

HLA Secure Fund (HLASF)

March 2024

Fund Features

1. Investment Objective

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

2. Investment Strategy & Approach

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

3. Asset Allocation

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

4. Target Market

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

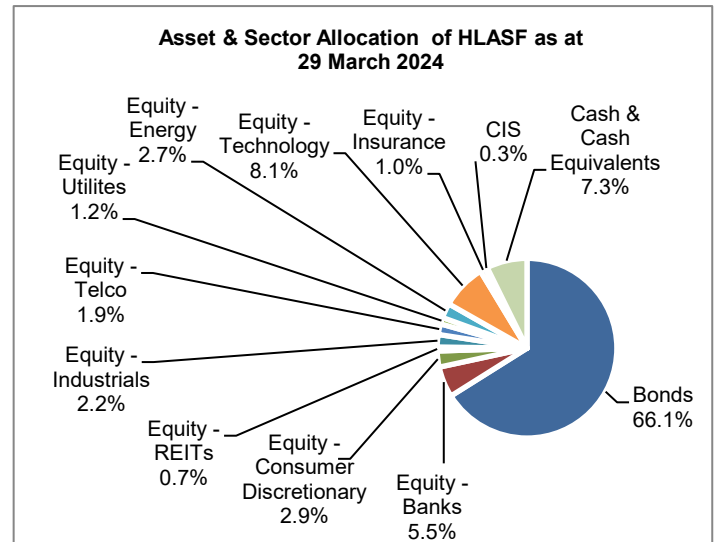
Fund Details

Unit Price (29/3/2024)	:RM1.5257
Fund Size (29/3/2024)	:RM24.19 mil
Fund Management Fee	:1.00% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:05 Feb 2013
Benchmark	:(70% x Maybank 12 Months Fixed Deposit Rate) + (30% x MSCI AC Asia Pacific excluding Japan High Dividend Yield Inex)
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 three (3) months prior written notice.

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

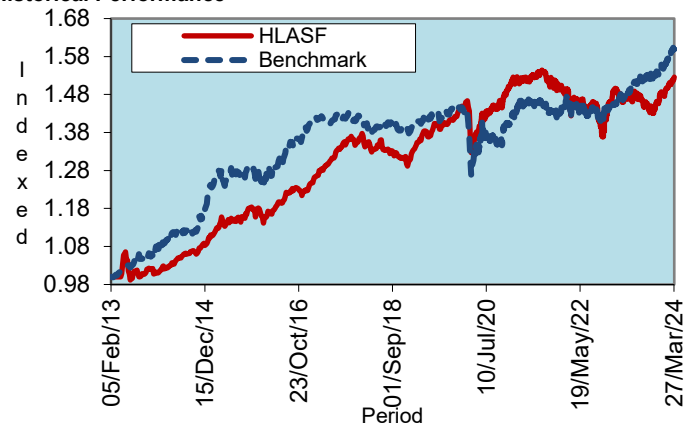
Asset Allocation for HLASF as at 29 March 2024	%
Affin Hwang Select Income Fund	96.43
Cash	3.57
Total	100.0



Top 5 Holdings for HLASF as at 29 March 2024

Rank	Company Name	Sector	%
1.	MGS (22.05.2040)	FI	4.2
2.	Taiwan Semiconductor Manufacturing	EQ	3.8
3.	Geely Automobile Holdings Ltd	FI	1.8
4.	Samsung Electronics Co Ltd	EQ	1.6
5.	Scentre Group Turst	FI	1.6
Total Top 5			13.0

Historical Performance



	YTD	1 month	1 Year	3 Years	5 Years	Since Inception
HLASF	2.72%	1.34%	3.95%	0.68%	12.29%	52.57%
Benchmark*	2.63%	0.74%	8.48%	10.14%	13.98%	59.95%
Relative	0.09%	0.59%	-4.53%	-9.46%	-1.69%	-7.38%

*Source: AffinHwang

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

HLA Secure Fund (HLASF)

Benchmark*

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

HLA Secure Fund (HLASF)

Market Review, Outlook & Strategy relevant to Target Fund

In March, US equities surged on the back of mounting rate cut expectations and optimism that the US Federal Reserve (Fed) could orchestrate a soft landing. The S&P 500 index closed the month 3.10% higher, marking its best quarterly performance since 2009. During its March FOMC meeting, the Fed opted to keep interest rates unchanged as widely anticipated. Along with the decision, Fed officials also pencilled in 3 rate hikes for 2024 which was in line with its previous dot plot projections. This came despite the Fed slightly revising upward its longer-term rate expectations due to improved growth and inflation outlook. Fed Chair Jerome Powell also downplayed recent Consumer Price Index (CPI) readings which had exceeded forecasts. Powell maintained that these readings haven't altered the overall downward trend in inflation. Treasury yields dipped in March, with the benchmark 10-Year yield lower by 5 basis points to settle at 4.20%. In other monetary policy developments, the Bank of Japan (BOJ) announced its decision to exit its negative interest rate policy, raising interest rates to the range of 0 to 0.1% and dismantling its yield curve control mechanism. In Asia, the MSCI Asia ex-Japan index rose 2.30% lifted by gains in Taiwan and Korea, where their respective equity benchmark gauges recorded gains of 7.00% and 4.00% respectively. Nvidia's announcement regarding its latest artificial intelligence (AI) chip, Blackwell, ignited industry enthusiasm and contributed to market gains. In China, the MSCI China index rose by 0.90% as consumer prices staged a vigorous rebound. After 4 months of deflation, China recorded its first month of inflation with the CPI climbing by 0.70% y-o-y exceeding expectations. Additionally, China saw an expansion in manufacturing activity, marking the first increase in 6 months. The official PMI rose to 50.8 in March from 49.1 in February, surpassing the 50-point mark that separates growth from contraction. However, it will be important to monitor subsequent PMI releases to assess if the recovery trend is sustainable especially considering other data points like high-frequency mobility have eased.

On the local front, the benchmark KLCI closed 1.00% lower largely on the back of profit-taking across various sectors. Year-to-date (YTD), the local market is up by 5.60% outshining regional peers like Indonesia and Thailand which recorded muted performance of 0.22% and -1.62% respectively. In notable developments, the Penang Light Rail Transit (Penang LRT) project received approval from the Cabinet, paving the way for its operational launch by 2030. Major beneficiaries of this project include Gamuda, with its 60%-owned SRS Consortium Sdn Bhd being awarded the first segment of the civil works contracts. The Penang LRT project also serves as a positive catalyst for property developers in Penang, especially those with land bank along the track alignment. On local bonds, the 10-year MGS yield slipped 2 bps to close at 3.85%. As anticipated, Bank Negara Malaysia (BNM) kept the overnight policy rate (OPR) unchanged at 3.00% at its March MPC meeting. In addition, the central bank also released its Annual Report for 2023 where it expects the country's gross domestic product (GDP) to expand between 4% and 5% in 2024 in line with previous government projections outlined in Budget 2024. BNM expects growth to be underpinned by resilient domestic expenditure, coupled with a rebound in exports. Similarly, inflationary pressures are expected to stay moderate with BNM expecting the CPI to rise 2.0%-3.5% in 2024 from 2.5% in 2023. Though, the central bank notes that the wider forecast range has taken into account potential upside price pressure from the implementation of subsidy rationalisation measures.

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

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Benchmark	7.2%	10.4%	7.7%	8.2%	2.6%	-2.2%	-0.2%	-3.1%	2.2%	1.1%
HLASF - Gross	2.5%	9.2%	10.2%	5.6%	12.4%	-3.0%	12.3%	6.0%	0.7%	-2.0%
HLASF - Net	1.3%	7.5%	8.4%	4.1%	10.4%	-3.7%	10.4%	4.5%	-0.3%	-2.8%

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.

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
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

HLA Secure Fund (HLASF)

Basis of Unit Valuation

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

Exceptional Circumstances

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

Target Fund Details

Affin Hwang Select Income Fund is a Bond fund managed by Affin Hwang Investment Management. The past performance of this fund is as follows:

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

Source: Affin Hwang Investment Management

Basis of Calculation of Past Performance

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

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

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

Others

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

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

Disclaimer:

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