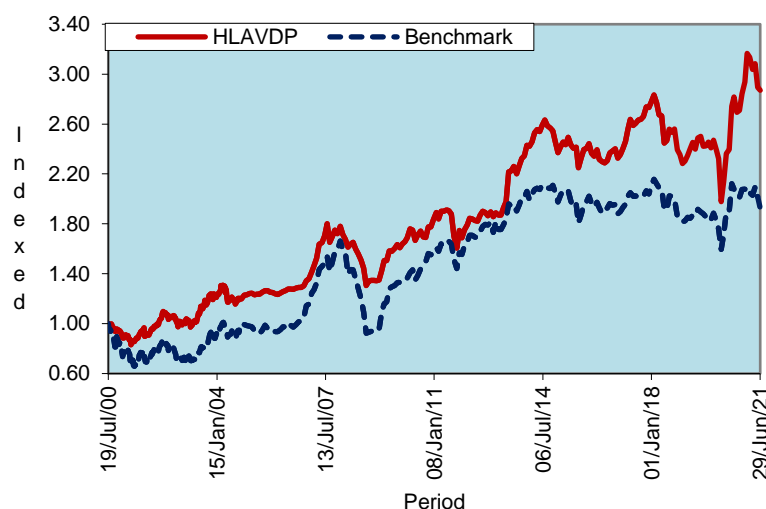
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

Unit Price (30/6/2021)	: RM2.8719
Fund Size (30/6/2021)	: RM135.1 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 allocate

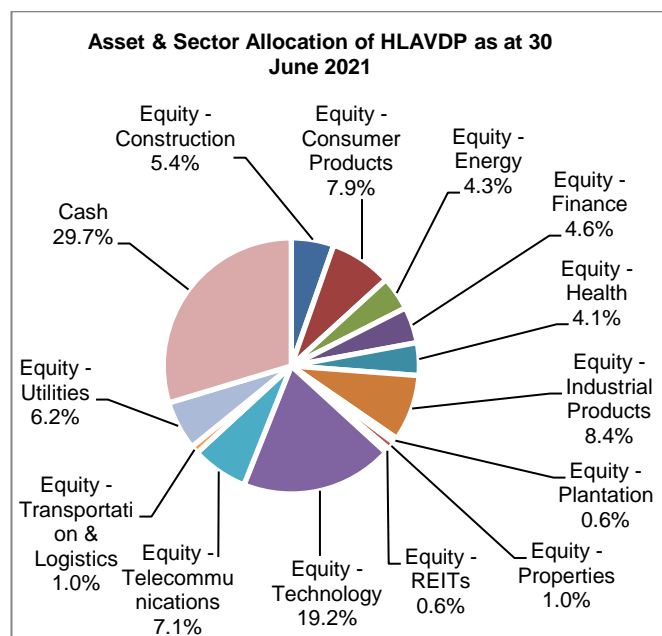
## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLA VDP	-2.21%	-0.78%	19.83%	16.42%	25.50%	50.76%	187.19%
Benchmark*	-7.45%	-4.66%	1.27%	0.71%	0.62%	15.79%	92.31%
Relative	5.24%	3.87%	18.55%	15.71%	24.88%	34.97%	94.88%

\*Source: Bloomberg

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



## Top 5 Holdings for HLA VDP as at 30 June 2021

	%
1. TM	4.2
2. TENAGA	4.0
3. MYEG	4.0
4. BIMB	3.8
5. UWC	3.7
Total Top 5	19.7

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

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

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# HLA Venture Dana Putra (HLAVDP)

## Market Review, Outlook & Strategy

For the month of June, global equities continued to edge higher driven by the US and Europe, while Asian markets continued to underperform. Strong economic data and continued assurances from the Fed and ECB of unwavering support provided a boost to markets despite the spread of the Delta variant. The Fed chief reiterated that the central bank would not simply raise interest rates too quickly based only on the fear of coming inflation as the central bank views the recent high inflation readings as transitory. They will instead focus more on encouraging a broad and inclusive recovery of the job market. Vaccination rollout continues to gain momentum in the US making it the first country out the "reopening" gate. Likewise in Europe, its economy is slowly accelerating on the backdrop of reopening and progress in vaccinations. In contrast, parts of Asia that performed well in the pandemic like Singapore, Hong Kong and Australia dropped in rankings as strict border curbs remain in place and a zero-tolerance approach to small virus flare-ups limit their ability to reopen. Elsewhere within the Asean region, Malaysia, Thailand and Indonesia have shifted to some form of lockdown to contain new cases whilst accelerating vaccinations.

Back to Malaysia, the full MCO 3.0 was extended beyond 14th Jun dragging into July as daily new Covid-19 cases remain stubbornly high at >5k levels. The National Recovery Plan was also unveiled during the month and it comprised four phases of an exit strategy from the Covid-19 pandemic. Each phase will have three main threshold indicators that need to be met for progression to the next phase which are – daily cases of infection, bed utilization rates in ICU and the % of population having received two doses of Covid-19 vaccine injections. The government also announced further aid under the PEMULIH package worth RM150b where RM10b will be via direct fiscal injection. This will likely result in a widening of the fiscal deficit, putting further downward pressure on its sovereign ratings. S&P during the month affirmed Malaysia's credit rating at A- but maintained the "negative" outlook which has been in place since Jun 2000. There were some interesting corporate actions during the month with MMC to be privatized by Tan Sri Syed Mokhtar via a selective capital reduction (SCR) at RM2/share (>60% premium to the last traded price prior to the announcement), KLK will be acquiring IJM Corp's 56.2% equity stake in IJM Plant for total consideration of RM1.5b (RM3.10/share) and Sunway successfully divested a 16% stake in Sunway Healthcare for RM750m to GIC (implied valuation for Sunway Healthcare was RM4.7b).

Retailers were net buyers at +RM1.7bn (+USD409m) whilst local institutions were net sellers at – RM1.2bn (-USD289m). Foreign institutions were net sellers at -RM1.2bn (-USD289m). Retailers and local institutions accounted for 35.7% and 27.5% of value traded with foreigners the remaining 17.4%. For the month, FBMKLCI was down by 3.22% mom to 1,532.63 pts. The FBM Shariah declined by 4.7%, FBMSC retraced by 3.6% and FBM Emas was lower by 3%.

Going forward, market will continue to be sensitive to economic data, inflation readings and the movement in bond yields. Sustained inflation beyond the near-term transitory increases and/or a sudden spike in bond yields will result in a very volatile market. Given the emergence of the Delta variant, the sustainability of the US reopening will be closely followed by market participants. In Malaysia, the Covid-19 infection trend and pace of vaccination will continue to dictate market movements. The domestic political turmoil continues as despite calls from the King to resume parliament, there has not been a firm announcement from the Prime Minister or his cabinet. The upcoming MPC meeting will also be closely followed where given the recent turn of events, there are noises of a potential rate cut. Markets will remain volatile – we maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

The UST's performance over the near term will be influenced by key economic data releases which will form a basis of investors' perception on inflationary pressures be it one that is sustained or transient. The market will also be keeping a close watch on the Fed's tone as signs of a shift in its previously dovish tone at the onset of the pandemic have been made present as of late. On the supply front, progress and outcome of President Biden's USD 1 trillion infrastructure plan will be monitored as the plan could be partly funded through issuances of public debt.

On the domestic front, close attention will be paid on the MPC meeting in July given the challenges facing the economy amid growing concerns on the public health situation. Key indicators on the nations' pandemic containment measure will be monitored given that there are now clear conditions that are to be met before gradual reopening of the economy would resume. Over the near term, supply of domestic debt could increase to fund the government latest stimulus package dubbed 'PEMULIH' which includes a RM10.0 billion direct fiscal injection. Any weakness in the bond market will provide good opportunity for the Fund to rebuild its position for the second half of the year as we expect OPR to remain low for a prolong period coupled with a potential rate cut within next 6 to 12 months.

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	2.4%	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%
<b>HLAVDP- Gross</b>	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%
<b>HLAVDP - Net</b>	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%

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.**

## Investment Risks

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

### 1. Market Risk

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

### 2. Liquidity Risk

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

### 3. Credit Risk

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

### 4. Interest Rate Risk

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

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

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

### Disclaimer:

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

# HLA Venture Flexi Fund (HLAVFF)

June 2021

## 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

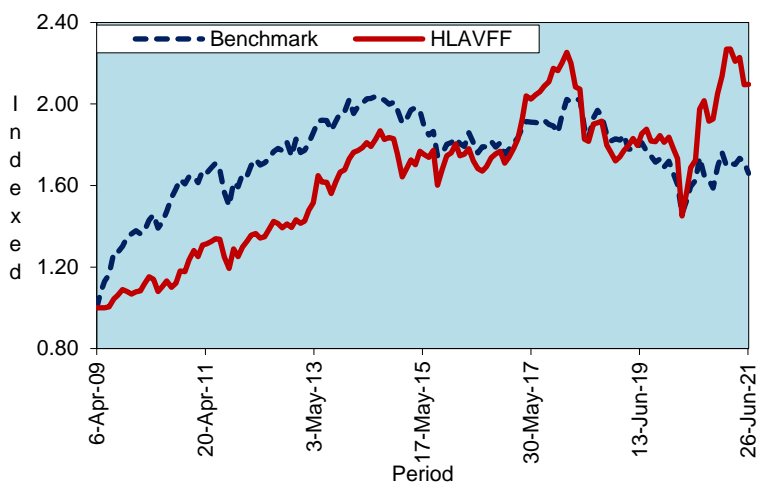
Unit Price (30/6/2021)	: RM1.0483
Fund Size (30/6/2021)	: RM130.7 mil
Fund Management Fee (effective as at 01/01/2019)	: 1.31% p.a. (capped at 1.48%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 06 April 2009
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
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.*

## Top 5 Holdings for HLAVFF as at 30 June 2021

	%
1. Maybank	5.8
2. CIMB	5.7
3. TENAGA	4.2
4. UWC	3.9
5. RHBBANK	3.7
Total Top 5	23.3

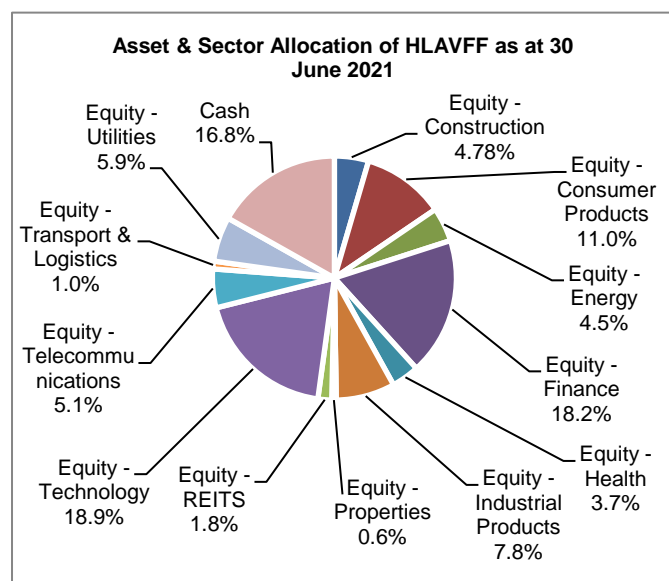
## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVFF	-1.93%	0.06%	21.57%	15.41%	25.50%	56.56%	109.66%
Benchmark*	-5.81%	-3.22%	2.11%	-9.39%	-7.34%	-2.94%	65.91%
Relative	3.89%	3.27%	19.46%	24.81%	32.84%	59.50%	43.75%

\*Source: Bloomberg

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# HLA Venture Flexi Fund (HLAVFF)

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Retailers were net buyers at +RM1.7bn (+USD409m) whilst local institutions were net sellers at – RM1.2bn (-USD289m). Foreign institutions were net sellers at -RM1.2bn (-USD289m). Retailers and local institutions accounted for 35.7% and 27.5% of value traded with foreigners the remaining 17.4%. For the month, FBMKLCI was down by 3.22% mom to 1,532.63 pts. The FBM Shariah declined by 4.7%, FBMSC retraced by 3.6% and FBM Emas was lower by 3%.

Going forward, market will continue to be sensitive to economic data, inflation readings and the movement in bond yields. Sustained inflation beyond the near-term transitory increases and/or a sudden spike in bond yields will result in a very volatile market. Given the emergence of the Delta variant, the sustainability of the US reopening will be closely followed by market participants. In Malaysia, the Covid-19 infection trend and pace of vaccination will continue to dictate market movements. The domestic political turmoil continues as despite calls from the King to resume parliament, there has not been a firm announcement from the Prime Minister or his cabinet. The upcoming MPC meeting will also be closely followed where given the recent turn of events, there are noises of a potential rate cut. Markets will remain volatile – we maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

The UST's performance over the near term will be influenced by key economic data releases which will form a basis of investors' perception on inflationary pressures be it one that is sustained or transient. The market will also be keeping a close watch on the Fed's tone as signs of a shift in its previously dovish tone at the onset of the pandemic have been made present as of late. On the supply front, progress and outcome of President Biden's USD 1 trillion infrastructure plan will be monitored as the plan could be partly funded through issuances of public debt.

On the domestic front, close attention will be paid on the MPC meeting in July given the challenges facing the economy amid growing concerns on the public health situation. Key indicators on the nations' pandemic containment measure will be monitored given that there are now clear conditions that are to be met before gradual reopening of the economy would resume. Over the near term, supply of domestic debt could increase to fund the government latest stimulus package dubbed 'PEMULIH' which includes a RM10.0 billion direct fiscal injection. Any weakness in the bond market will provide good opportunity for the Fund to rebuild its position for the second half of the year as we expect OPR to remain low for a prolong period coupled with a potential rate cut within next 6 to 12 months.

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	0.8%	10.3%	10.5%	-5.7%	-3.9%	-3.0%	9.5%	-5.9%	-6.0%	2.4%
<b>HLAVFF- Gross</b>	7.0%	12.7%	24.1%	-3.9%	12.2%	-2.4%	30.6%	-22.2%	8.8%	19.4%
<b>HLAVFF - Net</b>	5.1%	10.2%	20.8%	-5.0%	9.8%	-3.7%	26.7%	-21.9%	6.7%	16.4%

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.**

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

## Investment Risks

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

### 1. Market Risk

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

### 2. Liquidity Risk

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

### 3. Credit Risk

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

### 4. Interest Rate Risk

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



## HLA Venture Flexi Fund (HLAVFF)

### 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:

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### Basis of Unit Valuation

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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

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### Disclaimer:

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# HLA Value Fund (HLAVF)

June 2021

## 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

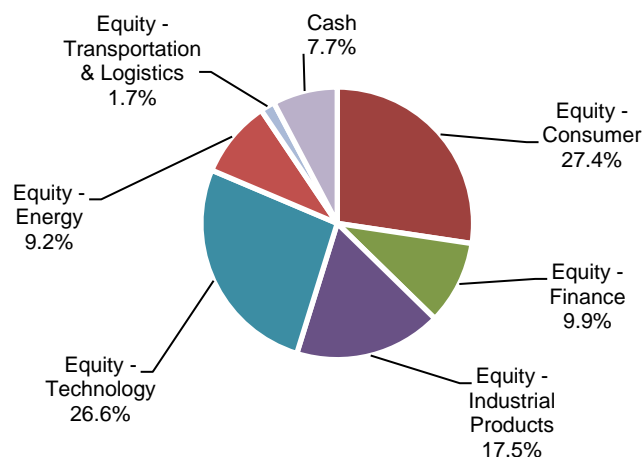
This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

## Fund Details

Unit Price (30/6/2021)	: RM1.7847
Fund Size (30/6/2021)	: RM210.5 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.

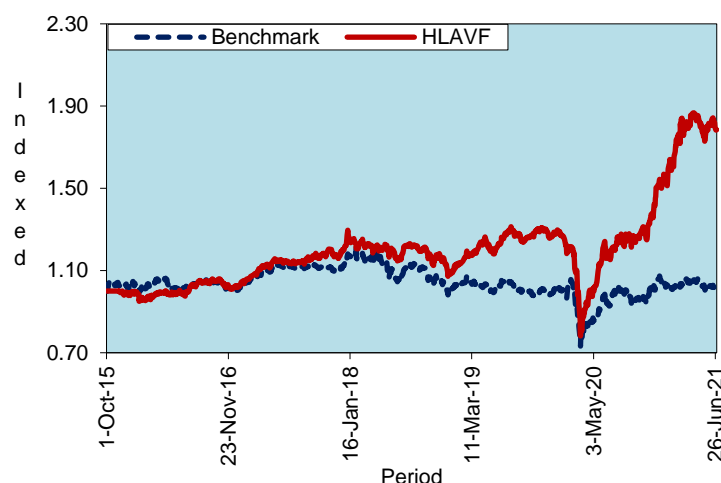
Asset & Sector Allocation of HLAVF as at 30 June 2021



Top 5 Holdings for HLAVF as at 30 June 2021

	%
1. Press Metal Aluminium Holdings Berhad	8.9
2. D&O Green Technologies Berhad	9.8
3. PETRONAS Chemicals Group Berhad	8.6
4. Genting Berhad	6.4
5. Bumi Armada Berhad	6.3
Total Top 5	39.9

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLVF	14.24%	0.08%	53.87%	53.84%	79.01%	78.47%
Benchmark*	-5.15%	-2.95%	5.73%	-6.73%	-3.24%	-1.04%
Relative	19.39%	3.04%	48.14%	60.57%	82.25%	79.51%

\*Source: Bloomberg

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

# HLA Value Fund (HLAVF)

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 3.2% to close at 1,533 points. The broader market outperformed as the FTSE BM EMAS Index declined 3.0% to close at 11,156 points. Small caps underperformed as the FTSE BM Small Cap Index declined 3.6% to close at 15,423 points.

Investors remained cautious during the month as the number of COVID-19 cases failed to show a meaningful decline despite the imposition of Movement Control Order (MCO) 3.0.

On the corporate front, Genting Berhad's casino, Resorts World Las Vegas, finally made its debut during the month. Yinson Holdings Berhad agreed to collaborate with Chile-based renewable energy developer Verano Capital Holdings to undertake renewable energy projects in Chile, Colombia and Peru.

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
<b>Benchmark</b>	4.6%	-2.8%	12.9%	-11.1%	-1.6%	3.9%
<b>HLVF- Gross</b>	-0.1%	4.7%	22.2%	-9.3%	20.0%	25.3%
<b>HLVF - Net</b>	-0.4%	2.8%	19.0%	-10.0%	17.0%	21.8%

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

## 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.

## HLA Value Fund (HLAVF)

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	1.7%	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%	21.8%

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.

# Hong Leong SMART Invest Fund (HLSIF)

June 2021

## 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.

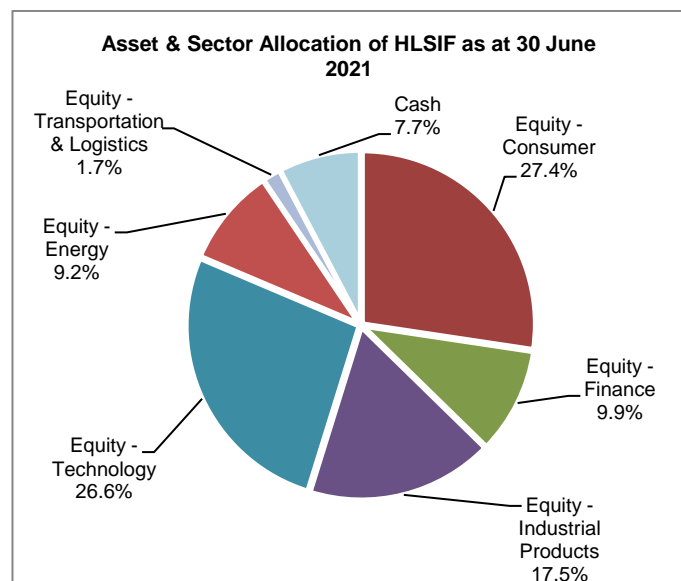
### 4. Target Market

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 (30/6/2021)	: RM1.4811
Fund Size (30/6/2021)	: RM578.8 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

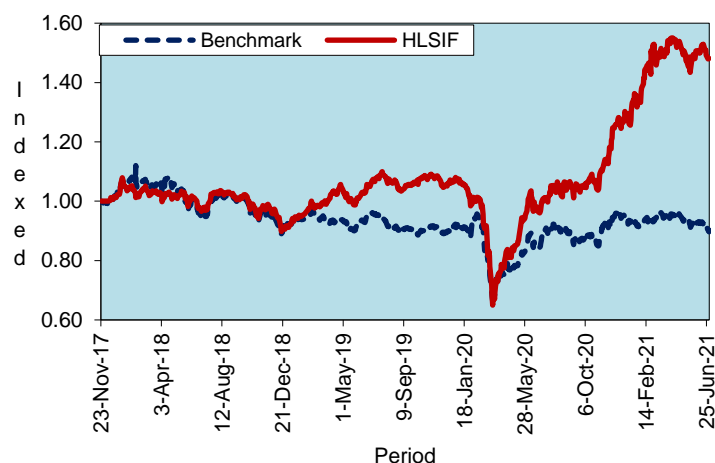
Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety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



## Top 5 Holdings for HLSIF as at 30 June 2021

	%
1. Press Metal Aluminium Holdings Berhad	8.9
2. D&O Green Technologies Berhad	9.8
3. PETRONAS Chemicals Group Berhad	8.6
4. Genting Berhad	6.4
5. Bumi Armada Berhad	6.3
Total Top 5	39.9

## Historical Performance



	YTD	1 month	3 months	1 year	2 years	Since Inception
HLSIF	14.17%	0.05%	-1.19%	53.26%	41.06%	48.11%
Benchmark*	-5.15%	-2.95%	-3.95%	5.73%	-5.31%	-10.27%
Relative	19.32%	3.01%	2.76%	47.53%	46.37%	58.38%

\*Source: Bloomberg

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

## Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI declined 3.2% to close at 1,533 points. The broader market outperformed as the FTSE BM EMAS Index declined 3.0% to close at 11,156 points. Small caps underperformed as the FTSE BM Small Cap Index declined 3.6% to close at 15,423 points.

Investors remained cautious during the month as the number of COVID-19 cases failed to show a meaningful decline despite the imposition of Movement Control Order (MCO) 3.0.

On the corporate front, Genting Berhad's casino, Resorts World Las Vegas, finally made its debut during the month. Yinson Holdings Berhad agreed to collaborate with Chile-based renewable energy developer Verano Capital Holdings to undertake renewable energy projects in Chile, Colombia and Peru.

The Fund will continue to invest in companies that would benefit from superior pricing power and efficient cost management.

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

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# Hong Leong SMART Invest Fund (HLSIF)

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

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

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

### 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.

# Hong Leong SMART Invest Fund (HLSIF)

## 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	1.7%	8.1%	19.6%	1.1%	18.8%	3.1%	21.7%	-12.2%	16.6%	21.8%

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.

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

## Disclaimer:

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

# Hong Leong SMART Growth Fund (HLSGF)

June 2021

## Fund Features

### 1. Investment Objective

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

### 2. Investment Strategy & Approach

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

### 3. Asset Allocation

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

### 4. Target Market

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

## Fund Details

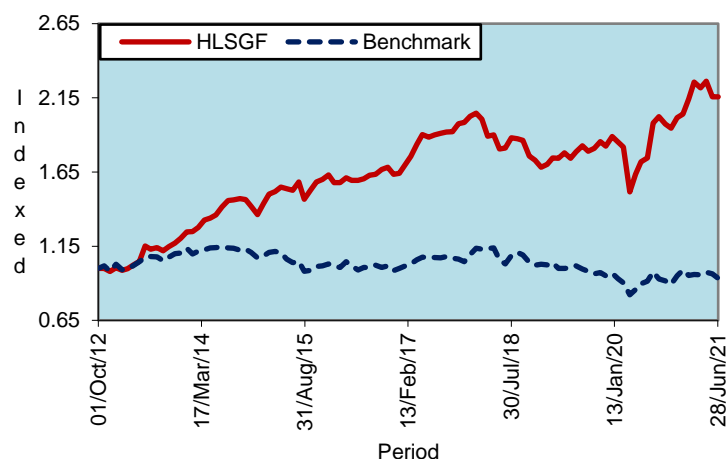
Unit Price (30/6/2021)	: RM2.1566
Fund Size (30/6/2021)	: RM225.2 mil
Fund Management Fee	: 1.50% p.a.
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 01 Oct 2012
Benchmark	: FTSE Bursa Malaysia KLCI Index (FBM KLCI)
Frequency of Unit Valuation	: Daily

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.

## Top 5 Holdings for HLSGF as at 30 June 2021

	%
1. GREATECH TECHNOLOGY BHD	9.6
2. FRONTKEN CORPORATION BERHAD	9.0
3. REVENUE GROUP BHD	4.3
4. HONG LEONG FINANCIAL GROUP BHD	4.0
5. SUNWAY BERHAD	3.9
Total Top 5	30.8

## Historical Performance

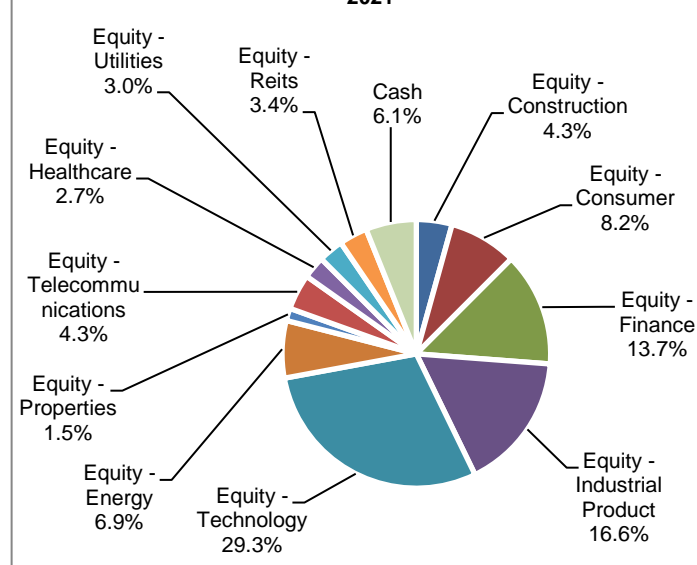


	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLSGF	5.73%	0.00%	23.68%	19.00%	34.45%	115.66%
Benchmark*	-5.81%	-3.22%	2.11%	-9.39%	-7.34%	-6.74%
Relative	11.54%	3.22%	21.57%	28.40%	41.79%	122.40%

\*Source: Bloomberg

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

## Asset & Sector Allocation of HLSGF as at 30 June 2021



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

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# Hong Leong SMART Growth Fund (HLSGF)

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

The US equity market took a dip mid-June from initial inflation fears and the Federal Reserve's hawkish announcement during the US FOMC meeting, before recouping its losses at the end of the month, closing higher as compared to May. The upward trajectory was mainly buoyed by the announcement by US President Joe Biden on a new infrastructure deal, which fueled the rally among major indices worldwide. The US Federal Reserve has announced that interest rates will be maintained close to zero at 0-0.25% for now. However, they expect to raise interest rates from rock bottom sooner than expected, with rates expecting to increase as soon as late 2022 or early 2023 and baby steps taken toward reducing emergency support for the economy, which includes cutting back on their vast bond purchases. Amidst the on-going global roll-out of vaccine administration, COVID-19 cases in the US have begun to plateau with only 1.2% increase from May to June at 33.7 million cases (compared to 33.3 million cases in May).

In Malaysia, a total lockdown came into effect in June due to the surge in COVID-19 cases. The government announced an additional RM40 billion Pemerkasa+ stimulus package to help mitigate the economic impact of the total lockdown. The government also unveiled its National Recovery Plan comprised of a four-phase exit strategy from the current Phase 1 lockdown. As of 29 June, Malaysia has administered 7.8 million vaccine doses (5.6 million first doses and 2.2 million second doses). This translates to 17.2% of the population having received their first dose, and 6.8% of the population being fully inoculated.

Malaysia's unemployment rate slipped to 4.6% in April, an improvement from 4.7% in March, and the lowest since October last year, on easing curbs for the economy but the impact of the total lockdown may weigh on the recovery. World Bank revised Malaysia's 2021 GDP forecast down to 4.5% from 6.0% earlier amid a dramatic resurgence of COVID-19 infections.

The KLCI and FBM Shariah Index declined 3.22% and 4.66% respectively in June. Meanwhile, the FBM Small Cap Index fell 3.56%. Foreign investors remain net sellers of Malaysia equities for the 23rd consecutive month. Net selling was RM1.2 billion in June, taking year-to-date net selling to RM4.2 billion. Brent crude oil rose 8.38% to US\$75.10/barrel while CPO declined 8.17% to RM3,599/ton.

While the global economy continues on its recovery path led by developed markets, the risk of a significant pickup in inflation and COVID-19 flareups in some parts of the world could create some volatility. Nonetheless, accommodative monetary policies by global central banks and strong fiscal stimulus are overall supportive for global equities. We remain buyers on market weakness.

We maintain a barbell investment strategy, focusing on recovery/re-opening and structural growth themes. For recovery themes, we focus on cyclical sectors such as consumer discretionary (retail and leisure), energy and materials. For structural growth theme, we like sectors such as technology, electronics manufacturing services (EMS) and renewable energy.

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

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

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.

**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.

### 4. Interest Rate Risk

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

### 5. Country Risk

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

### 6. Currency Risk

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

### 7. Concentration Risk

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

## Risk Management

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

## Hong Leong SMART Growth Fund (HLSGF)

- 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.

### 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	19.1%	14.1%	26.4%	9.3%	20.9%	-0.1%	25.8%	-18.1%	13.5%	8.9%

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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# HLA Venture Global Fund (HLAVGLF)

June 2021

## 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

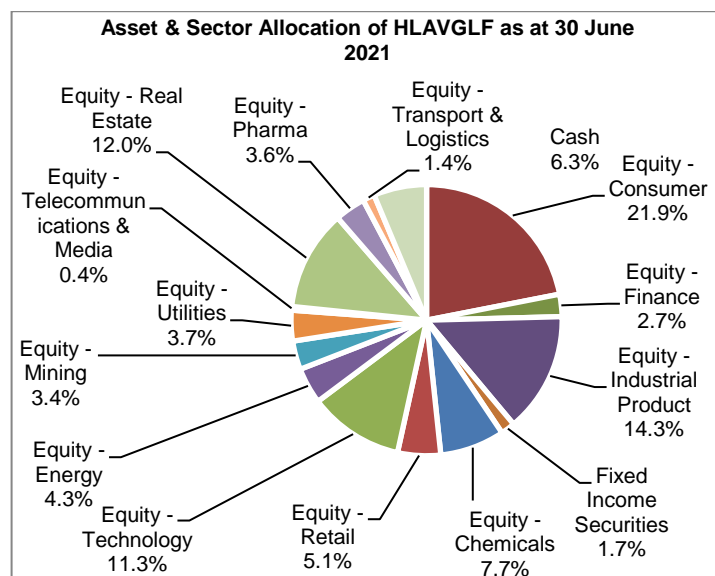
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

## Fund Details

Unit Price (30/6/2021)	:RM1.8996
Fund Size (30/6/2021)	:RM41.8 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.

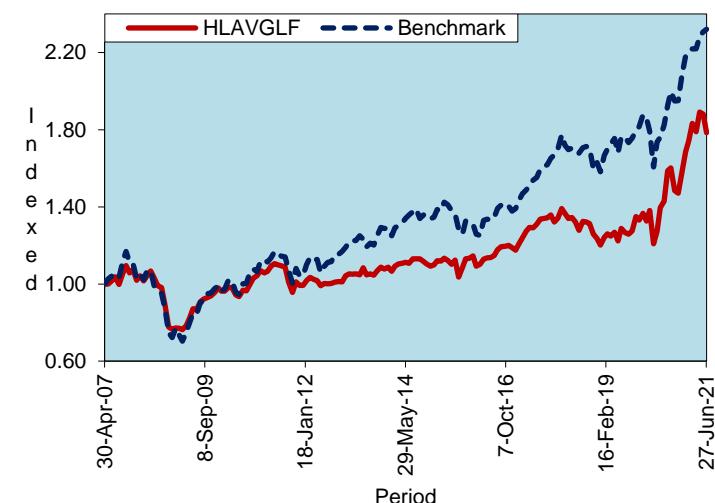
Asset Allocation for HLAVGLF as at 30 June 2021	%
Hong Leong Asia-Pacific Dividend Fund	71.48
Hong Leong Strategic Fund	27.41
Cash	0.1
Total	100.0



## Top 5 Holdings for HLAVGLF as at 30 June 2021

	%
1. Shimao Services Holdings Limited	6.2
2. Eclat Textile Company Limited	5.7
3. Chow Tai Fook Jewellery Group Limited	5.1
4. Makalot Industrial Company Limited	4.9
5. D&O Green Technologies Berhad	4.6
Total Top 5	26.5

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	12.75%	1.04%	32.85%	48.57%	65.61%	73.80%	89.96%
Benchmark*	6.38%	0.56%	27.19%	38.33%	72.66%	103.07%	132.07%
Relative	6.36%	0.48%	5.66%	10.23%	-7.05%	-29.27%	-42.11%

\*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** – Global developed markets continue to trend higher despite the US Federal Reserve (Fed) turning slightly hawkish. The unexpected decline in Treasury yields spurred investors to relook at technology stocks that have corrected in the past few months. The Dow Jones Industrial Average Index declined 0.1% and the broader S&P 500 Index rose 2.2%. The Euro Stoxx Index rose 0.6% and the FTSE 100 Index rose 0.2%.

**Asia Pacific** – Regional equities sentiment was dampened slightly after a hawkish turn by the US Fed and rising US Dollar. Taiwan market rebounded after the number of COVID-19 cases declined. In the region, Philippines and Taiwan were the leaders while Malaysia and Hong Kong were the laggards.

**Malaysia** – The local market declined as the number of COVID-19 cases continues to rise, raising concerns about the effectiveness of the current lockdown and rising likelihood of further movement restrictions. The FTSE BM KLCI declined 3.2% to close at 1,533 points. The broader market outperformed as the FTSE BM EMAS Index declined 3.0% to close at 11,156 points. Small caps underperformed as the FTSE BM Small Cap declined Index 3.6% to close at 15,423 points

### Outlook & Strategy

**Global** - The rebound in economic activities and severe supply chain disruption have fuelled inflation in some countries, particularly in countries that have successfully reopened their economies. The US Fed continues to see inflation as transitory despite moving forward the expectations of the first rate hike. Despite these mixed signals, the one definitive conclusion we can draw from this is that the ongoing economic recovery remains robust.

**Asia Pacific** - The economies in parts of the region remain under severe pressure due to the renewed COVID-19 resurgence. Certain countries that have previously successfully battled the pandemic are experiencing new COVID-19 waves, partly due to the low vaccination rate. The emergence of a new and highly contagious variant is seen to be hampering reopening efforts in certain countries and this is expected to push the economic recovery further down the road.

**Malaysia** – Despite the encouraging vaccination rollout, we expect investors remain cautious in the local market due to the persistently high number of COVID-19 cases. We prefer to be invested in selected export stocks.

### Fixed Income Review and Outlook

Malaysia's gross domestic product (GDP) growth forecast is projected to be revised lower from official 6.0% to 4.0% in light of the lockdown extension. Headline inflation came in at 4.4% in May 2021 compared to 4.7% in the preceding month with year-to-date (YTD) inflation for the period stood at 2.1%. Exports continued to post strong growth with 47.3% increase in May to RM92.3 billion while imports grew by 50.3% to RM78.6 billion bringing trade surplus to RM13.7 billion. We continued to see modest growth in the re-exports and manufacturing industry given global supply chain bottlenecks.

The Prime Minister also unveiled new stimulus package (PEMULIH) worth RM150 billion with RM10 billion in direct fiscal injection to tide the nation over the Movement Control Order (MCO) 3.0. The cumulative package grew to RM530 billion announced over eight fiscal packages with total direct cash infusion of RM87.6 billion. The measures amongst others include opt-in loan moratorium, Employees' Provident Fund (EPF) cash withdrawals and extension of wage subsidies program.

We expect Bank Negara Malaysia (BNM) to maintain its Overnight Policy Rate (OPR) in July Monetary Policy Committee (MPC) meeting at 1.75% but we do not discount a possible 0.25% rate cut this year as growth forecast is likely to be affected by the recent lockdowns.

On portfolio positioning, we are maintaining our defensive positioning by keeping portfolio duration short as the UST continues to drive the local bond market. We expect BNM to maintain its policy rate for the rest of the year but we do not discount marginal possibility of a 25-basis-point cut this year given weaker-than-expectations GDP growth forecast and Institute for Supply Management (ISM) production numbers arising from recent lockdown measures.

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	-6.5%	14.0%	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%	16.2%
<b>HLAVGLF- Gross</b>	-5.8%	6.8%	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%	26.7%
<b>HLAVGLF - Net</b>	-7.1%	5.0%	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%	13.7%	23.3%

Net returns are adjusted for tax and fund management fees.

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

**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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	-15.0%	15.2%	-4.8%	-1.0%	6.5%	1.8%	19.2%	-13.3%	24.9%	50.7%

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	-0.7%	4.9%	14.5%	-0.7%	4.3%	4.8%	10.9%	-10.3%	2.2%	-13.4%

Source: Hong Leong Asset Management Berhad (HLAM)

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

### Basis of Calculation of Past Performance

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

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

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

### Others

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

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

### Disclaimer:

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

# HLA Venture Managed Fund (HLAVMF)

June 2021

## 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.

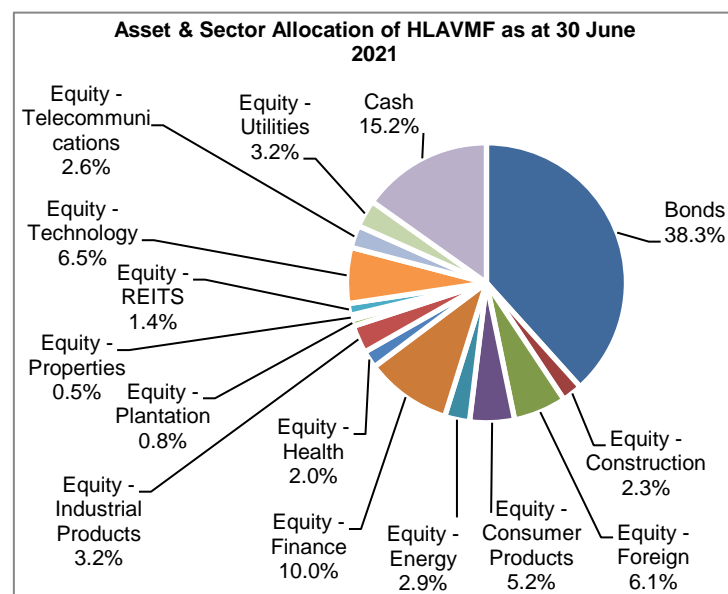
### 4. Target Market

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

## Fund Details

Unit Price (30/6/2021)	:RM2.3889
Fund Size (30/6/2021)	:RM311.3 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.

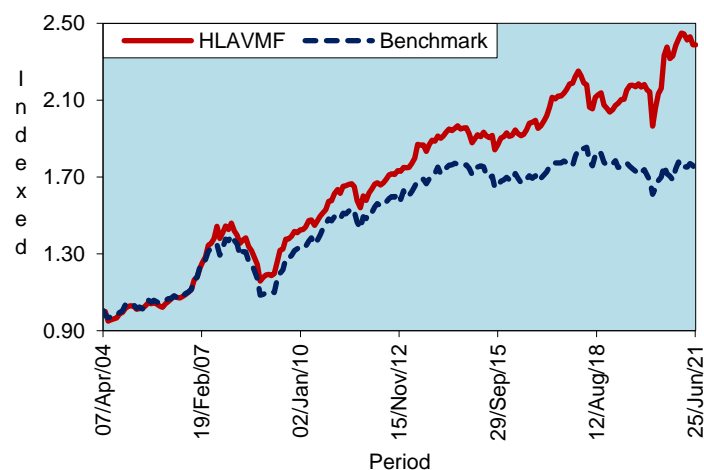


FI : Fixed Income  
EQ : Equities

## Top 5 Holdings for HLAVMF as at 30 June 2021

		%
1.	CIMB	EQ 3.6
2.	MAYBANK	EQ 3.5
3.	RHBBANK	EQ 2.9
4.	TENAGA	EQ 2.8
5.	M'SIAN GOV SECURITIES	EQ 2.8
Total Top 5		15.6

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVMF	-1.20%	0.06%	10.53%	16.21%	24.34%	43.42%	138.89%
Benchmark*	-2.58%	-1.57%	1.97%	-1.41%	2.64%	12.81%	72.47%
Relative	1.38%	1.63%	8.56%	17.62%	21.70%	30.61%	66.42%

\*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

For the month of June, global equities continued to edge higher driven by the US and Europe, while Asian markets continued to underperform. Strong economic data and continued assurances from the Fed and ECB of unwavering support provided a boost to markets despite the spread of the Delta variant. The Fed chief reiterated that the central bank would not simply raise interest rates too quickly based only on the fear of coming inflation as the central bank views the recent high inflation readings as transitory. They will instead focus more on encouraging a broad and inclusive recovery of the job market. Vaccination rollout continues to gain momentum in the US making it the first country out the “reopening” gate. Likewise in Europe, its economy is slowly accelerating on the backdrop of reopening and progress in vaccinations. In contrast, parts of Asia that performed well in the pandemic like Singapore, Hong Kong and Australia dropped in rankings as strict border curbs remain in place and a zero-tolerance approach to small virus flare-ups limit their ability to reopen. Elsewhere within the Asean region, Malaysia, Thailand and Indonesia have shifted to some form of lockdown to contain new cases whilst accelerating vaccinations.

Back to Malaysia, the full MCO 3.0 was extended beyond 14<sup>th</sup> Jun dragging into July as daily new Covid-19 cases remain stubbornly high at >5k levels. The National Recovery Plan was also unveiled during the month and it comprised four phases of an exit strategy from the Covid-19 pandemic. Each phase will have three main threshold indicators that need to be met for progression to the next phase which are – daily cases of infection, bed utilization rates in ICU and the % of population having received two doses of Covid-19 vaccine injections. The government also announced further aid under the PEMULIH package worth RM150b where RM10b will be via direct fiscal injection. This will likely result in a widening of the fiscal deficit, putting further downward pressure on its sovereign ratings. S&P during the month affirmed Malaysia's credit rating at A- but maintained the “negative” outlook which has been in place since Jun 2000. There were some interesting corporate actions during the month with MMC to be privatized by Tan Sri Syed Mokhtar via a selective capital reduction (SCR) at RM2/share (>60% premium to the last traded price prior to the announcement), KLK will be acquiring IJM Corp's 56.2% equity stake in IJM Plant for total consideration of RM1.5b (RM3.10/share) and Sunway successfully divested a 16% stake in Sunway Healthcare for RM750m to GIC (implied valuation for Sunway Healthcare was RM4.7b).

Retailers were net buyers at +RM1.7bn (+USD409m) whilst local institutions were net sellers at – RM1.2bn (-USD289m). Foreign institutions were net sellers at -RM1.2bn (-USD289m). Retailers and local institutions accounted for 35.7% and 27.5% of value traded with foreigners the remaining 17.4%. For the month, FBMKLCI was down by 3.22% mom to 1,532.63 pts. The FBM Shariah declined by 4.7%, FBMSC retraced by 3.6% and FBM Emas was lower by 3%.

Going forward, market will continue to be sensitive to economic data, inflation readings and the movement in bond yields. Sustained inflation beyond the near-term transitory increases and/or a sudden spike in bond yields will result in a very volatile market. Given the emergence of the Delta variant, the sustainability of the US reopening will be closely followed by market participants. In Malaysia, the Covid-19 infection trend and pace of vaccination will continue to dictate market movements. The domestic political turmoil continues as despite calls from the King to resume parliament, there has not been a firm announcement from the Prime Minister or his cabinet. The upcoming MPC meeting will also be closely followed where given the recent turn of events, there are noises of a potential rate cut. Markets will remain volatile – we maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

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

U.S. Treasury (“UST”) yields in June recorded mixed performance across tenors. Yields on the 2- and 5-year tenors increased by 11 and 9 bps respectively while the 10- and 30-year declined by 13 and 20 bps m-o-m respectively as at end June. The shorter tenors which tend to be more sensitive to interest rate movement inched upwards as a result of the Fed's mild shift towards a more hawkish tone. In mid-June, some members of the Fed took hold of the view that the timeline of rate cuts could be brought forward to 2023 from 2024. The longer term tenors remained supported by relatively tepid economic data coupled with Fed's reassurance that reversal in its accommodative stance in the near term is unlikely as inflationary pressure would likely be transient in the near term. Unemployment claims for the week ended June 19 stood higher than the 380,000 consensus forecast, coming in at 411,000, indicating that the job market has yet to fully recover. The market seems to be in agreement with the Fed's view that recent spikes in inflation data is transitory as yields did not spike up despite a 5% annual increase in May's consumer price index.

On the local front, govovies yields were largely on a declining trend. The yields on the 3-, 5-, 7- 15- and 30- tenors declined by 4, 4, 2 and 17 bps respectively while the 10- and 20- tenors increased by 5 and 1 bps. The rally in domestic bond was induced by risk-off sentiments arising from the full movement control order (FMCO) in June. The FMCO was envisaged to emulate the first MCO back In March 2020 which caused severe contraction in the domestic economy. While the estimated economic impact of the FMCO of RM1 billion daily is lower against RM2.4 billion arising from the first MCO, the economic impact was sufficient to promote demand of safe haven assets. May's Inflation reading of 4.4% y-o-y which fell short of consensus estimates of 4.7% suggest that there is no real concerns of unexpected inflation just yet, keeping reflation trades in check. Additionally, buying interest was also supported by the affirmation of Malaysia's sovereign rating by Moody's and S&P during the month which to an extent staved off concerns of severe deterioration in the nation's economic fundamentals.

In the corporate bond segment, risk off sentiment increased the appeal of defensive bonds with strong credit profiles. As such, AAA and GG bonds continued to make up the bulk of daily transactions. Some prominent new issuances during the month were Cagamas Berhad (RM1.85 billion, AAA), Bank Pembangunan Malaysia Berhad (RM1.25 billion, AAA), SP Setia Berhad (RM800 million, AA) Pengurusan Air Berhad (RM550 million, AAA), Bank Muamalat Malaysia Berhad (RM500 million, A3), and 7-Eleven Malaysia Holdings Berhad (RM500 million, AA-).

The UST's performance over the near term will be influenced by key economic data releases which will form a basis of investors' perception on inflationary pressures be it one that is sustained or transient. The market will also be keeping a close watch on the Fed's tone as signs of a shift in its previously dovish tone at the onset of the pandemic have been made present as of late. On the supply front, progress and outcome of President Biden's USD 1 trillion infrastructure plan will be monitored as the plan could be partly funded through issuances of public debt.

On the domestic front, close attention will be paid on the MPC meeting in July given the challenges facing the economy amid growing concerns on the public health situation. Key indicators on the nations' pandemic containment measure will be monitored given that there are now clear conditions that are to be met before gradual reopening of the economy would resume. Over the near term, supply of domestic debt could increase to fund the government latest stimulus package dubbed 'PEMULIH' which includes a RM10.0 billion direct fiscal injection. Any weakness in the bond market will provide good opportunity for the Fund to rebuild its position for the second half of the year as we expect OPR to remain low for a prolong period coupled with a potential rate cut within next 6 to 12 months.



# HLA Venture Managed Fund (HLAVMF)

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	2.9%	7.0%	7.3%	-2.6%	-1.3%	-0.8%	6.6%	-1.9%	-1.8%	2.3%
<b>HLAVMF - Gross</b>	1.6%	10.3%	11.4%	-0.7%	4.3%	3.4%	15.4%	-7.6%	9.0%	13.1%
<b>HLAVMF - Net</b>	0.3%	8.3%	9.3%	-1.9%	2.7%	2.0%	12.9%	-8.3%	7.0%	10.8%

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.

### 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.

### Basis of Calculation of Past Performance

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

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

### Others

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

## HLA Venture Managed Fund (HLAVMF)

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**Disclaimer:**

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# HLA Venture Income Fund (HLAVIF)

June 2021

## 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

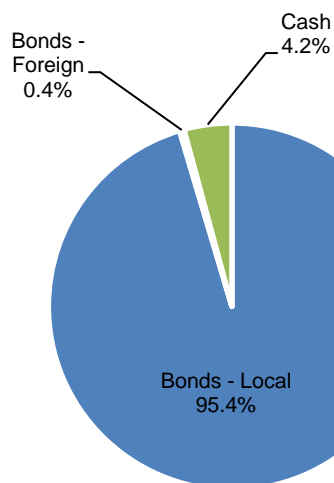
This fund is suitable for investors who have low to moderate risk profile

## Fund Details

Unit Price (30/6/2021)	:RM2.7172
Fund Size (30/6/2021)	:RM433.8 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.*

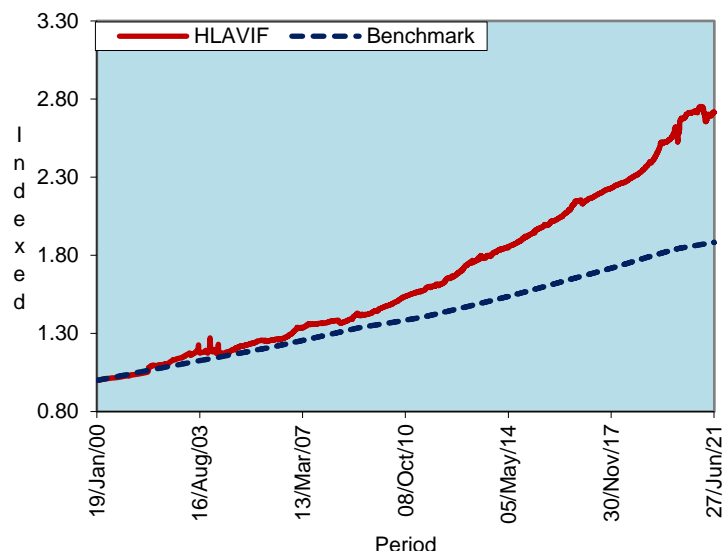
Asset Allocation of HLAVIF as at 30 June 2021



## Top 5 Holdings for HLAVIF as at 30 June 2021

	%
1. M'SIAN GOVERNMENT SECURITIES 0	14.0
2. MALAYSIA INVESTMENT ISSUE 3	11.9
3. M'SIAN GOVERNMENT SECURITIES 1	11.2
4. M'SIAN GOVERNMENT SECURITIES 1	11.0
5. MALAYSIA INVESTMENT ISSUE 3	7.3
Total Top 5	55.4

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVIF	-1.13%	0.64%	1.08%	19.22%	29.56%	70.61%	171.72%
Benchmark*	0.84%	0.14%	1.71%	7.67%	14.40%	33.60%	88.35%
Relative	-1.97%	0.50%	-0.63%	11.55%	15.16%	37.01%	83.37%

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

# HLA Venture Income Fund (HLAVIF)

## Market Review

U.S. Treasury ("UST") yields in June recorded mixed performance across tenors. Yields on the 2- and 5-year tenors increased by 11 and 9 bps respectively while the 10- and 30-year declined by 13 and 20 bps m-o-m respectively as at end June. The shorter tenors which tend to be more sensitive to interest rate movement inched upwards as a result of the Fed's mild shift towards a more hawkish tone. In mid-June, some members of the Fed took hold of the view that the timeline of rate cuts could be brought forward to 2023 from 2024. The longer term tenors remained supported by relatively tepid economic data coupled with Fed's reassurance that reversal in its accommodative stance in the near term is unlikely as inflationary pressure would likely be transient in the near term. Unemployment claims for the week ended June 19 stood higher than the 380,000 consensus forecast, coming in at 411,000, indicating that the job market has yet to fully recover. The market seems to be in agreement with the Fed's view that recent spikes in inflation data is transitory as yields did not spike up despite a 5% annual increase in May's consumer price index.

On the local front, govies yields were largely on a declining trend. The yields on the 3-, 5-, 7- 15- and 30- tenors declined by 4, 4, 2 and 17 bps respectively while the 10- and 20- tenors increased by 5 and 1 bps. The rally in domestic bond was induced by risk-off sentiments arising from the full movement control order (FMCO) in June. The FMCO was envisaged to emulate the first MCO back in March 2020 which caused severe contraction in the domestic economy. While the estimated economic impact of the FMCO of RM1 billion daily is lower against RM2.4 billion arising from the first MCO, the economic impact was sufficient to promote demand of safe haven assets. May's Inflation reading of 4.4% y-o-y which fell short of consensus estimates of 4.7% suggest that there is no real concerns of unexpected inflation just yet, keeping deflation trades in check. Additionally, buying interest was also supported by the affirmation of Malaysia's sovereign rating by Moody's and S&P during the month which to an extent staved off concerns of severe deterioration in the nation's economic fundamentals.

In the corporate bond segment, risk off sentiment increased the appeal of defensive bonds with strong credit profiles. As such, AAA and GG bonds continued to make up the bulk of daily transactions. Some prominent new issuances during the month were Cagamas Berhad (RM1.85 billion, AAA), Bank Pembangunan Malaysia Berhad (RM1.25 billion, AAA), SP Setia Berhad (RM800 million, AA) Pengurusan Air Berhad (RM550 million, AAA), Bank Muamalat Malaysia Berhad (RM500 million, A3), and 7-Eleven Malaysia Holdings Berhad (RM500 million, AA-).

## Market Outlook & Strategy

The UST's performance over the near term will be influenced by key economic data releases which will form a basis of investors' perception on inflationary pressures be it one that is sustained or transient. The market will also be keeping a close watch on the Fed's tone as signs of a shift in its previously dovish tone at the onset of the pandemic have been made present as of late. On the supply front, progress and outcome of President Biden's USD 1 trillion infrastructure plan will be monitored as the plan could be partly funded through issuances of public debt.

On the domestic front, close attention will be paid on the MPC meeting in July given the challenges facing the economy amid growing concerns on the public health situation. Key indicators on the nations' pandemic containment measure will be monitored given that there are now clear conditions that are to be met before gradual reopening of the economy would resume. Over the near term, supply of domestic debt could increase to fund the government latest stimulus package dubbed 'PEMULIH' which includes a RM10.0 billion direct fiscal injection. Any weakness in the bond market will provide good opportunity for the Fund to rebuild its position for the second half of the year as we expect OPR to remain low for a prolong period coupled with a potential rate cut within next 6 to 12 months.

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	2.8%	3.1%	3.1%	3.2%	3.2%	3.1%	3.0%	3.3%	3.0%	1.5%
<b>HLAVIF- Gross</b>	4.8%	10.0%	5.4%	5.8%	6.5%	6.9%	5.3%	5.6%	10.2%	9.0%
<b>HLAVIF - Net</b>	3.9%	8.7%	4.5%	4.8%	5.5%	5.8%	4.4%	4.6%	8.9%	7.8%

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.

- 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

## HLA Venture Income Fund (HLAVIF)

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

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

### Disclaimer:

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



# HLA Dana Suria (HLADS)

June 2021

## 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

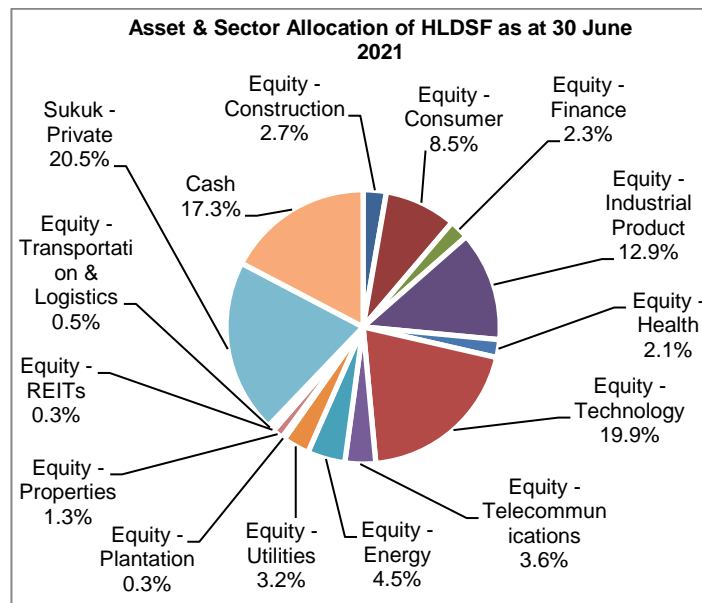
This fund is suitable for investors who have moderate risk-reward temperament and are looking for returns from Shariah-compliant investments in a medium-to-long term investment horizon.

## Fund Details

Unit Price (30/6/2021)	:RM1.4763
Fund Size (30/6/2021)	:RM9.53 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 Emas Shariah 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.

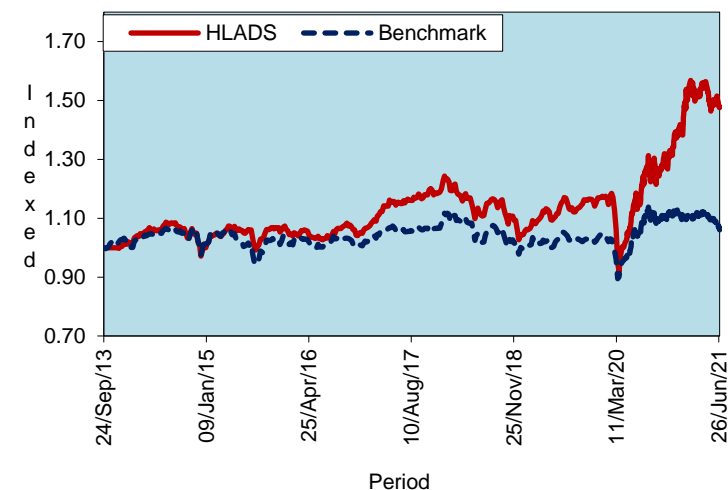
With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.



## Top 5 Holdings for HLADS as at 30 June 2021

		%
1.	D&O Green Technologies Berhad	Equity 4.8
2.	Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA)	Sukuk 4.8
3.	Government Investment Issue	Sukuk 4.4
4.	Press Metal Aluminium Holdings Berhad	Equity 2.7
5.	Focus Point Holdings Bhd	Equity 2.6
Total Top 5		19.3

## Historical Performance



	YTD	1 month	1 year	3 years	5 years	Since Inception
HLADS	4.45%	-0.34%	28.20%	32.76%	43.79%	47.63%
Benchmark*	-4.69%	-3.00%	1.31%	3.60%	5.85%	6.06%
Relative	9.14%	2.67%	26.88%	29.16%	37.94%	41.57%

\*Source: Bloomberg

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

## HLA Dana Suria (HLADS)

### Market Review, Outlook & Strategy

For the month of June, global equities continued to edge higher driven by the US and Europe, while Asian markets continued to underperform. Strong economic data and continued assurances from the Fed and ECB of unwavering support provided a boost to markets despite the spread of the Delta variant. The Fed chief reiterated that the central bank would not simply raise interest rates too quickly based only on the fear of coming inflation as the central bank views the recent high inflation readings as transitory. They will instead focus more on encouraging a broad and inclusive recovery of the job market. Vaccination rollout continues to gain momentum in the US making it the first country out the "reopening" gate. Likewise in Europe, its economy is slowly accelerating on the backdrop of reopening and progress in vaccinations. In contrast, parts of Asia that performed well in the pandemic like Singapore, Hong Kong and Australia dropped in rankings as strict border curbs remain in place and a zero-tolerance approach to small virus flare-ups limit their ability to reopen. Elsewhere within the Asean region, Malaysia, Thailand and Indonesia have shifted to some form of lockdown to contain new cases whilst accelerating vaccinations.

Back to Malaysia, the full MCO 3.0 was extended beyond 14th Jun dragging into July as daily new Covid-19 cases remain stubbornly high at >5k levels. The National Recovery Plan was also unveiled during the month and it comprised four phases of an exit strategy from the Covid-19 pandemic. Each phase will have three main threshold indicators that need to be met for progression to the next phase which are – daily cases of infection, bed utilization rates in ICU and the % of population having received two doses of Covid-19 vaccine injections. The government also announced further aid under the PEMULIH package worth RM150b where RM10b will be via direct fiscal injection. This will likely result in a widening of the fiscal deficit, putting further downward pressure on its sovereign ratings. S&P during the month affirmed Malaysia's credit rating at A- but maintained the "negative" outlook which has been in place since Jun 2000. There were some interesting corporate actions during the month with MMC to be privatized by Tan Sri Syed Mokhtar via a selective capital reduction (SCR) at RM2/share (>60% premium to the last traded price prior to the announcement), KLK will be acquiring IJM Corp's 56.2% equity stake in IJM Plant for total consideration of RM1.5b (RM3.10/share) and Sunway successfully divested a 16% stake in Sunway Healthcare for RM750m to GIC (implied valuation for Sunway Healthcare was RM4.7b).

Retailers were net buyers at +RM1.7bn (+USD409m) whilst local institutions were net sellers at – RM1.2bn (-USD289m). Foreign institutions were net sellers at -RM1.2bn (-USD289m). Retailers and local institutions accounted for 35.7% and 27.5% of value traded with foreigners the remaining 17.4%. For the month, FBMKLCI was down by 3.22% mom to 1,532.63 pts. The FBM Shariah declined by 4.7%, FBMSC retraced by 3.6% and FBM Emas was lower by 3%.

Going forward, market will continue to be sensitive to economic data, inflation readings and the movement in bond yields. Sustained inflation beyond the near-term transitory increases and/or a sudden spike in bond yields will result in a very volatile market. Given the emergence of the Delta variant, the sustainability of the US reopening will be closely followed by market participants. In Malaysia, the Covid-19 infection trend and pace of vaccination will continue to dictate market movements. The domestic political turmoil continues as despite calls from the King to resume parliament, there has not been a firm announcement from the Prime Minister or his cabinet. The upcoming MPC meeting will also be closely followed where given the recent turn of events, there are noises of a potential rate cut. Markets will remain volatile – we maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

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

U.S. Treasury ("UST") yields in June recorded mixed performance across tenors. Yields on the 2- and 5-year tenors increased by 11 and 9 bps respectively while the 10- and 30-year declined by 13 and 20 bps m-o-m respectively as at end June. The shorter tenors which tend to be more sensitive to interest rate movement inched upwards as a result of the Fed's mild shift towards a more hawkish tone. In mid-June, some members of the Fed took hold of the view that the timeline of rate cuts could be brought forward to 2023 from 2024. The longer term tenors remained supported by relatively tepid economic data coupled with Fed's reassurance that reversal in its accommodative stance in the near term is unlikely as inflationary pressure would likely be transient in the near term. Unemployment claims for the week ended June 19 stood higher than the 380,000 consensus forecast, coming in at 411,000, indicating that the job market has yet to fully recover. The market seems to be in agreement with the Fed's view that recent spikes in inflation data is transitory as yields did not spike up despite a 5% annual increase in May's consumer price index.

On the local front, govies yields were largely on a declining trend. The yields on the 3-, 5-, 7- 15- and 30- tenors declined by 4, 4, 2 and 17 bps respectively while the 10- and 20-year increased by 5 and 1 bps. The rally in domestic bond was induced by risk-off sentiments arising from the full movement control order (FMCO) in June. The FMCO was envisaged to emulate the first MCO back in March 2020 which caused severe contraction in the domestic economy. While the estimated economic impact of the FMCO of RM1 billion daily is lower against RM2.4 billion arising from the first MCO, the economic impact was sufficient to promote demand of safe haven assets. May's Inflation reading of 4.4% y-o-y which fell short of consensus estimates of 4.7% suggest that there is no real concerns of unexpected inflation just yet, keeping reflation trades in check. Additionally, buying interest was also supported by the affirmation of Malaysia's sovereign rating by Moody's and S&P during the month which to an extent staved off concerns of severe deterioration in the nation's economic fundamentals.

In the corporate bond segment, risk off sentiment increased the appeal of defensive bonds with strong credit profiles. As such, AAA and GG bonds continued to make up the bulk of daily transactions. Some prominent new issuances during the month were Cagamas Berhad (RM1.85 billion, AAA), Bank Pembangunan Malaysia Berhad (RM1.25 billion, AAA), SP Setia Berhad (RM800 million, AA), Pengurusan Air Berhad (RM550 million, AAA), Bank Muamalat Malaysia Berhad (RM500 million, A3), and 7-Eleven Malaysia Holdings Berhad (RM500 million, AA-).

The UST's performance over the near term will be influenced by key economic data releases which will form a basis of investors' perception on inflationary pressures be it one that is sustained or transient. The market will also be keeping a close watch on the Fed's tone as signs of a shift in its previously dovish tone at the onset of the pandemic have been made present as of late. On the supply front, progress and outcome of President Biden's USD 1 trillion infrastructure plan will be monitored as the plan could be partly funded through issuances of public debt.

On the domestic front, close attention will be paid on the MPC meeting in July given the challenges facing the economy amid growing concerns on the public health situation. Key indicators on the nations' pandemic containment measure will be monitored given that there are now clear conditions that are to be met before gradual reopening of the economy would resume. Over the near term, supply of domestic debt could increase to fund the government latest stimulus package dubbed 'PEMULIH' which includes a RM10.0 billion direct fiscal injection. Any weakness in the bond market will provide good opportunity for the Fund to rebuild its position for the second half of the year as we expect OPR to remain low for a prolong period coupled with a potential rate cut within next 6 to 12 months.

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

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

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.**

## HLA Dana Suria (HLADS)

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	2.8%	6.4%	7.0%	0.1%	9.1%	-1.2%	13.1%	-11.1%	17.8%	28.5%

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Performance	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%

Source: Hong Leong Assurance Berhad

### Basis of Calculation of Past Performance

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

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

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

## HLA Dana Suria (HLADS)

### 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 2021

## Fund Features

### 1. Investment Objective

To provide investors with steady and consistent return over a long-term investment horizon by investing into local and global fixed income securities and equities.

### 2. Investment Strategy & Approach

The strategy is to provide investors an affordable access into a diversified investment portfolio with a mixture of equities and fixed income instrument. The fund will invest primarily in fixed income instruments such as bonds, money market instruments, repo and deposits with financial institutions that provide regular income as well as in high dividend yield stocks to enhance the fund's returns. The asset allocation decision between fixed income instruments and equity is decided after considering the fixed income and equity market outlook over the medium to long-term horizon. Initially the fund will invest by feeding into Affin Hwang Select Income Fund ("Target Fund"), with the option to increase the number of funds or replace Affin Hwang Select Income Fund with other fund(s) in future.

### 3. Asset Allocation

The fund shall invest a minimum 70% of the NAV in Fixed Income Instruments and maximum 30% of NAV in equities.

### 4. Target Market

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

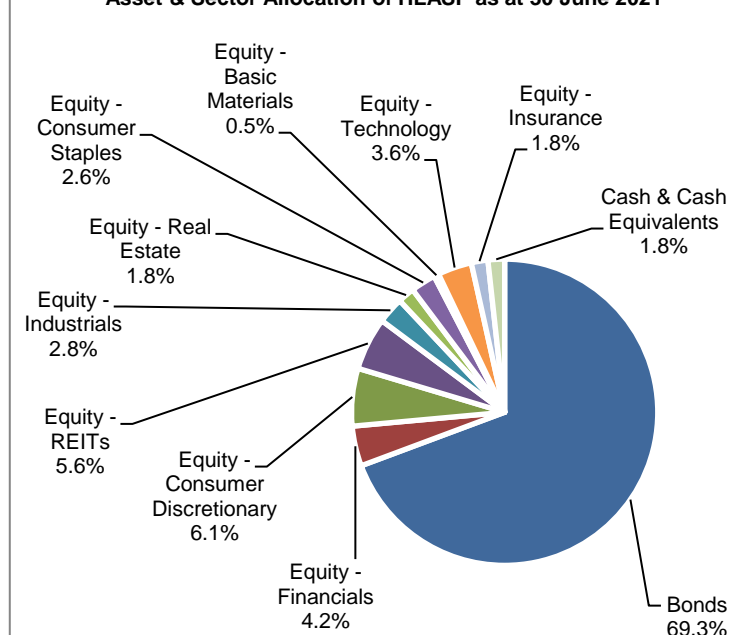
## Fund Details

Unit Price (30/6/2021)	:RM1.5282
Fund Size (30/6/2021)	:RM23.6 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 Dow Jones Asia Pacific Select Dividend 30 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.

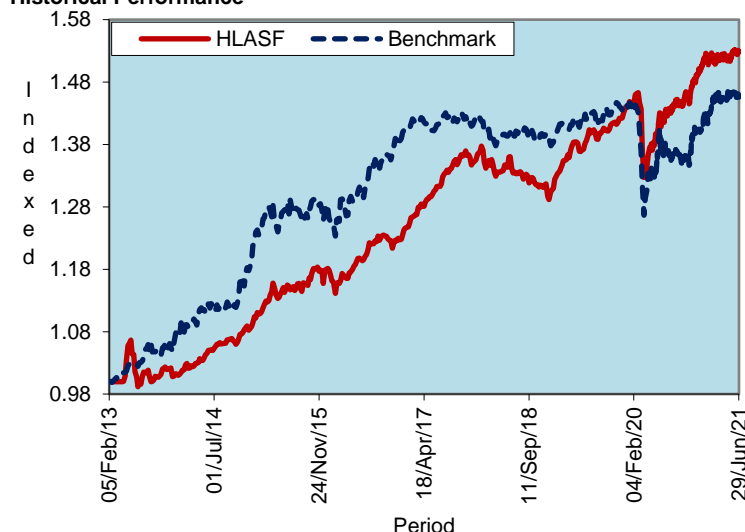
Asset & Sector Allocation of HLASF as at 30 June 2021



Top 5 Holdings for HLASF as at 30 June 2021

		%
1.	MGS (22.05.2040)	FI 2.4
2.	Weichai Int HK Energy Grp Co	FI 1.8
3.	AIA Group Ltd	Equity 1.8
4.	Lafarge Cement Sdn Bhd	FI 1.7
5.	TSMC	Equity 1.6
Total Top 5		9.3

## Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	1.56%	-0.01%	7.98%	14.53%	27.88%	52.82%
Benchmark*	3.81%	-0.27%	6.74%	4.47%	12.47%	45.60%
Relative	-2.25%	0.26%	1.24%	10.06%	15.41%	7.22%

\*Source: AffinHwang

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

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

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## HLA Secure Fund (HLASF)

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

Global markets shrugged off inflation fears to climb higher in June as investors start to buy-in to the Fed's dovish testimony. The S&P 500 index closed 2.4% higher reaching an all-time high of 4,280.70 points in the last week of the month. The Nasdaq index rose 5.6% buoyed by stimulus optimism after early indication of bipartisan support of the proposed US\$1.2 trillion infrastructure bill in the US Congress. Last month, US Fed Chair, Jerome Powell testified in the House of Representatives to reiterate the central bank's view that inflation is transitory and that the FOMC will not rush to hike rates. The yield on the 10-year Treasury note tumbled from 1.60% to close at 1.46% in June as the Fed affirmed that it would not pre-emptively hike rates before signs of a recovery.

In Asia, the MSCI Asia ex-Japan index was marginally weaker down 1.1% in June as sentiment was dampened on geopolitical tensions and consolidation seen in China's economy. The Group of Seven ("G7") nations and North Atlantic Treaty Organisation ("NATO") held its annual summit in June with political leaders from US and Europe vowing to toughen its stance on China. China had also reported weaker than expected retail sales and industrial production data. Industrial production grew 8.8% y-o-y in May, which came below consensus expectations of 9.2%. Weaker upstream production as well as a power shortage in the Yunnan province which is an aluminium production hub led to lower factory output. May retail sales which rose 12.4% y-o-y also fell market expectations of 14.0%. However, weaker economic data could push back any chance of further tightening in China as policymakers look to sustain growth.

On the domestic front, the benchmark KLCI fell 3.2% in June as daily new COVID-19 cases remain stubbornly high. Phase One of the movement control under the National Recovery Plan ("NRP"), which was initially scheduled to end on 28 June 2021 has been extended as cases has not fallen below the 4,000 threshold. To provide aid to affected communities and businesses, the government unveiled the PEMULIH stimulus package worth RM150 billion. However, the direct fiscal injection of the stimulus package amounts to RM10 billion which includes cash handouts targeted at lower income groups as well as salary subsidies. The Prime Minister also announced an opt-in blanket loan moratorium for individual borrowers as well as the i-Citra initiative to allow contributors to withdraw up to RM5,000 from their EPF as a lifeline for households.

The local bond market was similarly in a cautious mood ahead of the Fed's meeting and persistently high cases in the country. The 10-year MGS benchmark yield edged 7bps higher in the month to close at 3.28%. Malaysia's GDP forecast was slashed from 6.0% to 4.0% given the extension in lockdown. With that, fiscal deficit is expected to breach above the government's target of 6.0%. With the newly unveiled PEMULIH stimulus package on Monday, we could see the debt ceiling be raised to 65.0% from 60.0%. This could translate to more government bond supplies, which may put further pressure on Malaysia's sovereign rating. On the monetary policy side, Bank Negara Malaysia (BNM) may see more pressure to further slash the Overnight Policy Rate ("OPR") to cushion the economic impact of COVID-19. Malaysia's inflation figure came in at 4.4% in May 2021 as compared to the 4.7% in the preceding month.

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

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

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:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures

## HLA Secure Fund (HLASF)

- 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.

### 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
Performance	5.6%	15.1%	2.9%	6.9%	8.6%	4.1%	10.5%	-4.2%	10.0%	4.7%

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 2021

## 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

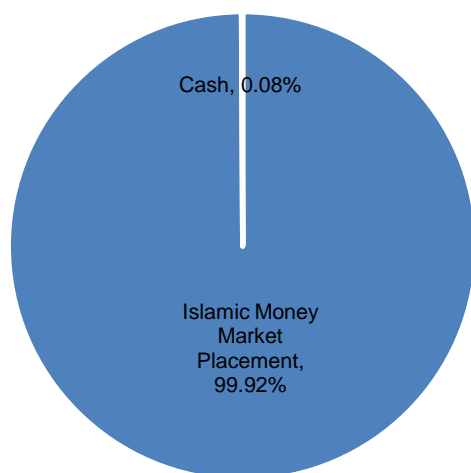
This fund is suitable for investors who are low risk profile.

## Fund Details

Unit Price (30/6/2021)	: RM1.2949
Fund Size (30/6/2021)	: RM28.7 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

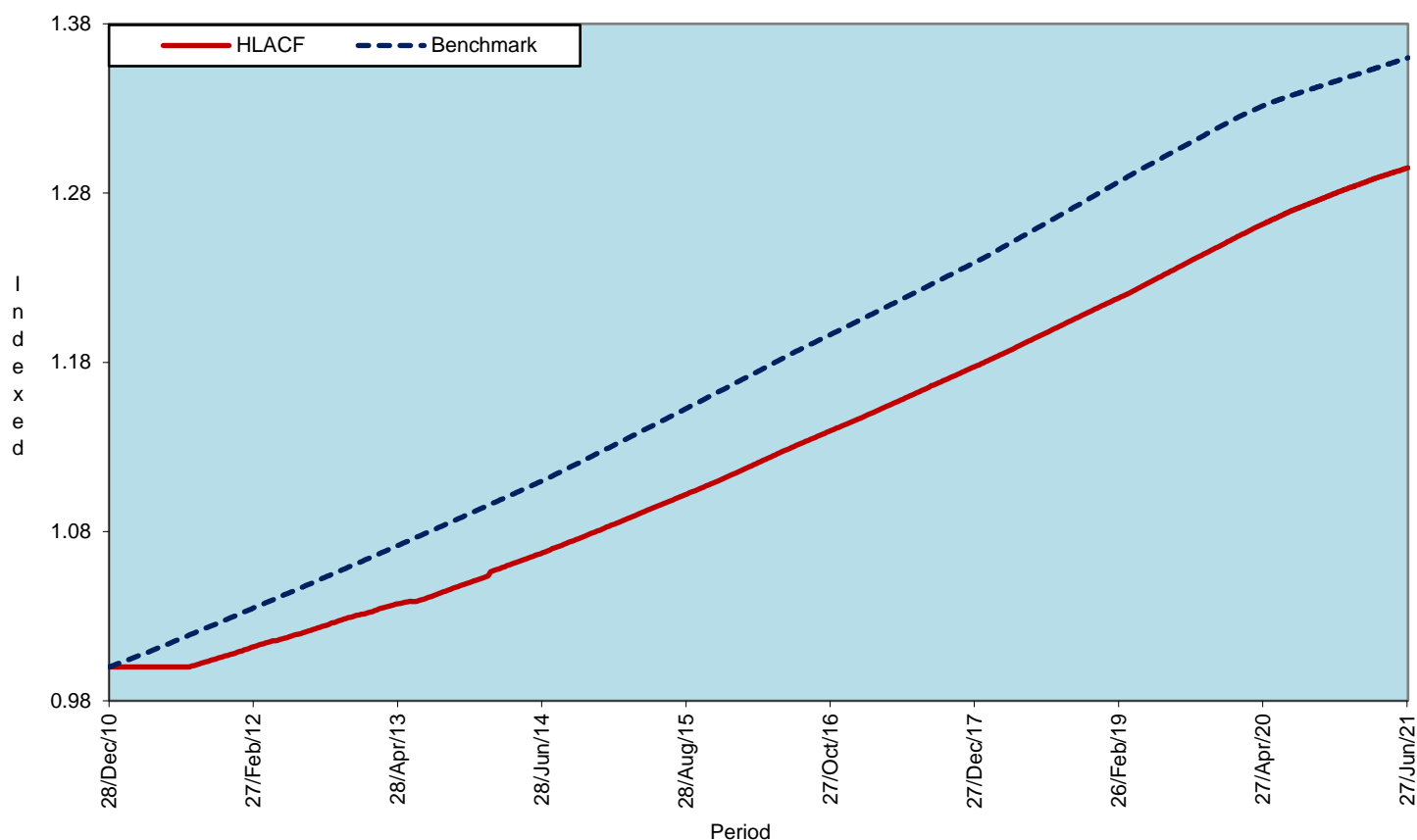
*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. With effect 27 April 2020, the frequency of unit valuation will be changed from weekly to daily.*

**Asset & Sector Allocation of HLACF as at 30 June 2021**



# HLA Cash Fund (HLACF)

## Historical Performance



As of 30/6/21	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLACF	0.97%	0.15%	2.15%	8.41%	14.69%	29.49%
Benchmark*	0.87%	0.14%	1.77%	8.04%	14.83%	36.00%
Relative	0.10%	0.00%	0.38%	0.37%	-0.13%	-6.51%

\*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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Benchmark	3.0%	3.0%	3.0%	3.1%	3.2%	3.1%	3.0%	3.3%	3.1%	2.2%
HLACF- Gross	1.1%	2.8%	2.6%	3.4%	3.3%	3.4%	3.4%	3.5%	3.6%	3.2%
HLACF - Net	0.8%	2.3%	2.1%	2.9%	2.8%	2.9%	2.9%	3.0%	3.1%	2.7%

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. Counterparty risk

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

### Risk Management

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

## HLA Cash Fund (HLACF)

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 2021

## Fund Features

### 1. Investment Objective

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

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

### 2. Investment Strategy & Approach

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

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

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

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

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

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

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

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

The condition for profit taking:

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

Where,

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

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

### 3. Target Market

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

## Fund Details

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

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

\*Source: Bloomberg

## Other Details

Fund Name	Fund Maturity Date	Unit Price @ 29/6/2021	Fund Size 29/6/2021	Guaranteed Unit Price upon Fund Maturity (updated @ 29/6/2021)
HLA Horizon28 Fund	:08/10/2028	RM1.0905	RM6,295,753.35	RM1.00
HLA Horizon38 Fund	:08/10/2038	RM1.1641	RM257,940,896.25	RM1.50
HLA Horizon48 Fund	:08/10/2048	RM1.1979	RM125,145,277.15	RM2.00

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

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# HLA Horizon Funds

## Performance Snapshot

Fund	1 Month	1 Year
HLA Horizon28	-0.55%	6.59%
HLA Horizon38	-1.46%	2.95%
HLA Horizon48	-2.01%	1.28%

## Exposure to MVO Strategy

Fund	Exposure as at 29/6/2021
HLA Horizon28	96.11%
HLA Horizon38	110.65%
HLA Horizon48	148.12%

## Market Review (by Hong Leong Bank Berhad)

Asia's growth outlook has deteriorated in response to weaker-than-expected Q1 GDP growth in a number of economies and recurring Covid-19 outbreaks that temporarily limited the rebound in domestic demand. Surging exports should, however, mitigate the impact of weak consumption on overall economic activity. In contrast, our inflation forecasts have been revised upwards, with risks still tilted to the upside we think, in the face of sharply higher commodity prices, especially for food.

By Q3, we see Asia putting the Covid-19 resurgence behind it and resuming its recovery, increasing the pressure for monetary policy normalization in a number of economies, as vaccination gets better traction and the Fed's debate over tapering intensifies.

Malaysia will be entering a nationwide "total lockdown" today for 14 days, with a sharp increase in Covid cases and strain on health infrastructure necessitating the move. The daily growth impact should be greater than under MCO 3.0, but less than under MCO 1.0 last year, with a number of manufacturing sectors still allowed to operate at reduced capacity.

The government has announced a MYR40bn fiscal package in response, but only MYR5bn will be a fresh direct injection, arguably less than expected. A combination of debt ceiling constraints, political fragility, the risk of credit rating downgrades, and bond market technicals might have restrained a bigger response.

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 25-June-21)	-2.25%	-2.92%	-3.90%
Basket Value (as of 28-May-21)	-1.32%	-1.85%	-2.48%

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 25 June 2021

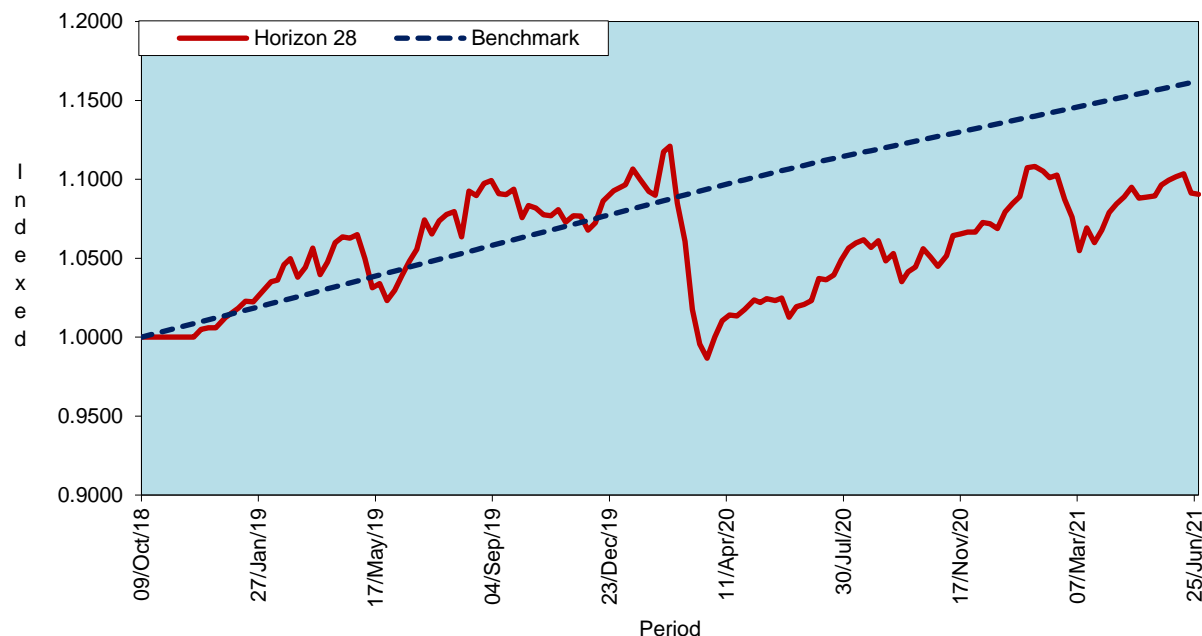
Indices	Bloomberg Ticker	Weightage (%)	Monthly Performance
iShares MSCI EM Index Fund	EEM US Equity	0.00%	1.15%
S&P 500 Index	SPX Index	19.62%	1.82%
Euro Stoxx 50 Index	SX5E Index	34.19%	-0.90%
Hang Seng China Enterprises Index	HSCEI Index	0.00%	0.77%
Gold	GOLDLNAM Index	16.13%	-5.77%
Templeton Global Bond Fund	FTGBFAC LX Equity	0.00%	-0.49%
PIMCO Funds – Total Return Bond Fund	PTRBDFE ID Equity	0.00%	0.30%
DB Fed Funds Effective Rate TR Index	DBMMFED1 Index	30.06%	0.01%
Total		100.00%	

# HLA Horizon Funds

## Historical Performance

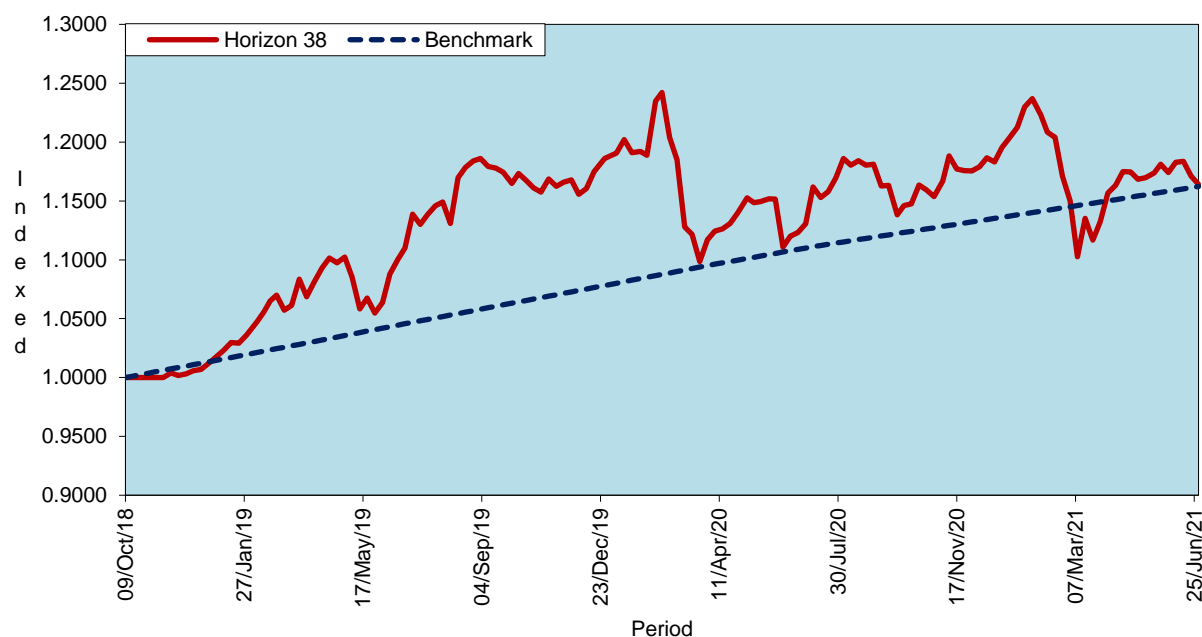
HLA Horizon28 Fund						
As of 29/6/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon28	1.04%	-0.55%	6.59%	-	-	9.05%
KLIBOR+2.65% p.a.*	2.30%	0.44%	4.71%	-	-	16.23%
Performance vs Benchmark	-1.26%	-0.99%	1.88%	-	-	-7.18%

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



HLA Horizon38 Fund						
As of 29/6/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon38	-2.61%	-1.46%	2.95%	-	-	16.41%
KLIBOR+2.65% p.a.*	2.30%	0.44%	4.71%	-	-	16.23%
Performance vs Benchmark	-4.91%	-1.89%	-1.75%	-	-	0.18%

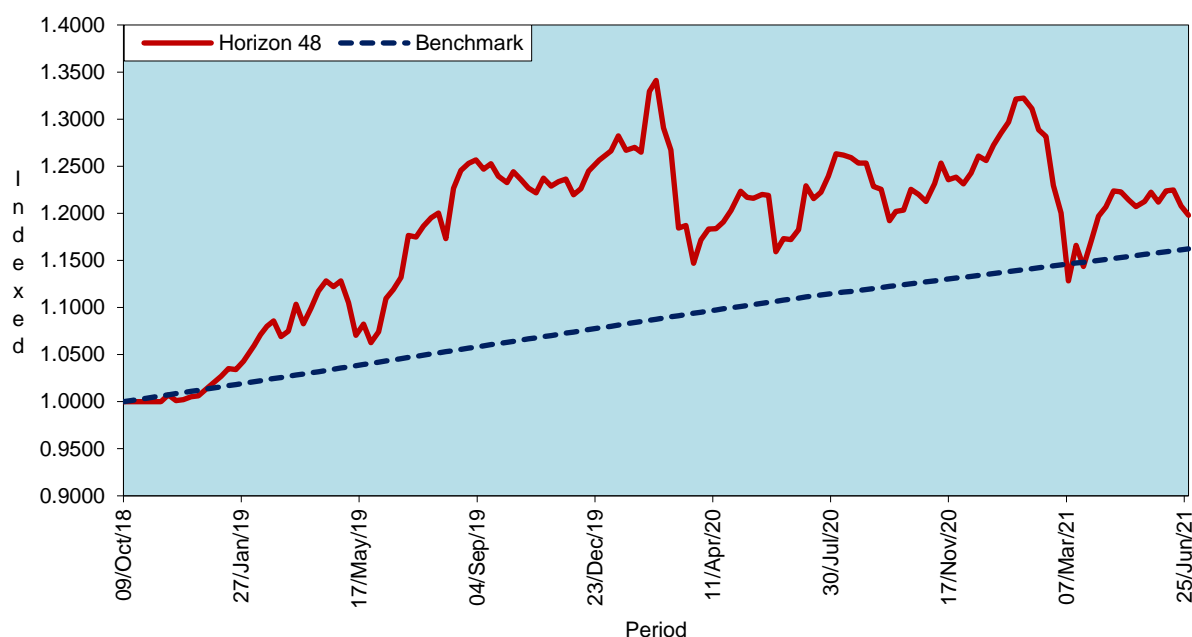
**Notice: Past performance of the fund is not an indication of its future performance.**



## HLA Horizon Funds

HLA Horizon48 Fund						
As of 29/6/21	Year to-date	1 month	1 Year	3 Years	5 Years	Since Inception
HLA Horizon48	-5.86%	-2.01%	1.28%	-	-	19.79%
KLIBOR+2.65% p.a.*	2.30%	0.44%	4.71%	-	-	16.23%
Performance vs Benchmark	-8.16%	-2.45%	-3.43%	-	-	3.56%

**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
<b>Benchmark</b>	6.4%	6.4%	5.4%
<b>HLA HORIZON28 – Gross</b>	1.7%	10.0%	0.1%
<b>HLA HORIZON28 – Net</b>	1.3%	7.9%	-1.2%
<b>HLA HORIZON38 – Gross</b>	1.8%	19.9%	2.2%
<b>HLA HORIZON38 – Net</b>	1.3%	17.1%	0.8%
<b>HLA HORIZON48 – Gross</b>	1.9%	27.3%	2.8%
<b>HLA HORIZON48 – Net</b>	1.5%	23.8%	1.3%

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 2021

## 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 (29/6/2021)	Fund Size (29/6/2021)	Fund Maturity Date	Minimum Guaranteed Unit Price at Fund Maturity (before tax)
HLA EverGreen 2023 Fund	: RM1.1589	RM25.04 mil	26 Dec 2023	1.2358
HLA EverGreen 2025 Fund	: RM1.1233	RM10.75 mil	26 Dec 2025	1.2670
HLA EverGreen 2028 Fund	: RM1.0510	RM17.82 mil	26 Dec 2028	1.3136
HLA EverGreen 2030 Fund	: RM1.0054	RM53.17 mil	26 Dec 2030	1.3446
HLA EverGreen 2035 Fund	: RM0.8585	RM849.13 mil	26 Dec 2035	1.4221

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

## Market Review (by CIMB Bank Berhad)

Following the Phase 1 extension of the National Recovery Plan, the government unveiled the 10th Covid-19 related aid package, the National People's Well-being and Economic Recovery Package (PEMULIH), worth RM150bil with as much as RM10bil of direct fiscal injection. 3 main focus areas are assistance programs for the public, supporting businesses and expediting the national vaccination program. On the economic front, Malaysia's total trade, exports and imports in May registered strong year-on-year (YoY) expansion of 48.7%, 47.3% and 50.3% respectively. Exports were mainly driven by electrical and electronic, petroleum and rubber products while imports consisted mainly of electrical and electronic, petroleum and chemical products. May's Consumer Price Index (CPI) increased 4.4% YoY due to the effect of a lower base from last year while the month-on-month comparison showed no changes. S&P Global downgraded Malaysia's 2021 GDP growth forecast from 6.2% to 4.1% as the nation entered into MCO 3.0 while affirming "A-" long term and "A-2" short term sovereign credit ratings. The credit rating agency cautioned against downward rating pressure from political instability, economic growth deterioration and weaker commitment to fiscal consolidation. Similarly, the World Bank revised Malaysia's 2021 GDP growth forecast from 6.0% to 4.5%, citing rising Covid-19 cases and slower than expected vaccine roll-out. Over the course of the month, long term interest rates declined marginally, while short term interest rates increased marginally. (Source:CGS-CIMB Research, The Edge Markets)

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

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

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

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

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

Telephone 03-7650 1818 Facsimile 03-7650 1991

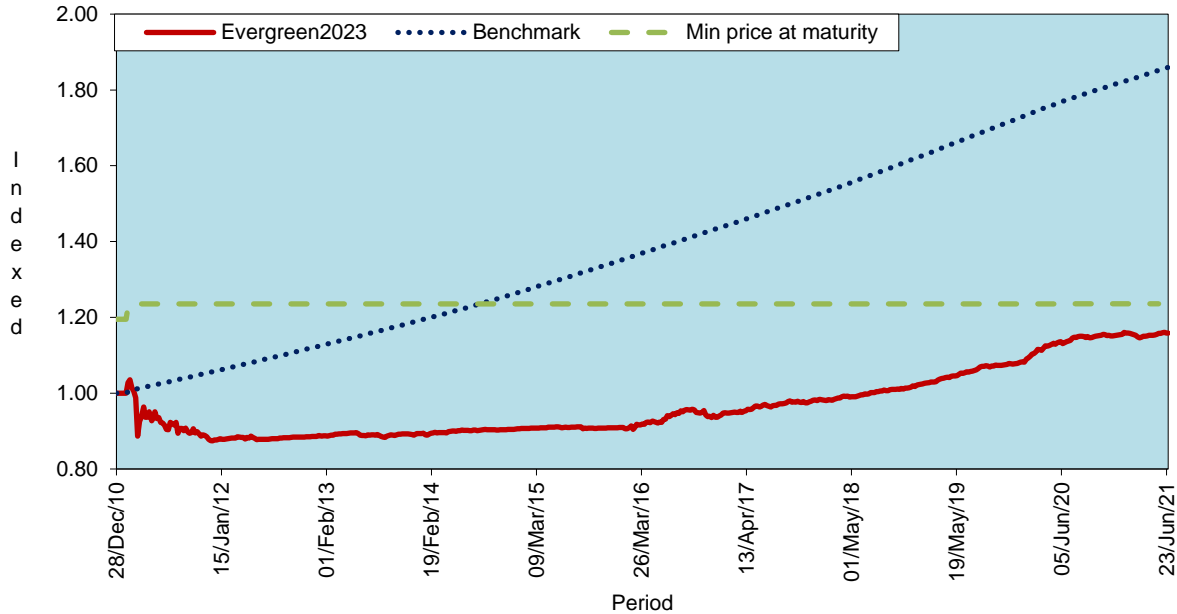
Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299

## HLA EverGreen Funds

### Historical Performance

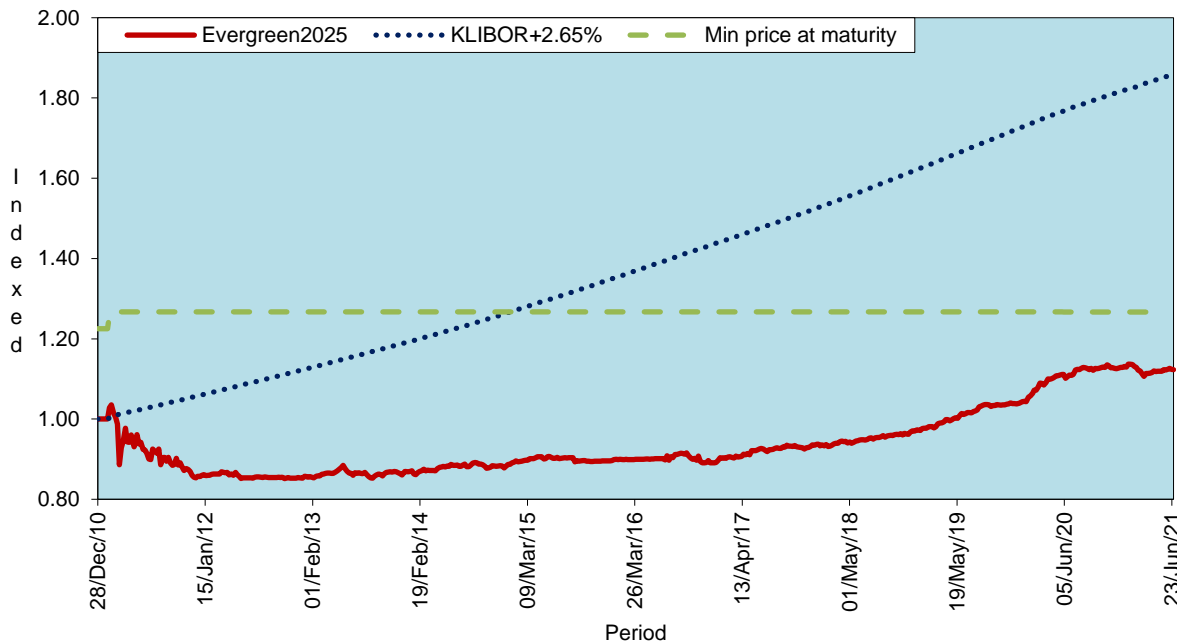
HLA EverGreen 2023 Fund							
As of 29/6/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2023	0.49%	0.10%	1.92%	16.23%	23.21%	28.14%	15.89%
KLIBOR+2.65% p.a.*	2.30%	0.44%	4.75%	18.37%	33.66%	80.81%	85.95%
Performance vs Benchmark	-1.82%	-0.33%	-2.83%	-2.15%	-10.45%	-52.67%	-70.06%

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



HLA EverGreen 2025 Fund							
As of 29/6/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2025	-0.50%	0.04%	1.30%	18.55%	24.62%	24.74%	12.33%
KLIBOR+2.65% p.a.*	2.30%	0.44%	4.75%	18.37%	33.66%	80.81%	85.95%
Performance vs Benchmark	-2.81%	-0.40%	-3.45%	0.18%	-9.04%	-56.07%	-73.62%

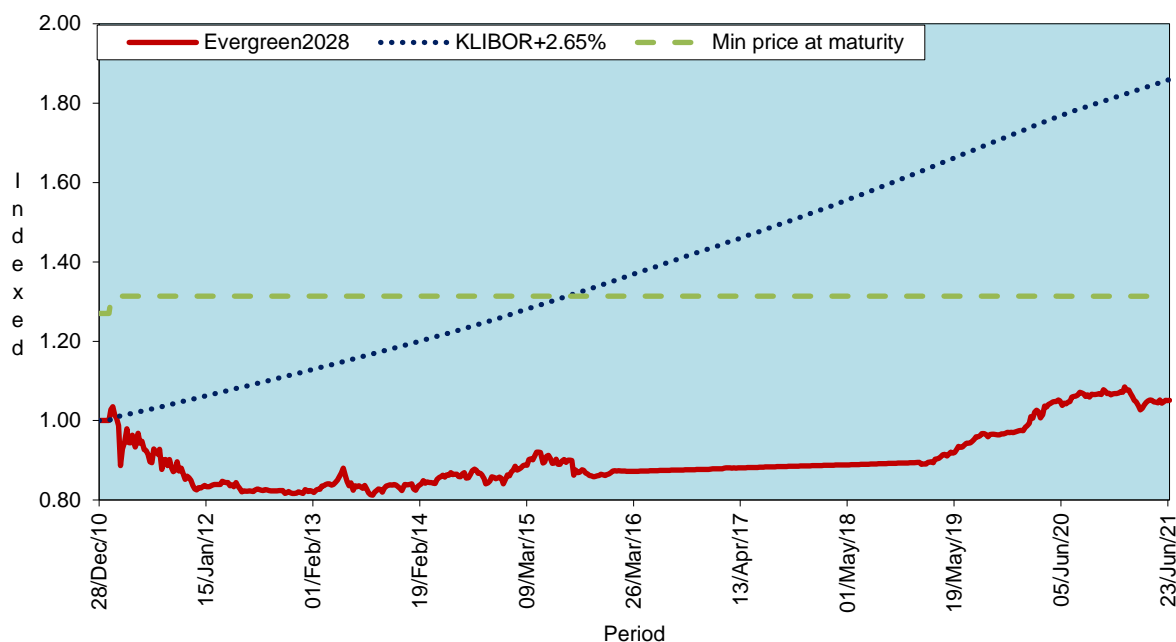
**Notice: Past performance of the fund is not an indication of its future performance.**



## HLA EverGreen Funds

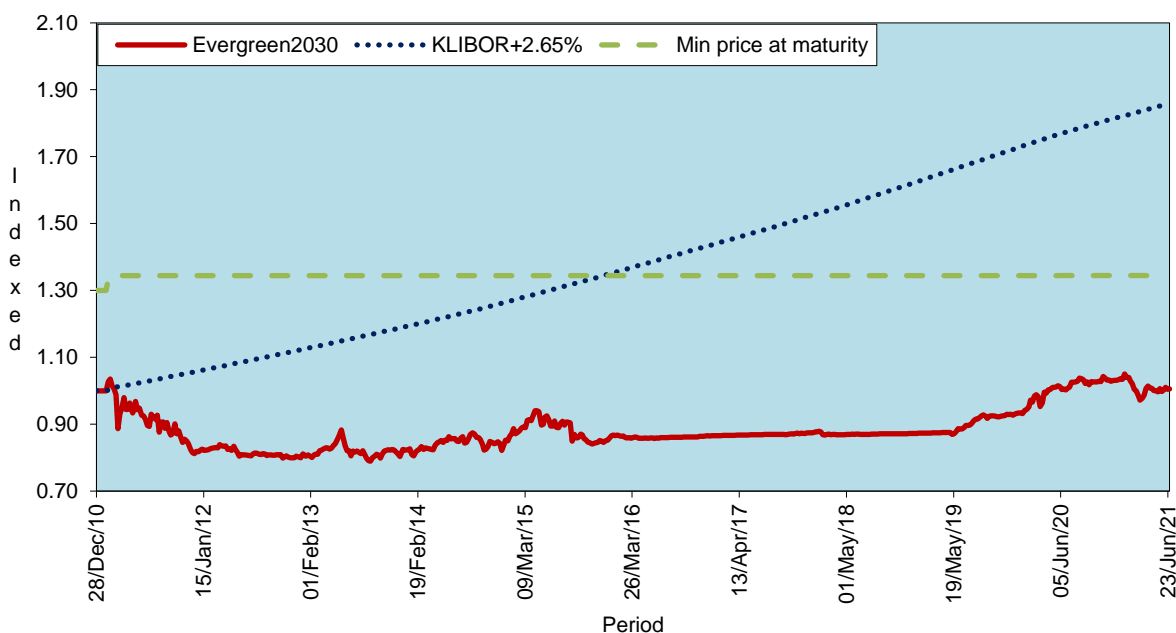
HLA EverGreen 2028 Fund							
As of 29/6/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2028	-1.78%	-0.10%	0.46%	18.13%	20.22%	17.26%	5.10%
KLIBOR+2.65% p.a.*	2.30%	0.44%	4.75%	18.37%	33.66%	80.81%	85.95%
Performance vs Benchmark	-4.09%	-0.54%	-4.29%	-0.24%	-13.43%	-80.85%	-80.85%

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



HLA EverGreen 2030 Fund							
As of 29/6/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2030	-2.66%	-0.11%	-0.16%	15.62%	17.14%	12.16%	0.54%
KLIBOR+2.65% p.a.*	2.30%	0.44%	4.75%	18.37%	33.66%	80.81%	85.95%
Performance vs Benchmark	-4.96%	-0.55%	-4.91%	-2.76%	-16.52%	-68.65%	-85.41%

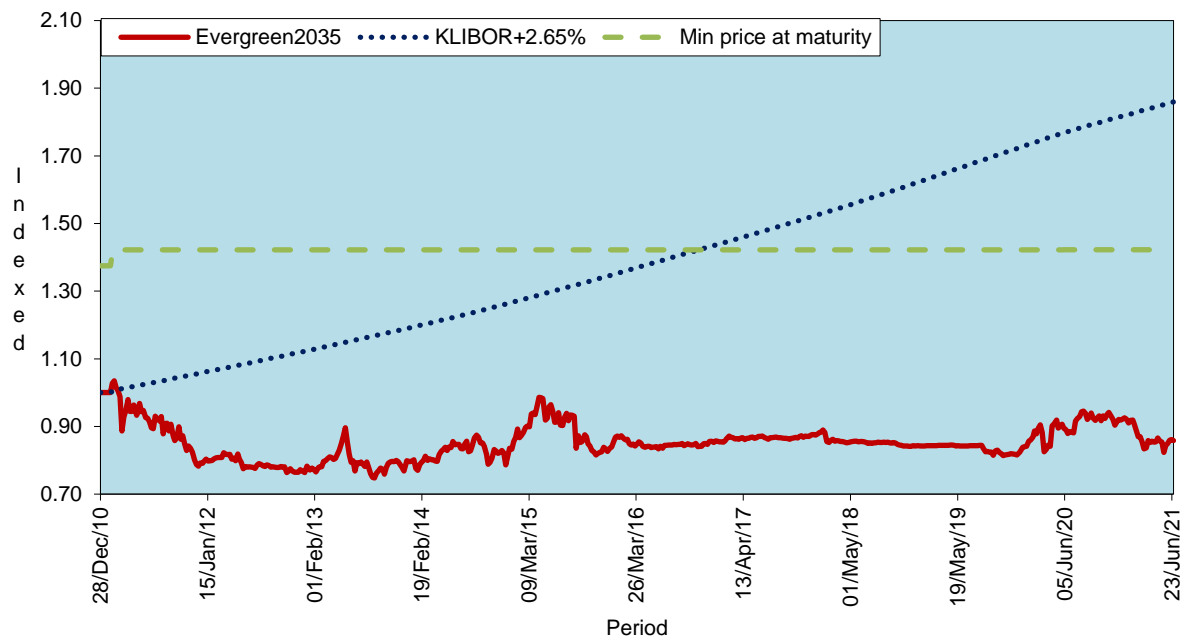
**Notice: Past performance of the fund is not an indication of its future performance.**



## HLA EverGreen Funds

HLA EverGreen 2035 Fund							
As of 29/6/21	Year to-date	1 month	1 Year	3 Years	5 Years	10 Years	Since Inception
HLA EverGreen 2035	-6.91%	4.31%	-2.82%	0.73%	2.75%	-4.21%	-14.15%
KLIBOR+2.65% p.a.*	2.30%	0.44%	4.75%	18.37%	33.66%	80.81%	85.95%
Performance vs Benchmark	-9.21%	3.88%	-7.57%	-17.65%	-30.90%	-85.02%	-100.10%

**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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Benchmark</b>	5.9%	6.1%	6.0%	6.3%	6.5%	6.5%	6.2%	6.4%	6.4%	5.4%
<b>HLA EVERGREEN 2023 – Gross</b>	-11.0%	2.5%	2.4%	3.0%	1.7%	4.7%	6.5%	6.0%	6.1%	7.5%
<b>HLA EVERGREEN 2023 – Net</b>	-12.3%	1.0%	0.9%	1.4%	0.3%	3.0%	4.7%	4.2%	5.6%	6.9%
<b>HLA EVERGREEN 2025 – Gross</b>	-13.0%	0.9%	3.6%	3.6%	2.5%	0.8%	6.7%	5.9%	7.4%	9.4%
<b>HLA EVERGREEN 2025 – Net</b>	-14.3%	-0.5%	2.0%	2.0%	1.0%	-0.6%	4.9%	4.1%	6.8%	8.6%
<b>HLA EVERGREEN 2028 – Gross</b>	-15.7%	-0.3%	4.5%	4.5%	1.7%	2.9%	2.5%	2.4%	9.6%	10.9%
<b>HLA EVERGREEN 2028 – Net</b>	-17.0%	-1.6%	2.8%	2.8%	0.3%	1.4%	1.0%	0.9%	8.7%	10.1%
<b>HLA EVERGREEN 2030 – Gross</b>	-16.9%	-1.0%	4.8%	5.1%	1.4%	3.0%	2.6%	1.2%	7.9%	11.8%
<b>HLA EVERGREEN 2030 – Net</b>	-18.2%	-2.3%	3.1%	3.4%	0.0%	1.5%	1.1%	-0.2%	6.8%	10.8%
<b>HLA EVERGREEN 2035 – Gross</b>	-19.5%	-2.2%	6.4%	6.5%	1.9%	3.2%	4.1%	-2.5%	-1.6%	13.0%
<b>HLA EVERGREEN 2035 – Net</b>	-20.8%	-3.5%	4.6%	4.7%	0.4%	1.6%	2.4%	-3.6%	-2.2%	11.9%

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.

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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.

- 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.

## 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
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### Basis of Unit Valuation

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- 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.

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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

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### Basis of Calculation of Past Performance

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

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

### Others

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## HLA EverGreen Funds

### **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

