

HLA Venture Global Fund (HLAVGLF)

November 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

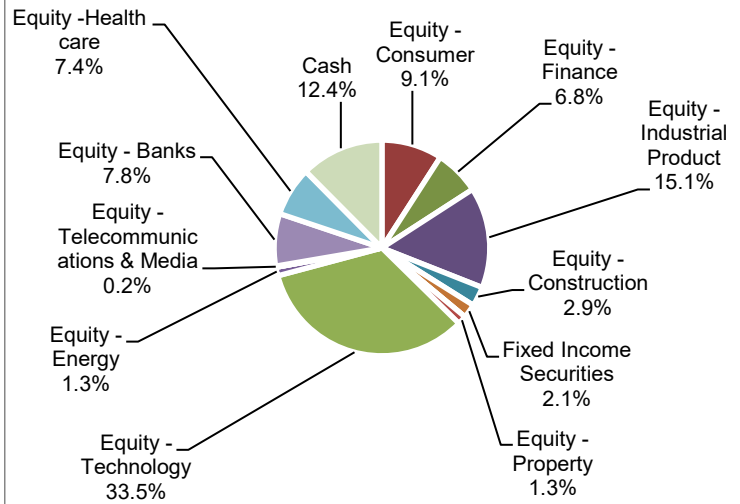
Unit Price (30/11/2022)	:RM1.6801
Fund Size (30/11/2022)	:RM37.4mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
Frequency of Unit Valuation	: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 HLA VGLF as at 30 Nov 2022

	%
Hong Leong Asia-Pacific Dividend Fund	67.45
Hong Leong Strategic Fund	32.3
Cash	0.25
Total	100.0

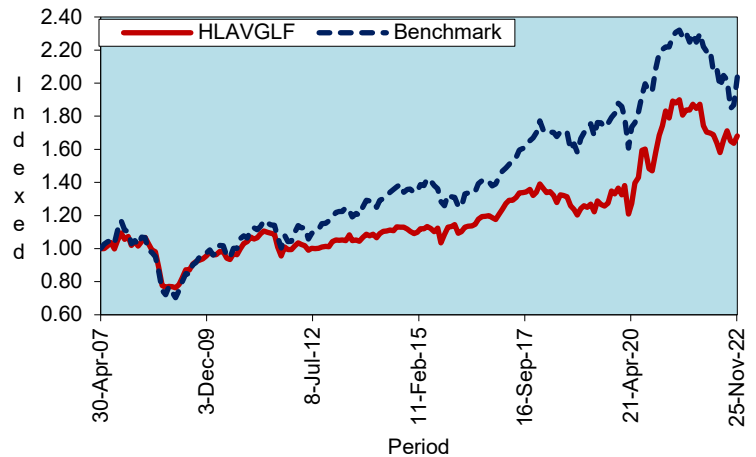
Asset & Sector Allocation of HLA VGLF as at 30 November 2022



Top 5 Holdings for HLA VGLF as at 30 November 2022

1.	PT Bank Mandiri (Persero) Tbk	5.6
2.	Bumrungrad Hospital Public Company Limited-Nvdr	5.1
3.	Genetec Technology Berhad	4.4
4.	LGMS Berhad	4.1
5.	D&O Green Technologies Berhad	3.9
Total Top 5		23.2

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLA VGLF	-10.30%	2.69%	-9.10%	26.22%	27.11%	66.15%	68.01%
Benchmark*	-11.47%	8.95%	-9.42%	12.12%	21.97%	74.28%	103.61%
Relative	1.17%	-6.26%	0.32%	14.09%	5.14%	-8.13%	-35.60%

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 markets rallied hard as US inflation data came in lower than expected. The rally coincided with the decline in the US Dollar and bond yields. The Dow Jones Industrial Average index rose 5.7% and the broader S&P 500 Index rose 5.4%. The Euro Stoxx Index rose 9.6% and the FTSE 100 Index rose 6.7%.

Asia Pacific – Regional markets experienced a monster rally, primarily led by North Asian markets. It was a wild month for the Hong Kong market as sentiment swung dramatically from doom and gloom in the previous month to outright bullish optimism in just a span of a few weeks. In the region, Hong Kong and Taiwan were the leaders while Indonesia and Japan were the laggards.

Malaysia – The local market was rather muted for much of the month as investors were cautious ahead of the 15th General Election (GE15) and concerns about the stability of the current political climate. The FTSE BM KLCI rose 2.0% to close at 1,489 points. The broader market outperformed as the FTSE BM EMAS Index rose 2.7% to close at 10,634 points. Small caps outperformed as the FTSE BM Small Cap Index rose 4.5% to close at 14,934 points.

Outlook & Strategy

Global - The latest US inflation data was below consensus expectations, fuelling hopes that inflation might have peaked. The labour market continues to show strength as unemployment remains low while jobs data was solid. However, the data in Europe is less encouraging as inflation hit a new high. Although economic activity indicators showed a mild uptick, it is still at very low levels

Asia Pacific - In a surprise move, China announced a slew of measures to ease some of the COVID-19 restrictions. Some of the significant changes were the shortening of quarantine period and a more vigorous push to vaccinate the elderly.

Malaysia - GE15 was finally underway during the month which saw Anwar Ibrahim appointed as the 10th Prime Minister. The election was not without some drama as it resulted in an unprecedented hung parliament before a unity government was formed.

Fixed Income Review and Outlook

US treasuries (UST) rallied amid clearer signal from Federal Reserve (Fed) Chair Jerome Powell that smaller interest rate increases are likely ahead and could start in December. However, Powell cautioned that monetary policy is likely to stay restrictive for some time until real signs of progress emerge on inflation. The benchmark 10-year UST yield fell 43 basis points (bps) month-on-month (MoM) to 3.61% and has since fallen by 63bps from its peak of 4.24% in October. In early November, the Consumer Price Index (CPI) indicated inflation rising but market anticipation. Private payroll growth was also far lower than expected while job openings also declined.

Domestically, headline inflation moderated to 4.0% MoM in October from 4.5% in September, following the dissipation of the base effect in electricity inflation. Core inflation increased slightly to 4.1% MoM from 4.0% in September. The increase was predominantly contributed by food-related services and goods. On a MoM basis, the increase in core CPI moderated further to 0.1% in October (September: 0.3%).

Post-GE15 election results, local bonds rallied towards the end of November as market gained confidence over the newly-formed unity government. The benchmark 10-year Malaysian Government Securities fell 21bps MoM to 4.10% from 4.31% in October

In line with the pace of domestic economic recovery, Bank Negara Malaysia delivered a fourth consecutive Overnight Policy Rate hike at the Monetary Policy Committee (MPC) meeting in November on stronger economic growth and rising inflation, albeit at a less aggressive pace as compared to US Fed. MPC described the stance of monetary policy as accommodative and supportive of economic growth, which keeps the door open for another 25bps hike to 3.00% at the next meeting in January. However, the MPC is not on any pre-set course, hence any monetary policy decisions will continue to depend on evolving conditions which will impact domestic inflation and growth. Headline inflation is likely to have peaked in the third quarter of 2022 and is expected to moderate thereafter, albeit remaining elevated. We are pencilling another hike in January bringing the terminal rate to 3%, should leading economic indicators continue to support economic growth. Given the volatile environment, our defensive stance remains largely unchanged for most of our portfolios.

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.

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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	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.