

HLA Venture Global Fund (HLAVGLF)

Nov 2019

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

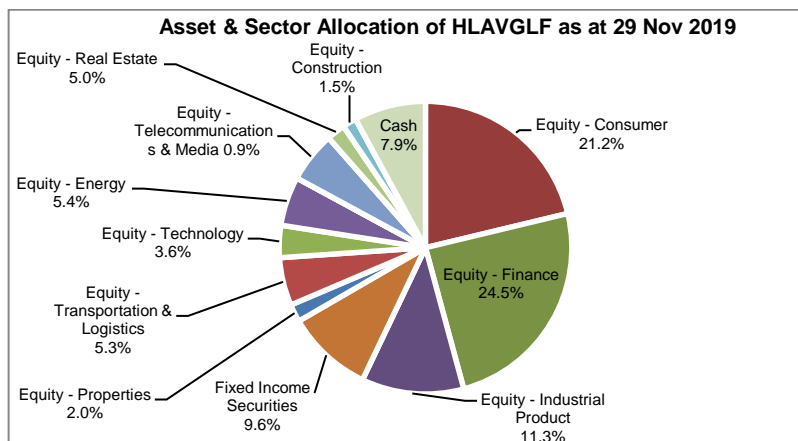
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

Unit Price (29/11/2019)	:RM1.3311
Fund Size (29/11/2019)	:RM29.7mil
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.

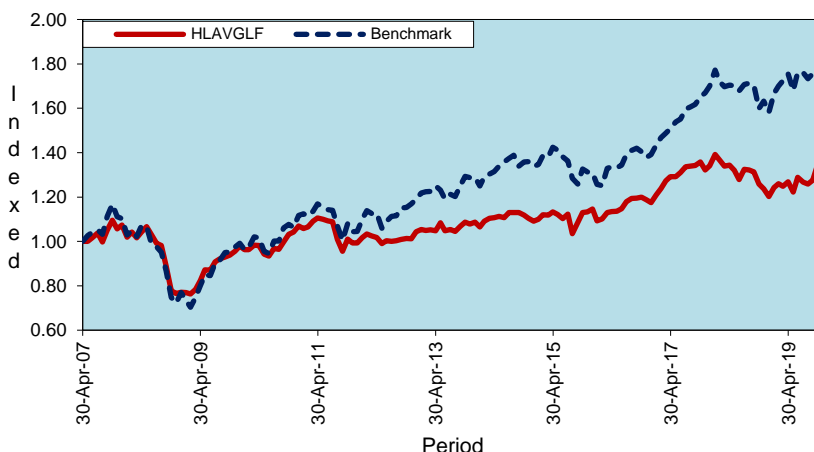
Asset Allocation for HLAVGLF as at 29 Nov 2019	%
Hong Leong Asia-Pacific Dividend Fund	59.9
Hong Leong Strategic Fund	39.0
Cash	1.1
Total	100.0



Top 5 Holdings for HLAVGLF as at 29 Nov 2019

	%
1. Government Investment Issue	9.6
2. Meituan Dianping	5.6
3. Country Garden Services Holdings Co Ltd	5.5
4. China Conch Venture Holdings	5.4
5. Westports Holdings Bhd	5.3
Total Top 5	31.3

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	10.71%	-1.33%	7.65%	12.02%	20.60%	39.37%	33.11%
Benchmark*	14.81%	1.25%	11.24%	31.75%	33.52%	86.50%	81.60%
Relative	-4.10%	-2.59%	-3.59%	-19.73%	-12.91%	-47.13%	-48.49%

Source: Bloomberg, RAM Quantshop

HLA Venture Global Fund (HLAVGLF)

Market Review, Outlook & Strategy relevant to Target Fund

Equity Review

Global – US markets continued to trend higher to new record high, driven by optimism that a trade agreement between the US and China may materialize in the near term. Lack of a recession threat also buoyed market sentiment. The Dow Jones Industrial Average Index rose 3.7% and the broader S&P 500 Index rose 3.4%. The Euro Stoxx Index rose 2.8% and the FTSE 100 rose 1.4%.

Asia Pacific – Regional markets lagged behind developed markets during the month, despite the positive progress made in the US and China trade negotiations and some stabilization in recent economic data. Hong Kong market was one of the main laggards as Hong Kong local stocks were under selling pressure amidst the prolonged local political uncertainties. In the region, Australia and India markets were the leaders while Philippines and Indonesia markets were the laggards.

Malaysia – The FTSE BM KLCI declined during the month as investor sentiment took a hit during the disappointing earnings season. The FTSE BM KLCI declined 2.3% to close at 1,562 points while the FTSE BM EMAS Index declined 1.9% to close at 11,093 points. Small caps underperformed as the FTSE BM Small Cap Index declined 2.4% to close at 13,355 points.

Outlook & Strategy

Global - Recent economic data suggests there have been some rebound in business sentiment while the job market remains resilient despite the weak manufacturing sentiment. The easing of trade tensions also appears to have an impact in Europe as consumer confidence and business sentiment improve.

Asia Pacific - China's economic outlook remains weak as reflected by disappointing industrial production and retail sales data. The People's Bank of China (PBOC) cut rates for the first time since October 2015 as concerns about the economic risks continue to escalate. Hong Kong retail sales saw one of the steepest fall as tourism and retail spending took a massive hit from the ongoing protests.

Malaysia – The local market continues to be under selling pressure by foreign investors. However, investor sentiment may improve should a China-US trade agreement materialize. We prefer to be invested in high-yield stocks and selected consumer and export stocks.

Fixed Income Review and Outlook

Risk assets rallied early in the month on optimism that the US and China will come to an agreement on a phase one deal. Consequently, US Treasury yields rose to multi-month high. However, trade sentiment turned after President Trump signed the Hong Kong Democracy and Human Rights Act which provoked Beijing and risking the trade deal. Risk assets fell and US Treasury yields fell as a result. The local government bond market remained resilient over the review period. The 10-year Malaysian Government Securities (MGS) benchmark rose 1 basis point to 3.42%.

The new 3-year Government Investment Issue (GII) and 20-year MGS benchmark saw strong demand with bid-to-cover of 2.38 and 2.51 times respectively. The 10-year GII benchmark saw equally robust demand with a bid-to-cover of 1.9 times. In the primary corporate bond market, Danalnfra Nasional Berhad was the notable issuer of the month, tapping a nominal of RM2.8 billion for maturities ranging between 7 and 30 years.

The phase one deal between the US and China is at severe risk after the US passed the Hong Kong Democracy and Human Rights Act which could provoke relation from China. President Trump added that he was willing to wait until after the election to reach a trade deal, further unnerving investors. Local inflation remained stable at 1.1% in October whilst Malaysia's third quarter gross domestic product (GDP) growth came in within expectation at 4.4%. Given local economic data remained resilient, we think Bank Negara Malaysia (BNM) will maintain its monetary policy rate in the near term. On portfolio positioning, we look to remain defensive due to the uncertain outlook on the trade agreement between the US and China. The Funds will maintain a higher corporate bond holding for higher carry yield and to minimise mark-to-market volatility.

Actual Annual Investment Returns for the Past Ten (10) Calendar Years

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Benchmark	28.8%	12.7%	-6.5%	14.0%	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%
HLAVGLF- Gross	30.6%	11.4%	-5.8%	6.8%	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%
HLAVGLF - Net	26.9%	9.2%	-7.1%	5.0%	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%

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.

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.

HLA Venture Global Fund (HLAVGLF)

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Performance	52.6%	6.4%	-15.0%	15.2%	-4.8%	-1.0%	6.5%	1.8%	19.2%	-13.3%

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Performance	38.9%	18.5%	-0.7%	4.9%	14.5%	-0.7%	4.3%	4.8%	10.9%	-10.3%

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.