

HLA Venture Global Fund (HLAVGLF)

September 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

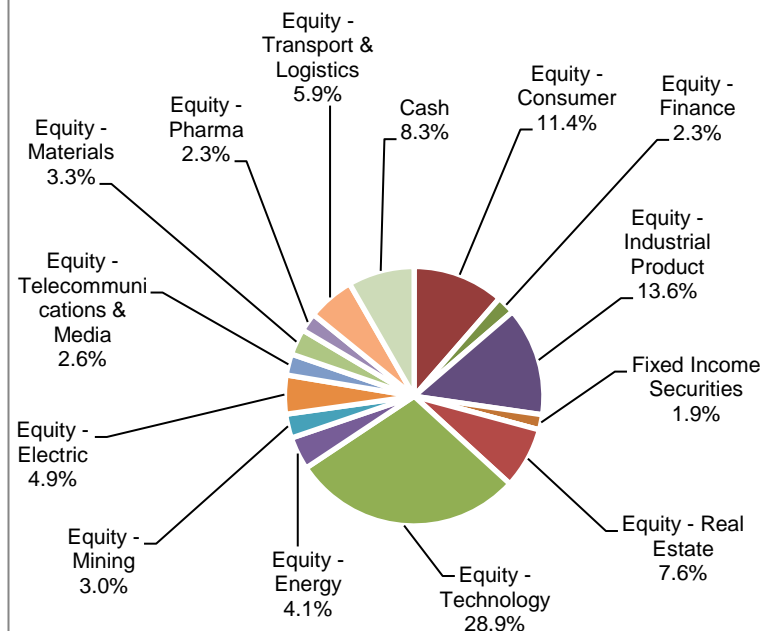
Unit Price (30/9/2021)	:RM1.8376
Fund Size (30/9/2021)	:RM41.2 mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
Frequency of Unit Valuation	: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 Sept 2021

	%
Hong Leong Asia-Pacific Dividend Fund	67.24
Hong Leong Strategic Fund	32.42
Cash	0.34
Total	100.0

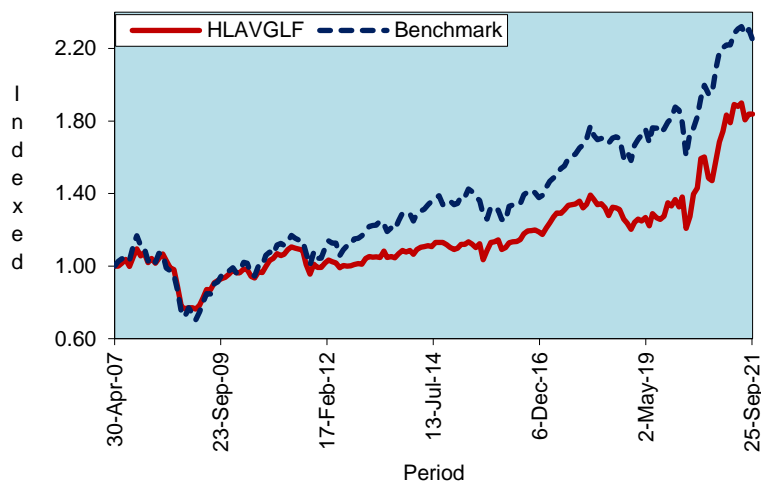
Asset & Sector Allocation of HLAVGLF as at 30 September 2021



Top 5 Holdings for HLAVGLF as at 30 Sept 2021

	%
1. D&O Green Technologies Berhad	4.8
2. China Longyuan Power Group Corporation Limited	4.5
3. Inari Amertron Berhad	4.1
4. L'Ocitane International S.A	3.9
5. Genetec Technology Berhad	3.8
Total Top 5	20.6

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	9.07%	-0.04%	23.79%	39.94%	53.71%	92.26%	83.76%
Benchmark*	3.07%	-2.44%	15.35%	31.96%	58.35%	123.81%	124.85%
Relative	6.00%	2.41%	8.43%	7.98%	-4.64%	-31.55%	-41.09%

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 succumbed to selling pressure as investors are increasingly concerned that the global economic growth may start losing momentum due to rapidly rising energy prices and severe supply-chain constraints. Bottlenecks, hiring difficulties and operational disruptions continue to hamper the reopening of the global economy. The Dow Jones Industrial Average Index declined 4.3% and the broader S&P 500 Index declined 4.8%. The Euro Stoxx Index declined 3.5% and the FTSE 100 Index declined 0.5%

Asia Pacific – Regional markets declined during the month as regulatory noises continue to surface from China. It seems that the increased regulatory supervision appears to have shifted to more sectors. Market sentiment was also affected by investor's concern about possible contagion effects emerging from the China Evergrande's financial difficulties. In the region, India and Indonesia markets were the leaders while Hong Kong and Korea markets were the laggards.

Malaysia – The local market saw some profit taking following its outperformance in the previous month. Apart from the multitude of negative global developments, local market sentiment was also affected by the potential implementation of capital gains tax. The FTSE BM KLCI declined 4.0% to close at 1,538 points. The broader market outperformed as the FTSE BM EMAS Index declined 2.7% to close at 11,311 points. Small caps outperformed as the FTSE BM Small Cap rose 0.8% to close at 16,079 points.

Outlook & Strategy

Global - In the US, the Fed announced that it will begin its tapering process soon and expect that its asset purchases to end by around the middle of 2022. The hawkish tone is echoed in the Europe region. The Bank of England suggested that it may raise interest rates before the end of the year while the European Central Bank also announced plans to trim its asset purchases.

Asia Pacific - There are signs that the worst of the latest COVID-19 wave is over in the region. COVID-19 hospitalisations and cases appear to have peaked in many countries. In China, there are signs that the power shortage situation affecting the factories have started to spill over to residential areas.

Malaysia – The outlook remains encouraging for local equities and more parts of the economy have reopened while the number of COVID-19 cases has declined substantially. 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

US treasuries weakened during month as investors positioned ahead of a potential asset taper announcement at the Federal Open Market Committee (FOMC) meeting. The Federal Reserve (Fed) signalled that the US economy was ready for an asset purchase taper and had marginally brought forward rate hike guidance. Local sovereign yields trended higher following the movement of the US Treasuries. Prime Minister Dato' Sri Ismail Sabri tabled the 12th Malaysia Plan (12MP) in Parliament at the end of the month. Key focus of the plan include increasing gross domestic product (GDP) growth from 4.5% to 5.5% per annum, increasing labour productivity from 1.1% to 3.6% per annum, and increasing the gross national income per capita from RM42,503 to RM57,882. The 10-year Malaysian Government Securities (MGS) re-opening auction drew a decent 1.6 times bid-to-cover on a RM4 billion issue size as market was generally cautious in light of the additional RM45 billion COVID-19 fund announcement. Noteworthy corporate issuances were Cagamas Berhad which raised a total of RM1.5 billion from 1-3 year bonds and government guaranteed issuance from Perbadanan PR1MA Malaysia which issued RM500 million 5-year notes at 3.05%.

As the ratio of the vaccinated adult population increases, more easing of restrictions could be expected as soon November. Headline inflation eased further to a 5-month low of 2% year on year in August (July:+2.2%). Bank Negara Malaysia (BNM) stressed that its latest GDP and inflation outlook downgrade has been factored into the Monetary Policy Committee's decision to keep existing monetary policy accommodative. We believe BNM will continue to maintain its accommodative monetary stance unchanged till early 2022. 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.

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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.