

HLA Venture Global Fund (HLAVGLF)

November 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.

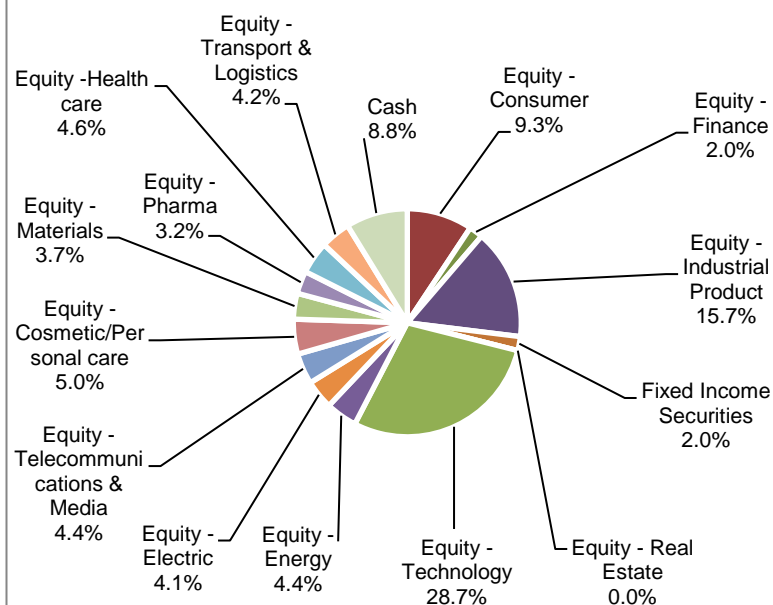
Fund Details

Unit Price (30/11/2021)	:RM1.8483
Fund Size (30/11/2021)	:RM41.3 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 Nov 2021	%
Hong Leong Asia-Pacific Dividend Fund	67.98
Hong Leong Strategic Fund	31.61
Cash	0.41
Total	100.0

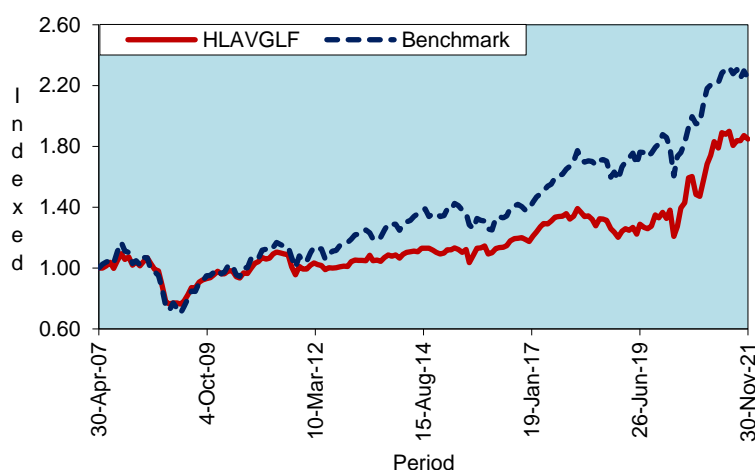
Asset & Sector Allocation of HLAVGLF as at 30 November 2021



Top 5 Holdings for HLAVGLF as at 30 Nov 2021

	%
1. Cowell e Holdings Inc	5.4
2. D&O Green Technologies Berhad	4.8
3. Inari Amertron Berhad	4.6
4. L' Occitane International S.A	4.5
5. Genetec Technology Berhad	4.1
Total Top 5	23.4

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	9.70%	-1.28%	16.86%	49.48%	55.54%	86.08%	84.83%
Benchmark*	3.05%	-2.15%	7.71%	37.71%	63.09%	115.56%	124.80%
Relative	6.65%	0.86%	9.15%	11.77%	-7.55%	-29.48%	-39.97%

*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 equity markets were relatively subdued until the emergence of the Omicron variant made the headlines at the end of the month. Investors were spooked by the possibility that the current vaccines that are available may be less effective against the new variant. United States (US) indices also had another leg down on the last day of the month after US Federal Reserve (Fed) Chairman Jerome Powell indicated that the bond tapering may be accelerated. The Dow Jones Industrial Average Index declined 3.7% and the broader S&P 500 Index declined 0.8%. The Euro Stoxx Index declined 4.4% and the FTSE 100 Index declined 2.5%.

Asia Pacific – Market sentiment in regional markets was also adversely affected by the uncertainty surrounding the Omicron variant. The Hong Kong market made new lows for the year as China internet companies reported disappointing earnings. In the region, Philippines and Taiwan were the leaders while Hong Kong and Korea were the laggards.

Malaysia – The local market sentiment turned negative during the month following Budget 2022. Investors reacted negatively to the implementation of 'Cukai Makmur' and changes to the stamp duty charges. The FTSE BM KLCI declined 3.1% to close at 1514 points. The broader market underperformed as the FTSE BM EMAS Index declined 4.1% to close at 11,084 points. Small caps underperformed as the FTSE BM Small Cap Index declined 7.7% to close at 15,870 points.

Outlook & Strategy

Global - As scientists work to gather evidence on the efficacy of the existing vaccines against Omicron, most investors will likely be on the sidelines as the near term equity outlook very much depends on the outcome of the investigations. US Fed Chairman Powell acknowledged that higher inflation may persist well into next year and that the US Fed will consider accelerating the taper of asset purchases. This development appeared to have been pre-empted by most investors, considering that the market was already expecting two to three rate hikes next year even before the recent hawkish turn by the US Fed.

Asia Pacific - Due to China's 'zero-covid' policy and its blanket restrictions on international travel, we expect China to be relatively more sheltered in the event of a global Omicron wave. As the economy cools down in China, we expect the government to implement some degree of monetary easing in the near term.

Malaysia - Due to the emergence of the Omicron variant and the uncertainty surrounding the effectiveness of the current vaccines, we expect the local stock market to be subdued until more information about the virus is made available. 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

In November, the US Federal Open Market Committee (FOMC) maintained its federal funds rate and announced the commencement of asset tapering plans of USD15 billion a month. The reappointment of Powell as Fed Chair for a second term reaffirmed investor's belief on the Fed's policy continuity and support for rate normalisation exercises. The emergence of the COVID-19 Omicron variant during the month caused investors to seek safe-haven assets, causing Treasury yields to fall. The 10-year Malaysian Government Securities (MGS) benchmark fell 6 basis points (bps) to 3.52%, tracking the rally in Treasuries. During the month, Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 1.75% and guided for monetary policy to remain accommodative to cushion any potential downside risks. In the primary issuance market, the 15-year MGS reopening drew the strongest long-duration auction in 2021, with a strong bid-to-cover (BTC) of 3.06 times. However, 3-year Government Investment Issue (GII) reopening garnered a weak BTC of only 1.41 times on a RM4.5 billion size, marking the auction the lowest BTC in 2021. The month ended with a 20-year MGS reopening which drew a moderate 1.89 times BTC. Notable issuances during the month included Felda's RM365 million issuance and Dana infra Nasional Berhad's RM1.145 billion issuance. Third quarter 2021 gross domestic product (GDP) contracted 4.5% year-on-year (second quarter 2021: +16.1% year-on-year) on the back of the re-imposition of nationwide lockdown during the quarter. All key economic sectors declined year-on-year led by construction (-20.6%), followed by services (-4.9%), mining and quarrying (-3.6%), agriculture (-1.9%), and manufacturing (-0.8%). Domestic demand dropped 4.1% year-on-year following declines in private consumption (-4.2%) and total investment (-10.8%). A minor rebound is anticipated in the fourth quarter of 2021, bringing the full year estimated 2021 GDP growth to 3.1%. We expect economic growth to pick up to 6.1% in 2022. Local inflation is likely to average between 2.0%-3.0% for 2021 and remain moderate in 2022. BNM anticipates the local economy to gain momentum moving into 2022 although downside risks remain. As such, we expect the central bank to maintain its policy rate for at least the first half of 2022. Moving forward, we maintain our defensive strategy to de-risk the funds and reduce duration to preserve capital in order to manage fund volatility in a rising rate environment.

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.

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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	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.

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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.