

HLA Venture Global Fund (HLAVGLF)

Mar 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

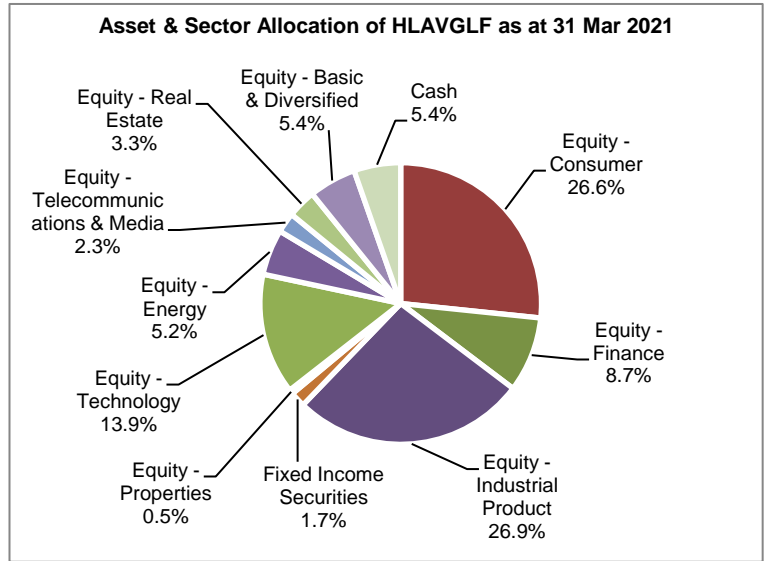
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

Unit Price (31/3/2021)	:RM1.7901
Fund Size (31/3/2021)	:RM39.7 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.

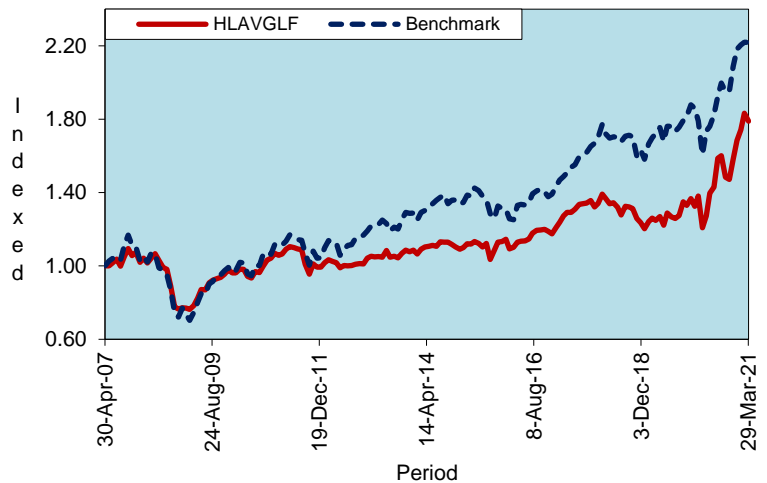
Asset Allocation for HLAVGLF as at 31 Mar 2021	%
Hong Leong Asia-Pacific Dividend Fund	69.51
Hong Leong Strategic Fund	30.46
Cash	0.03
Total	100.0



Top 5 Holdings for HLAVGLF as at 31 Mar 2021

	%
1. Eclat Textile Company Limited	5.5
2. Sany Heavy Equipment Investments Co. Ltd	4.6
3. China Longyuan Power Group Corp Ltd	4.6
4. KWG Living Group Holdings Limited	4.4
5. Galaxy Entertainment Group	4.2
Total Top 5	23.3

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	6.25%	-2.31%	48.06%	33.70%	58.49%	63.96%	79.01%
Benchmark*	1.72%	-0.03%	38.04%	30.75%	66.86%	95.44%	121.89%
Relative	4.53%	-2.28%	10.03%	2.95%	-8.37%	-31.48%	-42.88%

*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 – Equity markets in the United States (US) and Europe appeared to be very much ahead during the month compared to those in emerging markets. This partly reflects the growing disparity in the pace of the vaccine rollout, particularly between developed nations and the less-developed and lower-income nations. A successful vaccine rollout paves the way for the economy to fully reopen sooner rather than later, a fact that is gradually being discounted in the equity markets. The Dow Jones Industrial Average Index rose 6.6% and the broader S&P 500 Index rose 4.2%. The Euro Stoxx Index rose 7.8% and the FTSE 100 Index rose 3.6%.

Asia Pacific – Regional markets saw some profit taking during the month, particularly in the technology sector as investor’s attention turn towards the rising US treasury yields. Philippines and Indonesia equity markets also had a bad month as their economies continue to be hindered by the pandemic. In the region, Singapore and Thailand were the leaders.

Malaysia – It was a quiet month for the Malaysia market as market volume started to ebb. The glove sector was a main drag to the index during the month. The FTSE BM KLCI declined 0.3% to close at 1574 points. The broader market outperformed as the FTSE BM EMAS Index was unchanged to close at 11,615 points. Small caps outperformed as the FTSE BM Small Cap Index rose 2.3% to close at 16,750 points.

Outlook & Strategy

Global - The economic data from the US suggest an enduring and robust outlook for the economy. The US Federal Reserve (Fed) reiterated their dovish stance and made it clear that it is still too early to start any preparation to taper bond purchases or alter the current policy rate path. The successful vaccine rollout in the US and another substantial stimulus bill that was approved during the month are expected to propel the economy even higher in the coming months.

Asia Pacific - Recent Purchasing Managers' Index (PMI) data in various countries in the region suggest that the outlook for the manufacturing industry remains healthy. Although the services sector is expected to stage a recovery later in the year as more people get vaccinated, the strong demand for goods and current capacity constraints are expected to continue to lend support to the manufacturing sector.

Malaysia – We expect the local equity market to remain buoyant due to the rapidly recovering external demand as the US government in particular continues to supercharge the economy with massive fiscal stimulus. We prefer to be invested in selected export stocks.

Fixed Income Review and Outlook

FTSE Russell announced that Malaysia will retain its membership in the World Government Bond Index (WGBI). Post announcement, the local sovereign bond market experienced a relief rally due to removal of the overhang. Meanwhile, China’s inclusion in WGBI is confirmed at an estimated index weight of 5.25% at full inclusion, which is projected to dilute Malaysia’s weight from 0.39% currently to 0.37% at full inclusion. The new 5-year Malaysian Government Securities (MGS) 9/25 auction drew a bid-to-cover ratio of 1.79 times due to its larger than usual size of RM4.5 billion with no private placement. Similar to the last 10- year Government Investment Issue (GII) auction, the bid-to-cover came in at the weaker end in comparison with past MGS/GII auctions. In the corporate space, the notable issuance of the month was from Infracap Resources Berhad (wholly-owned subsidiary of the State Financial Secretary, Sarawak) which issued RM5.75 billion of AAA-rated sukuk.

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.

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.

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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:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

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 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.
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

1. 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%

2. 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.