

HLA Venture Global Fund (HLAVGLF)

June 2022

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.

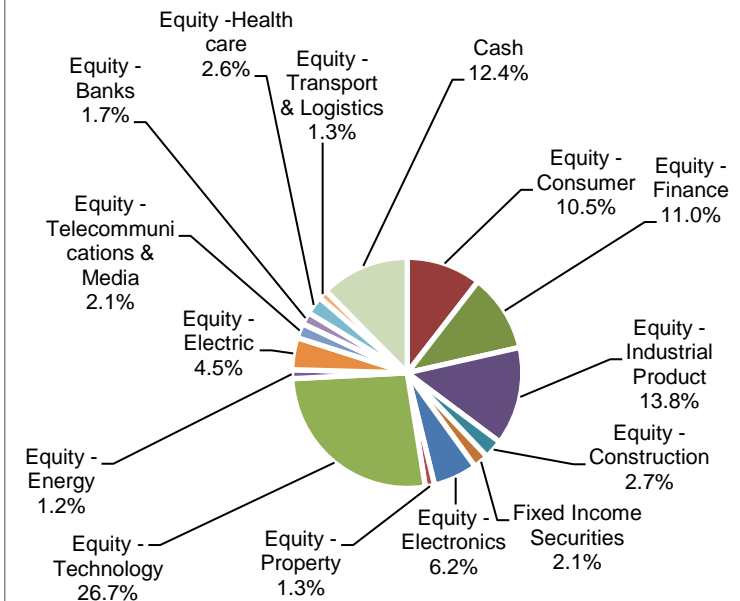
Fund Details

Unit Price (30/6/2022)	:RM1.5797
Fund Size (30/6/2022)	:RM35.2 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 June 2022	%
Hong Leong Asia-Pacific Dividend Fund	66.94
Hong Leong Strategic Fund	32.94
Cash	0.12
Total	100.0

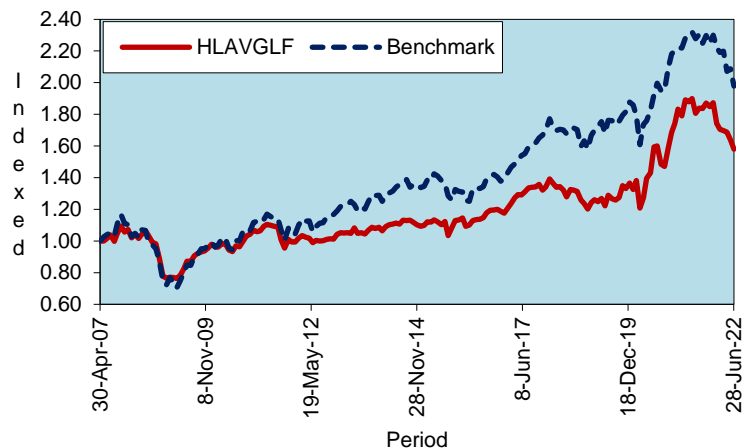
Asset & Sector Allocation of HLAVGLF as at 30 June 2022



Top 5 Holdings for HLAVGLF as at 30 June 2022

1.	Cowell e Holdings Inc	6.2
2.	PT Bank Mandiri (Persero) Tbk	5.4
3.	China Longyuan Power Group Corporation Limited	4.5
4.	D&O Green Technologies Berhad	3.9
5.	Pantech Group Holdings Berhad	3.5
Total Top 5		23.5

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	-15.66%	-3.58%	-16.84%	22.57%	20.57%	57.53%	57.97%
Benchmark*	-14.01%	-5.25%	-14.78%	12.24%	27.46%	81.43%	97.76%
Relative	-1.64%	1.68%	-2.06%	10.33%	-6.89%	-23.90%	-39.79%

Source: Bloomberg, RAM Quantshop

Notice: Past performance of the fund is not an indication of its future performance.

HLA Venture Global Fund (HLAVGLF)

Market Review, Outlook & Strategy relevant to Target Fund

Equity Review

Global – June was another torrid month for global equities after a momentary respite in the previous month. Recession fears appear have moved to the forefront of investor's minds as high prices and borrowing costs are expected to squeeze consumer spending and sentiment. The Dow Jones Industrial Average Index declined 6.7% and the broader S&P 500 Index declined 8.4%. The Euro Stoxx Index declined 8.8% and the FTSE 100 Index declined 5.8%.

Asia Pacific – Regional markets also had a difficult month as the ASEAN markets that had been relatively resilient to the sell-off in the beginning of the year started to crumble due to recession fears. In the region, China and Hong Kong were the leaders while Korea and Taiwan were the laggards.

Malaysia – The wave of selling pressure also took hold in the local market due to recession fears. The selling was broad-based as investor sentiment deteriorated. The FTSE BM KLCI declined 8.0% to close at 1,444 points. The broader market outperformed as the FTSE BM EMAS Index declined 7.6% to close at 10,307 points. Small caps underperformed as the FTSE BM Small Cap Index declined 8.8% to close at 14,236 points.

Outlook & Strategy

Global - The US Fed initiated a jumbo rate hike of 75bps during the month as they are determined to get inflation under control. Economic data shows a strong labour market but consumer sentiment has fallen sharply. Housing sales data also point towards an imminent slowdown. Gas supply shock remains the biggest risk in Europe due to the reduction in gas supplies from Russia. Business and consumer confidence dropped as gas prices climbed higher.

Asia Pacific - Most of the economic data from China beat expectations as the economic re-opening is currently underway. Industrial production and retail sales were higher than expectations. China also announced that quarantine for inbound travellers will be shortened. We expect these measures to help alleviate the supply chain problems and accelerate consumption recovery.

Malaysia - June saw the first monthly foreign investor outflows from the local market as recession fears drove investors to pull money out of emerging markets. 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

The Federal Reserve (Fed) accelerated its rate hike cycle by lifting the federal funds target rate by 75 basis points (bps) to 1.50%-1.75% in the June Federal Open Market Committee meeting. The Fed will continue to tighten rates as inflation remains well above the Fed's target, but the pace will be determined at each meeting as Chairman Jerome Powell expects the federal funds target rate to be lifted above the long-term neutral rate of 2.5% to bring down inflation. The local sovereign bond yields edged higher by 10 to 20bps across the curve tracking the movement in the US Treasuries. The newly issued 15-year Malaysian Government Securities trended to as high as 4.76% post auction, 16bps higher from its average auction yield of 4.60%. S&P Global revised Malaysia's outlook from Negative to Stable due to Malaysia's strong economic recovery path, supported by higher exports, high commodity prices and domestic demand. Malaysia's gross domestic product is projected to grow 6.1% in 2022 and 5% in 2023. In the primary pipeline, Sarawak Petrochemical will be looking to raise RM3 billion from the local primary market via several tranches ranging from 3 to 15 years. Danum Capital which serves as Khazanah Nasional's special purpose vehicle as well as Tenaga Nasional Berhad issued in total RM5 billion worth of bonds in the market in June.

Malaysia's inflation measured by the Consumer Price Index increased 2.8% in May 2022 year-on-year (April: 2.3%) mainly driven by food inflation and some seasonal effect during Ramadan highest since October 2011. On the monetary policy front, Bank Negara Malaysia (BNM) added that subsequent rate hikes will be done in a measured and gradual manner to ensure that monetary policy remains supportive of economic growth. Given signs of broader inflation on consumer prices and ongoing domestic recovery, we believe BNM will follow-through with rate normalisation at both the July and September monetary policy meetings. In terms of portfolio action, we continue to remain defensive due to rising rate environment and inflationary pressure.

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benchmark	14.0%	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%	16.2%	5.4%
HLAVGLF - Gross	6.8%	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%	26.7%	13.7%
HLAVGLF - Net	5.0%	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%	13.7%	23.3%	11.2%

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.

HLA Venture Global Fund (HLAVGLF)

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	15.2%	-4.8%	-1.0%	6.5%	1.8%	19.2%	-13.3%	24.9%	50.7%	13.1%

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

Source: Hong Leong Asset Management Berhad (HLAM)

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Performance	4.9%	14.5%	-0.7%	4.3%	4.8%	10.9%	-10.3%	2.2%	-13.4%	6.1%

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.