

HLA Venture Global Fund (HLAVGLF)

Apr 2017

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.

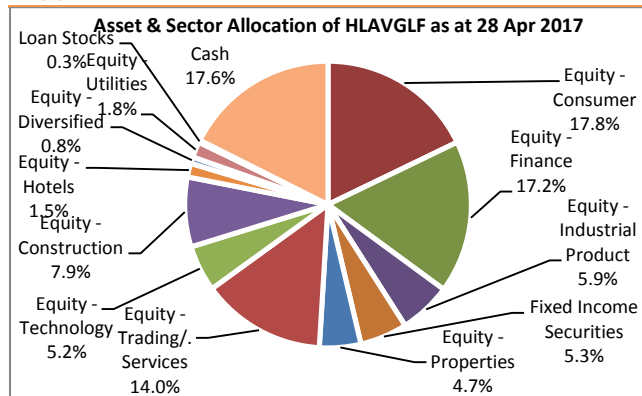
Fund Details

Unit Price (28/4/2017)	:RM1.2922
Fund Size (28/4/2017)	:RM28.5mil
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

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 28 Apr 2017

	%
Hong Leong Asia-Pacific Dividend Fund	51.6
Hong Leong Strategic Fund	45.2
Cash	3.2
Total	100.0



Top 10 Holdings for HLAVGLF as at 28 Apr 2017

	%
1. GII Murabahah	5.3
2. Bank of China Ltd - H	3.2
3. China Life Insurance Co - H	2.8
4. Great Wall Motor Company Limited	2.4
5. Engtex	2.4
6. Industrial & Commercial Bank of China - H	2.4
7. Prada SPA	2.4
8. Tenaga Nasional Berhad	2.3
9. Yuzhou Properties Co Ltd	2.2
10. Hai-O Enterprise Berhad	2.1
Total Top 10	27.5

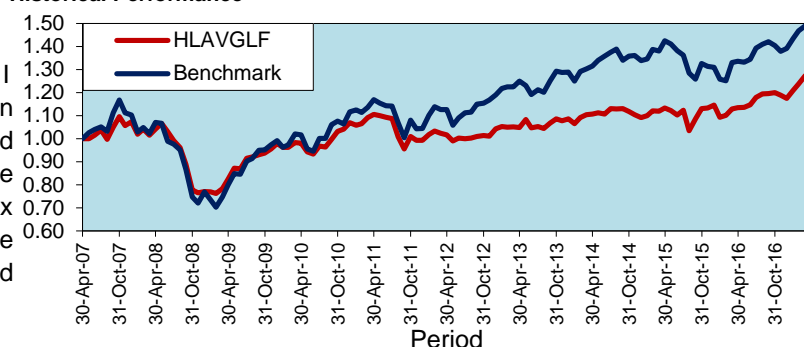
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Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVGLF	1.55%	9.96%	13.89%	27.02%	29.22%	29.22%
Benchmark	1.38%	8.45%	12.86%	33.83%	50.82%	50.82%
Relative	0.17%	1.50%	1.03%	-6.81%	-21.60%	-21.60%

Market Review, Outlook & Strategy relevant to Target Fund

Equity Review

Global-Global markets rallied in April, with the MSCI World Index hitting an all-time high at the end of the month. The S&P 500 Index ended the month up 0.9% together with a strong first-quarter reporting season in the US. The Hang Seng Index and the Euro Stoxx 600 Index were the strongest performers over the month.

Asia Pac- Regional markets continued its strong performance during the month. In the region, Philippines, Malaysia and Indonesia were the top performing markets for the month, whilst Singapore, Thailand and Australia markets were the laggards.

Malaysia- The FTSE BM KLCCI rose to 22-month highs, up 1.6% to close at 1,768 points, on the back of a stronger ringgit, recovering corporate earnings prospects and foreign funds inflow. Positive sentiment in the market was also boosted by strong regional markets and corporate exercises. The broader market outperformed the FTSE BM KLCCI with the FTSE BM EMAS Index up 2.2% to 12,631 points.

Equity Outlook & Strategy

Global- Global markets continue to show improving economic outlook. First-quarter earnings season has been encouraging thus far with 80% of reported S&P earnings beating estimates and a 64% beat from companies reported in Euro Stoxx. Europe is expected to see one of the busiest electoral years after Theresa May's announcement of a surprise snap UK election in April. The earliest of which is the French election which will be held on May 7. We expect equity markets in developed countries to consolidate in the near term as likelihood of rate hikes may rise and may dampen investors' sentiment.

Asia Pacific - China's first-quarter 2017 gross domestic product (GDP) growth accelerated faster than expected at 6.9%, supported by government infrastructure spending and a booming housing market. Indonesia saw surprise results from the second round Jakarta gubernatorial election with former education minister Anies Baswedan beating incumbent Basuki Tjahaja Purnama by a sizeable margin. For our investment portfolios, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

Malaysia- The upcoming results season could see positive surprises which will keep the market buoyant, particularly if Ringgit continues to strengthen and global markets remain strong. We maintain our preference for blue-chip stocks that are trading at attractive levels, selected construction and consumer stocks that may benefit from government pump-priming.

Fixed Income Review and Outlook

The month started off with Malaysian Government Securities (MGS) dealing in narrow ranges as the local bond market was lacking in direction despite the primary issuances. However, bond sentiment was lifted after Bank Negara Malaysia (BNM) announced its dynamic Foreign Exchange hedging and short selling regulation which gave the bond market a much needed break. The short end of the MGS curve went down by 4-5 basis points (bps) month-on-month while the longer end of the curve moved marginally by 1-3bps. The Malaysian Ringgit (MYR) was also seen trading better at 4.30 versus 4.44 earlier in the month post BNM's announcement. There were 3 government bond auctions in the month, the 15-year Government Investment Issue (GII) and 20-year MGS and including the 5-year benchmark auction which was supported by local investors. In the corporate bond market, major issuers were Cagamas Berhad, Lembaga Pembiayaan Perumahan Sektor Awam (LPPSA) and Public Bank Berhad.

US Treasury rallied after Trump administration proposed corporate tax reforms. As all eyes are on the next Federal Open Market Committee (FOMC) meeting in May, we still think the Federal Reserve (Fed) will continue to stand by their stance for three rate hikes this year in view of continued improvement in the US economy with stronger labour data. Market took BNM's announcement on short selling as a positive move as we saw the bonds market rallied post announcement. We think the bond market will continue to be well supported in the coming months as liquidity would improve with the new regulation. In the month, inflation stood higher at 5.1%, which was close to market consensus of 5.2%. Despite this, we still think that BNM will maintain its current policy stance for the rest of the year. We look to be opportunistic in the sovereign bond market by adding to position on any dips.

HLA Venture Global Fund (HLAVGLF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2012	2013	2014	2015	2016
Benchmark	14.0%	8.3%	3.9%	-2.2%	6.2%
HLAVGLF- Gross	6.8%	6.0%	1.9%	6.7%	4.2%
HLAVGLF - Net	5.0%	4.2%	0.5%	4.9%	2.6%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) 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.

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 detailed explanation of the risk 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 will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

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	2012	2013	2014	2015	2016
Performance	15.2%	-4.8%	-1.0%	6.5%	1.8%

- Hong Leong Strategic Fund is a Mixed Assets fund managed by HLAM. The past performance of this fund is as follows:

Year	2012	2013	2014	2015	2016
Performance	4.9%	14.5%	-0.7%	4.3%	4.8%

Source: Hong Leong Asset Management Berhad (HLAM)

Note: Hong Leong Global Resources Income Fund has been liquidated on 17 April 2014.

HLA Venture Global Fund (HLAVGLF)

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.