

HLA Venture Global Fund (HLAVGLF)

March 2023

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.

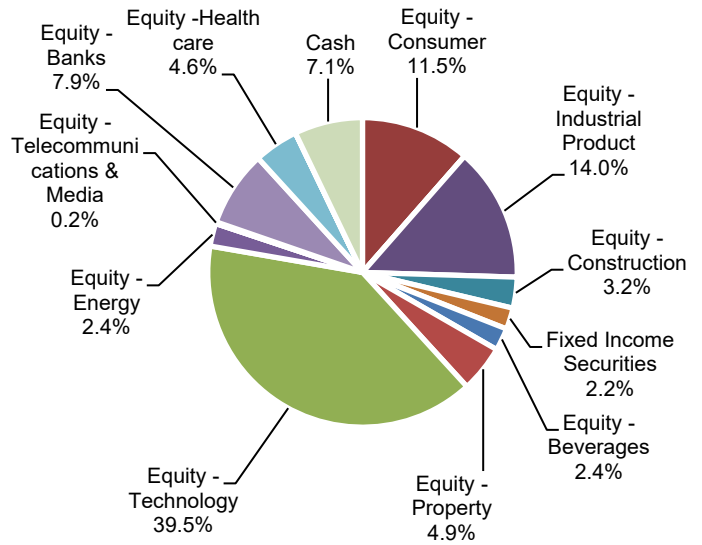
Fund Details

Unit Price (31/3/2023)	:RM1.6834
Fund Size (31/3/2023)	:RM36.5mil
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

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 31 st March 2023	%
Hong Leong Asia-Pacific Dividend Fund	65.95
Hong Leong Strategic Fund	33.85
Cash	0.2
Total	100.0

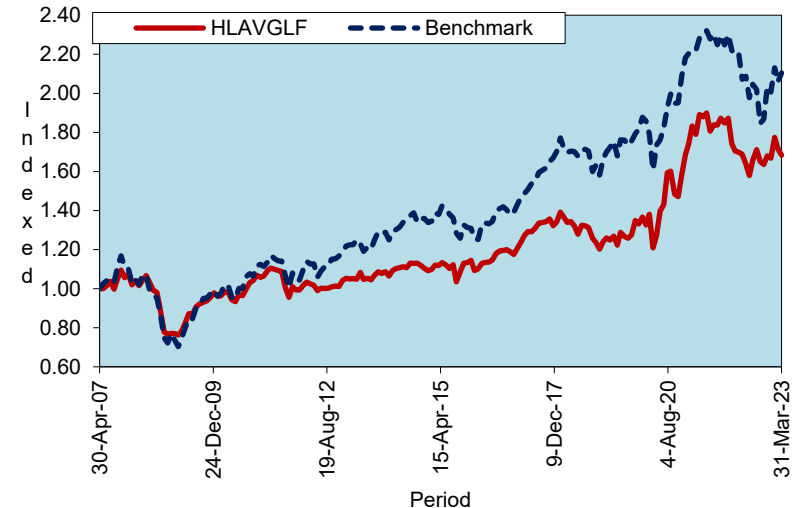
Asset & Sector Allocation of HLAVGLF as at 31st March 2023



Top 5 Holdings for HLAVGLF as at 31st March 2023

1.	PT Bank Mandiri (Persero) Tbk	5.8
2.	Genetec Technology Berhad	4.6
3.	Focus Point Holdings Berhad	4.6
4.	D&O Green Technologies Berhad	4.2
5.	Frontken Corporation Berhad	3.9
Total Top 5		23.1

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	0.92%	-1.91%	-0.87%	39.24%	25.73%	60.10%	68.34%
Benchmark*	4.89%	2.26%	-4.31%	30.94%	24.02%	71.78%	110.48%
Relative	-3.97%	-4.17%	3.43%	8.30%	1.71%	-11.68%	-42.14%

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 – Investors hoping that 2023 would see a lesser degree of macro shocks that overwhelmed 2022 were left wanting following the spectacular collapse of Silicon Valley Bank and the takeover of Credit Suisse. Despite the recent developments, market showed astonishing resilience given rising fears of a banking crisis. The Dow Jones Industrial Average Index rose 1.9% and the broader S&P 500 Index rose 3.5%. The Euro Stoxx Index rose 1.8% while the FTSE 100 Index declined 3.1%

Asia Pacific – Asia markets did well during the month as they are perceived to be relatively sheltered from the mayhem surrounding the banking sector in United States (US) and Europe. The substantial decline in US treasury yields also spurred a rebound in emerging markets. In the region, Hong Kong and Korea were the leaders while Malaysia and Australia were the laggards.

Malaysia – The FTSE BM KLCI underperformed its peers during the month as the main local index was dragged down by the poor sentiment in the banking sector. The FTSE BM KLCI declined 2.2% to close at 1,423 points. The broader market outperformed as the FTSE BM EMAS Index declined 1.5% to close at 10,420 points. Small caps outperformed as the FTSE BM Small Cap Index declined 1.1% to close at 15,260 points.

Outlook & Strategy

Global - The US labour market remains remarkably resilient. Although wage pressures are decelerating, payrolls continue to grow from strength to strength. Recent data also showed that rent increases are slowing and house prices are under pressure. This should result in more benign inflation readings in the later part of the year.

Asia Pacific – In contrast to the rest of the world, inflation in China remains low. This allowed the People's Bank of China to announce a cut in reserve requirement ratio despite the strength in credit growth. Somewhat similar to China, Bank Indonesia also appeared to have paused its tightening cycle by leaving the policy rate unchanged as the latest core inflation data appears to have stabilized.

Malaysia - Due to lingering concerns about the global banking sector, we expect the poor sentiment to weigh on the bank-heavy FTSE BM KLCI in the near term.

Fixed Income Review and Outlook

The month started off with news of Silicon Valley Bank collapse in the US resulting in US Federal Reserve (FED) facing tougher decisions going forward in terms of interest rate trajectory path. In Fed's latest decision, the Fed decided to raise its benchmark lending rate on March 2022, as it sought to strike a balance between curbing high inflation and averting further upheaval in the commercial banking sector. The quarter-point increase, which was in line with expectations, lifted the target range to 4.75-5.00 percent at the end of a two-day policy meeting.

In the domestic fixed income space, sovereign bonds saw an overall risk-off month with thin trading. On a month-to-month basis, the Malaysia Government Securities (MGS) yield closed with the longer tenure MGS moving lower by 5-6 basis points. In terms of government bond issuances, there was the opening of the 7-year Government Investment Issue for September 2030. The bid-to-cover ratio was lower than expected at 1.6x with average yield of 3.79%. In the primary market, YTL Power International Berhad with ratings of AA1 issued RM1.5 billion with four tenures of 3-year, 6-year, 7-year, and 10-year. TNB Power Generation Sendirian Berhad (AAA rated) issued RM2 billion of Sustainability Sukuk Wakalah bonds.

The Fed officials now expect economic growth to be slightly slower this year and inflation slightly higher than they predicted in December. They also forecast raising interest rates to 5.1% by the end of 2023, before coming down to 4.3% by the end of 2024. The Fed is still focused on getting inflation down to its 2% goal.

Locally, consumer price index inflation eased lower in February with headline inflation edging down to 3.6% year-on-year from 3.7% in January. The decline in both headline and core consumer-price gains should help rein in inflation expectations. Bank Negara Malaysia (BNM) expects gross domestic product growth at a range of 4.0-5.0% in 2023 (CIMB: 4.0%) on the back of resilient domestic demand, supported by ongoing improvement in labour market conditions, implementation of multi-year investment projects and higher inbound tourism especially from China. We expect BNM to continue its pause in May to further take stock of the cumulative impact of the 100bps hikes delivered and another 25bps hike in July to 3.00% thereafter to anchor inflation. In terms of portfolio strategy, we will continue to participate in primary auctions and high investment grade corporate primary bond issuances as well as in the secondary market when opportunity arises as we do see a healthy pipeline on primary issuances.

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

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Benchmark	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%	16.2%	5.4%	-12.7%
HLAVGLF- Gross	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%	26.7%	13.7%	-10.6%
HLAVGLF - Net	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%	13.7%	23.3%	11.2%	-10.9%

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Performance	-4.8%	-1.0%	6.5%	1.8%	19.2%	-13.3%	24.9%	50.7%	13.1%	-12.0%

- 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Performance	14.5%	-0.7%	4.3%	4.8%	10.9%	-10.3%	2.2%	-13.4%	6.1%	-13.8%

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.