

HLA Venture Global Fund (HLAVGLF)

October 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.

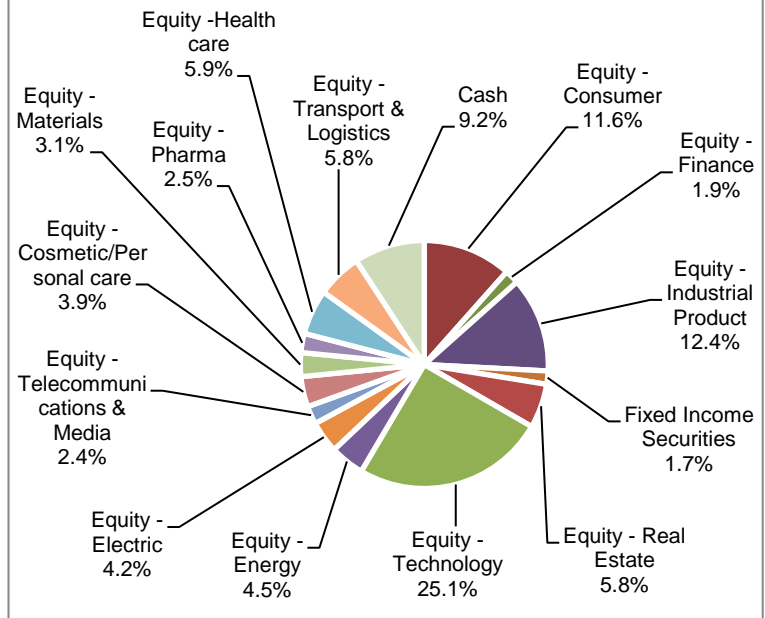
Fund Details

Unit Price (29/10/2021)	:RM1.8723
Fund Size (29/10/2021)	:RM41.9 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 29 Oct 2021	%
Hong Leong Asia-Pacific Dividend Fund	67.80
Hong Leong Strategic Fund	31.81
Cash	0.39
Total	100.0

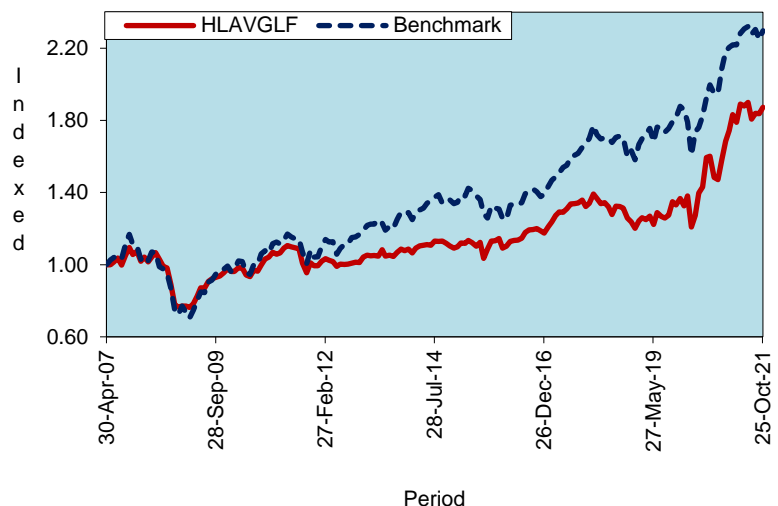
Asset & Sector Allocation of HLAVGLF as at 29 October 2021



Top 5 Holdings for HLAVGLF as at 29 Oct 2021

	%
1. Genetec Technology Berhad	4.8
2. D&O Green Technologies Berhad	4.2
3. Freight Management Holdings Berhad	4.2
4. Inari Amertron Berhad	4.2
5. China Longyuan Power Group Corporation Limited	4.1
Total Top 5	21.5

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	11.13%	1.89%	27.28%	48.77%	56.03%	85.32%	87.23%
Benchmark*	5.31%	2.17%	17.75%	43.71%	63.69%	112.71%	129.73%
Relative	5.82%	-0.28%	9.53%	5.06%	-7.67%	-27.39%	-42.50%

Source: Bloomberg, RAM Quantshop

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

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HLA Venture Global Fund (HLAVGLF)

Market Review, Outlook & Strategy relevant to Target Fund

Equity Review

Global – US market led global equity markets higher on the back of stronger-than-expected third quarter corporate profits. About three quarter of the corporates that have reported earnings beat expectations, pushing the major US indices to all-time highs. The Dow Jones Industrial Average Index rose 5.8% and the broader S&P 500 Index rose 6.9%. The Euro Stoxx Index rose 5.0% and the FTSE 100 Index rose 2.1%.

Asia Pacific – Regional markets followed the US markets higher during the month. However, market sentiment was affected by power outages and sporadic outbreaks of COVID in China. Lackluster economic data and regulatory uncertainties continue to be an overhang on the China and Hong Kong markets. In the region, Indonesia and Singapore were the leaders while Korea and China were the laggards.

Malaysia – The local market sentiment was positive as the reopening of the local economy was well underway, marked by the resumption of interstate travel during the month. The FTSE BM KLCI rose 1.6% to close at 1,562 points. The broader market outperformed as the FTSE BM EMAS Index rose 2.2% to close at 11,559 points. Small caps outperformed as the FTSE BM Small Cap Index rose 7.0% to close at 17,196 points.

Outlook & Strategy

Global - It is widely expected that the Fed will begin its tapering process in November. The recent US consumer confidence data beat expectations. This is despite rising inflation, reflecting rising strength in the labour market. Recent logistics data indicate that the supply chain constraints may have peaked, but will still likely persist for months. It is expected that a moderation in physical goods spending and opening of the global economy will further provide relief to some of the bottleneck pressures.

Asia Pacific - Residential price in China dropped marginally. Despite the slowdown in the property sector and the ongoing Evergrande debt problems, the People's Bank of China (PBOC) reiterated that the property market risk is under control. With the ongoing energy crunch, China has also ordered commodity producers to boost output and lower prices.

Malaysia – We expect the market to be subdued after the surprising announcement of Cukai Makmur during Budget 2022. 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 US Federal Reserve (Fed) signalled an earlier-than-expected tapering which came as a hawkish surprise to the investors. Fed Chair Jerome Powell indicated that an official tapering decision could happen in November. The 10-Year Treasury yields moved 20 basis points (bps) higher to end the month at 1.49%.

Locally, the government bonds traded weaker following the spike in the US Treasuries. On a month-on-month basis, the government bond yield curve trended higher by 6 to 10bps. The 10-year Malaysian Government Securities (MGS) benchmark yield closed around 3.62% month end from the previous month of 3.39%.

The 10-Year Government Investment Issue (GII) auction drew a decent bid-to-cover ratio of 2.02 times but on a smaller-than-expected RM4 billion total size. Noteworthy corporate issuances were DanaInfra Nasional Berhad which raised a total of RM1.5 billion from 7-30 year bonds for the building and construction of the LRT 3 project.

Finance Minister Tengku Zafrul presented the Budget 2022 on 29 October 2021 which announced a year of heavy fiscal spending for 2022. The Budget maintained an expansionary bias with a budget deficit of RM97.5 billion or 6% of GDP (RM98.8 billion or 6.5% of GDP in 2021). The government has indicated it will finance the budget mainly from domestic sources.

In the Budget the government had forecasted a strong 2022 GDP growth of 5.5-6.5% versus 3-4% for 2021 and CPI inflation of 2.1% (2021: 2.4%). The estimated gross sovereign bond supply in 2022 at RM160 billion (maturity: RM69 billion) is largely similar to 2021. Statutory debt-to-GDP ratio is expected to rise to 63.4% of GDP by end-2022. The statutory debt ceiling was temporarily raised in October 2021 to 65% of GDP (ending in 2022) from 60% previously. We expect Bank Negara Malaysia (BNM) to continue to maintain the Overnight Policy Rate (OPR) at 1.75% in the near term. Moving forward, the Funds will continue to de-risk and reduce duration to preserve capital and reduce fund volatility

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.

HLA Venture Global Fund (HLAVGLF)

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
- 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.

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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.

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

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.