

HLA Venture Global Fund (HLAVGLF)

August 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

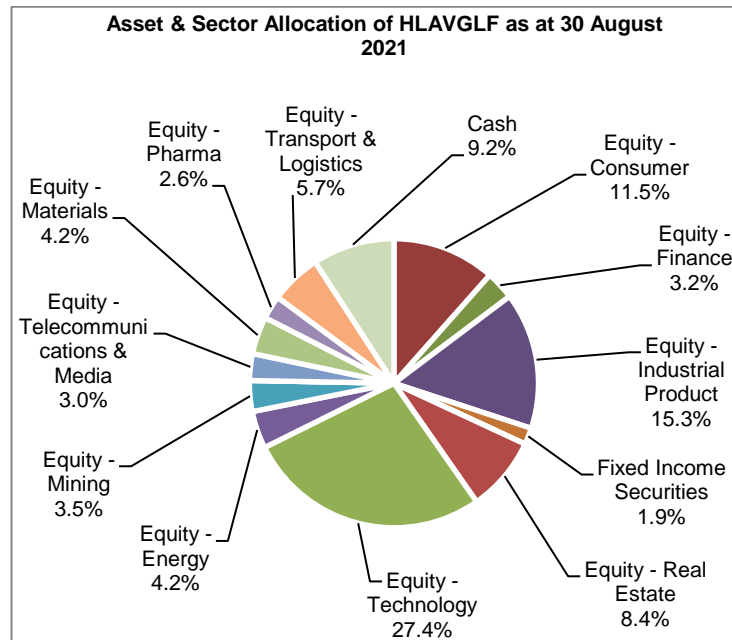
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

Unit Price (30/8/2021)	:RM1.8383
Fund Size (30/8/2021)	:RM41.2 mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
Frequency of Unit Valuation	:Daily

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

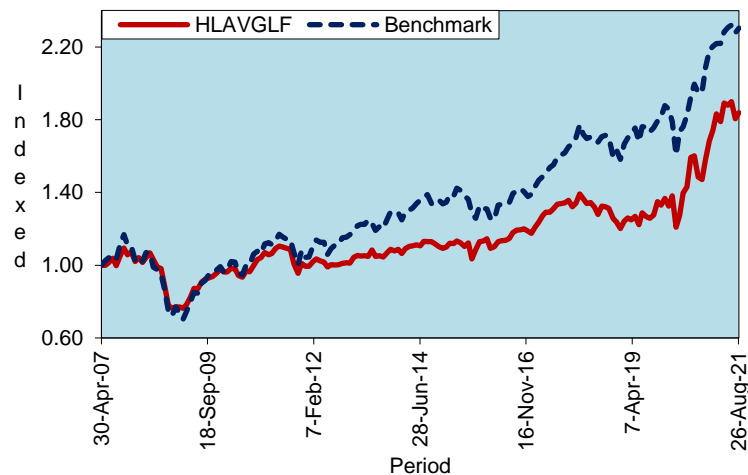
Asset Allocation for HLAVGLF as at 30 August 2021	%
Hong Leong Asia-Pacific Dividend Fund	67.99
Hong Leong Strategic Fund	31.68
Cash	0.33
Total	100.0



Top 5 Holdings for HLAVGLF as at 30 August 2021

	%
1. D&O Green Technologies Berhad	4.5
2. Shimao Services Holdings Limited	4.2
3. Ganfeng Lithium Company Limited	4.0
4. L'Occitane International S.A	4.0
5. Inari Amertron Berhad	3.9
Total Top 5	20.6

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	9.11%	1.77%	14.80%	39.06%	54.01%	82.24%	83.83%
Benchmark*	5.66%	1.17%	15.45%	34.52%	63.52%	115.42%	130.48%
Relative	3.46%	0.60%	-0.64%	4.55%	-9.51%	-33.17%	-46.65%

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 – US market edged higher during the month as the US Federal Reserve's (Fed) dovish monetary stance underpinned the positive market sentiment. This is despite the rising number of COVID-19 cases and hospitalization as the Delta variant continues to spread in the US. The Dow Jones Industrial Average Index rose 1.2% and the broader S&P 500 Index rose 2.9%. The Euro Stoxx Index rose 2.6% and the FTSE 100 Index rose 1.2%.

Asia Pacific – Regional markets rebounded during the month as value started to emerge following the market correction in the previous month. The rapid manner in which the COVID-19 outbreak was put under control in China also gave investor sentiment a boost. In the region, Philippines and India were the best performing markets while Singapore and Korea were the laggards.

Malaysia – The main index staged a substantial rebound during the month as the economy gradually reopens while the country appears to be in the advance stage of the vaccine rollout. The appointment of a new Prime Minister (PM) has also removed much of the political uncertainty. The FTSE BM KLCI rose 7.1% to close at 1,601 points. The broader market underperformed as the FTSE BM EMAS Index rose 6.0% to close at 11,628 points. Small caps underperformed as the FTSE BM Small Cap Index rose 3.4% to close at 15,946 points.

Outlook & Strategy

Global - Economic data continues to be strong. Although the recent data from parts of the developed economies appears to indicate that the rate of growth has peaked, the economic indicators still imply an elevated level of economic activity and economic outlook. Apart from concerns about the recent global outbreak of the Delta virus which most likely has some impact on economic activity, the current economic recovery appears to be intact.

Asia Pacific - The recent economic data coming from China have started to reflect the impact of lockdowns and movement controls that were implemented as part of the government's effort to contain the COVID-19 outbreak. As the measures have successfully bring the number of COVID-19 cases down, China has started to reopen the economy again and we would expect future economic data to improve.

Malaysia – The outlook for local equities is positive as the economy starts to reopen and political uncertainty has abated following the appointment of a new Prime Minister. 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

Malaysia's gross exports increased at a slower pace by 5% year-on-year in July (June +27.2%) underestimating market consensus (+9.9%). July's export growth also marked the smallest gain in eight months as favourable base effects waned amid prolonged COVID-19 containment measures.

As the Malaysian government begins to ease restrictions for business operations and social activities based on the progress of the vaccination rate, this step will augur well for the country's economic recovery into the Monetary Policy Committee's decision to keep existing monetary policy accommodative. last quarter of the year. Bank Negara Malaysia (BNM) stressed that its latest gross domestic product (GDP) and inflation outlook downgrade has been factored into the Monetary Policy Committee's decision to keep existing monetary policy accommodative.

On portfolio positioning, we are maintaining a defensive portfolio duration strategy ahead of the asset purchase taper by the Fed. We expect BNM to continue to maintain the Overnight Policy Rate (OPR) at 1.75% for the rest of the year despite concerns over the growth of the economy.

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Benchmark	-6.5%	14.0%	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%	16.2%
HLAVGLF- Gross	-5.8%	6.8%	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%	26.7%
HLAVGLF - Net	-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.

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.

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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.