

HLA Venture Global Fund (HLAVGLF)

August 2022

Fund Features

1. Investment Objective

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

2. Investment Strategy & Approach

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

3. Asset Allocation

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

4. Target Market

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

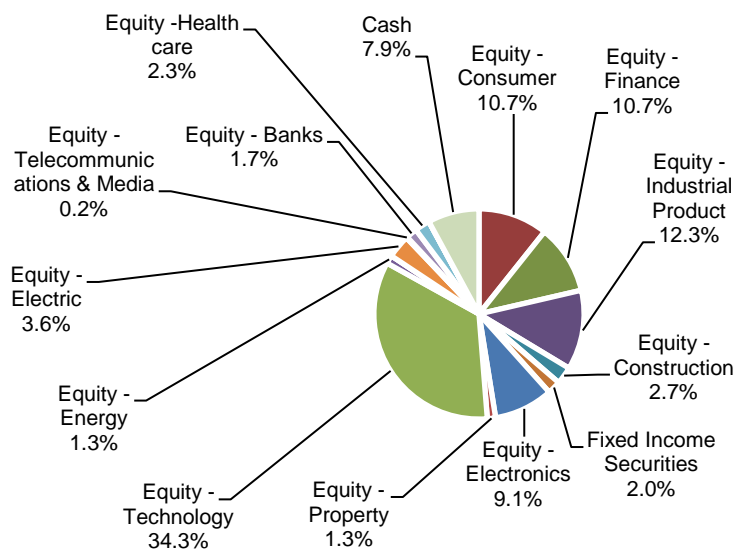
Fund Details

Unit Price (30/8/2022)	:RM1.7124
Fund Size (30/8/2022)	:RM38.14 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 August 2022	%
Hong Leong Asia-Pacific Dividend Fund	67.44
Hong Leong Strategic Fund	32.33
Cash	0.23
Total	100.0

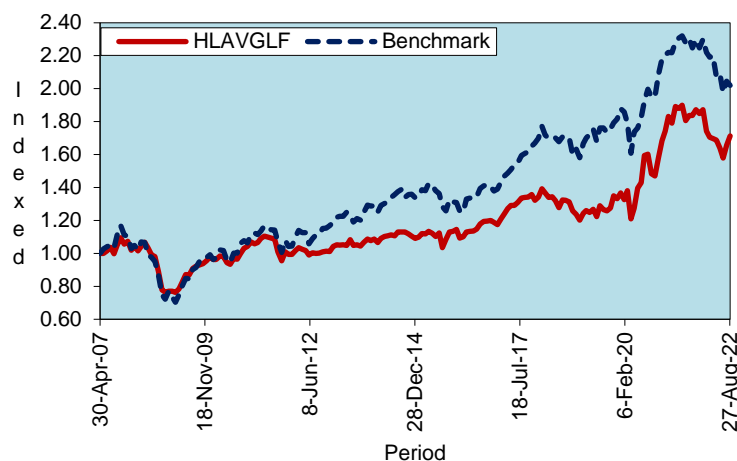
Asset & Sector Allocation of HLAVGLF as at 30 August 2022



Top 5 Holdings for HLAVGLF as at 30 August 2022

1.	Cowell e Holdings Inc	9.1
2.	PT Bank Mandiri (Persero) Tbk	4.9
3.	Genetec Technology Berhad	4.1
4.	D&O Green Technologies Berhad	3.7
5.	China Long Yuan Power Group Limited	3.6
Total Top 5		25.4

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	-8.57%	3.36%	-6.85%	36.11%	27.87%	70.81%	71.24%
Benchmark*	-12.19%	-1.31%	-12.38%	16.50%	25.74%	81.06%	101.95%
Relative	3.62%	4.66%	5.53%	19.61%	2.13%	-10.25%	-30.71%

Source: Bloomberg, RAM Quantshop

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

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Market Review, Outlook & Strategy relevant to Target Fund

Equity Review

Global – Global markets took a breather during the month as developed markets retreated following a strong July rally. The latest hawkish remarks by US Federal Reserve Chairman Jerome Powell provided a reality check to the market that appeared to have gotten ahead of itself when investors started speculating that the end of the monetary tightening cycle is just around the corner. The Dow Jones Industrial Average Index declined 4.1% and the broader S&P 500 Index declined 4.2%. The Euro Stoxx Index declined 5.2% and the FTSE 100 Index declined 1.9%.

Asia Pacific – In contrast to developed markets, emerging equity markets had a good month, primarily led by ASEAN markets. The economic data from the ASEAN region remains encouraging while corporate earnings in the region also remain solid. In the region, Philippines and Thailand were the leaders while China and Hong Kong were the laggards.

Malaysia – The local market saw a sizeable foreign net inflow during the month which helped to keep the main index afloat. The FTSE BM KLCI rose 1.3% to close at 1,512 points. The broader market underperformed as the FTSE BM EMAS Index rose 0.9% to close at 10,698 points. Small caps underperformed as the FTSE BM Small Cap Index rose 0.5% to close at 14,380 points.

Outlook & Strategy

Global - The global economic outlook remains highly uncertain, as illustrated by the latest economic data. The outlook in Europe is especially grim given that there appears to be no end in sight to the Ukraine conflict and the region's energy crisis continues to worsen going into the winter season. Central banks in the region remain helpless in the face of rising risk of recession as further monetary tightening is required to tame the raging inflation.

Asia Pacific - The latest city-wide lockdown in Chengdu reiterates the fact that zero-COVID policy in China is still enforced vigorously. This just means the domestic economy is expected to continue to struggle in the near term, currently already dragged down by weakness in the housing sector and weak consumer spending.

Malaysia - Sentiment in the local market remains cautious as growing pockets of risks in the global economic outlook dampen investor's confidence. We prefer to be invested in selected export stocks and selected domestic-centric stocks that may benefit from the local economic recovery.

Fixed Income Review and Outlook

The 10-year Treasury yield climbed to as high as 3.12%, its highest level since July as medium-term inflation expectations continue to rise after Powell's hawkish comments in the Jackson Hole speech.

Powell mentioned that central bank will not back off in its fight against rapid inflation. Powell also mentioned a tough stance against inflation, signalling to investors that a decision on the September rate hike is necessary to return inflation to 2%. However, the decision on September rate hike will hinge upon economic indicators since the July meeting. The 2-year benchmark bond yield rose 16.5 basis points (bps) week-on-week to 3.400% while the 30-year debt yield dropped 2.1bps week-on-week to 3.194% month end.

Locally, sovereign bonds enjoyed modest gains in the month with the bulk of support concentrating on the short-to-medium end of the curve. The 3-year Malaysia Government Securities (MGS) closed 13bps lower to 3.37% as the notable outperformer, while the 10-year MGS benchmark also trended 2bps lower to close at 3.96% month end. On the flipside, the longer-tenured bonds were sold-off by some 4 to 5bps month end, in line with the steepening of the US treasury curve.

On the primary front, markets were greeted by a couple of government-guaranteed issuances. Notably, we saw Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA) raising RM485.0 million via a 3- and 5year tranche, which were priced 20-25bps above the respective sovereign bonds benchmarks. In the primary issuance space, Edotco Malaysia and CIMB Bank issued RM1.0 billion and RM1.5 billion worth of bonds, respectively. We also saw the 15-year MGS reopening auction with a decent book to cover ratio of 2.2 times with an issuance size of RM4.5 billion.

Locally, the tabling of Budget has been brought forward by three weeks to 7 October from 28 October based on the Prime Minister's decision. Market is speculating that the 15th General Elections may be held in November, if the parliament is dissolved shortly after the Budget announcement. Headline inflation accelerated for the fourth straight month to a 14-month high of 4.4% year-on-year in July (from +3.4% in June), in line with Bloomberg consensus (4.4%). This big jump in headline inflation largely reflected upward adjustments in prices of some essential food items and services, the lapse of low base effects in electricity tariffs and costlier vehicle purchases after the sales tax exemption expired on 30 June 2022. Nevertheless, we expect Bank Negara Malaysia to remain gradual and accommodative in its current rate hiking cycle. We continue to remain defensive due to rising rate environment and inflationary pressure.

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

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

Net returns are adjusted for tax and fund management fees.

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

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

Investment Risks

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

1. Market Risk

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

2. Liquidity Risk

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

3. Credit risk

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

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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
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- engaging in the hedging of foreign currency exposure where appropriate

Basis of Unit Valuation

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

Exceptional Circumstances

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

Target Fund Details

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

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

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

Source: *Hong Leong Asset Management Berhad (HLAM)*

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

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

Basis of Calculation of Past Performance

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

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

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

Others

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

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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.