

HLA Venture Global Fund (HLAVGLF)

January 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.

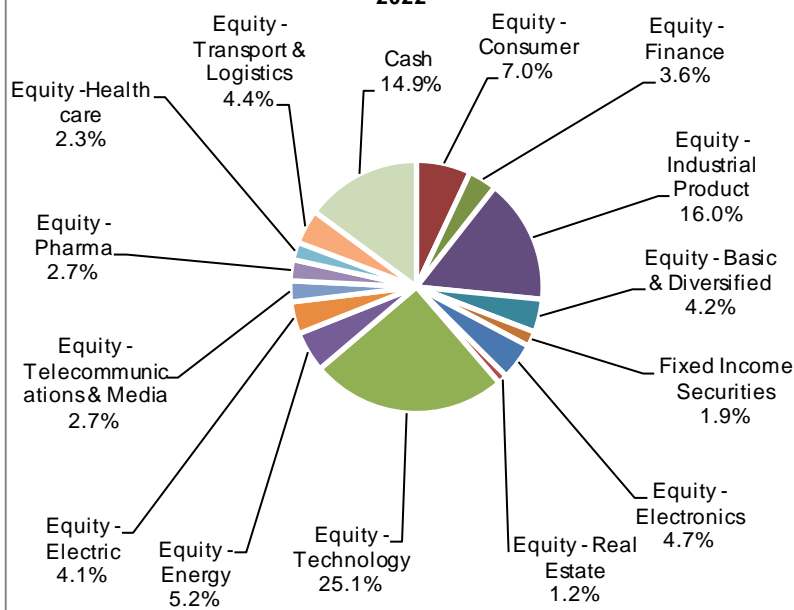
Fund Details

Unit Price (31/1/2022)	:RM1.7420
Fund Size (31/1/2022)	:RM38.87 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 31 Jan 2022	%
Hong Leong Asia-Pacific Dividend Fund	67.71
Hong Leong Strategic Fund	31.95
Cash	0.34
Total	100.0

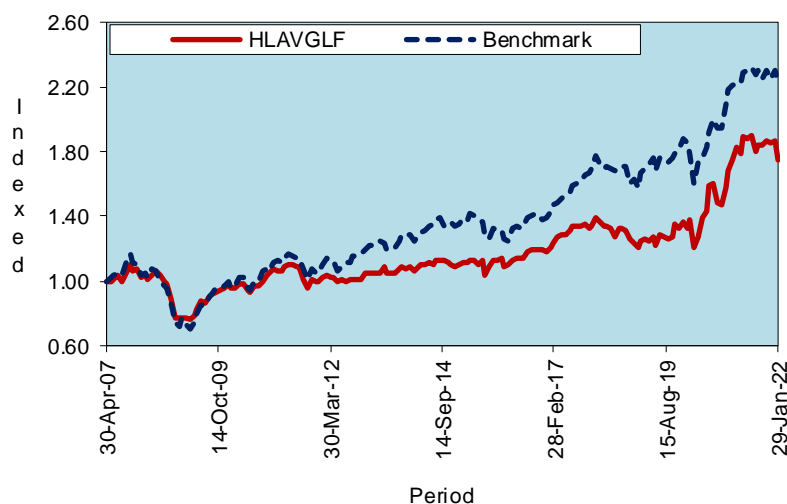
Asset & Sector Allocation of HLAVGLF as at 31 January 2022



Top 5 Holdings for HLAVGLF as at 31 Jan 2022

	%
1. Cowell e Holdings Inc	4.7
2. D&O Green Technologies Berhad	4.5
3. FM Global Logistics Holdings Berhad	4.4
4. Genetec Technology Berhad	4.4
5. IGO Limited	4.2
Total Top 5	22.2

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	-6.99%	-6.99%	-0.01%	40.25%	43.99%	71.10%	74.20%
Benchmark*	-3.44%	-3.44%	0.74%	33.27%	54.80%	101.74%	122.07%
Relative	-3.55%	-3.55%	-0.76%	6.98%	-10.81%	-30.64%	-47.87%

Source: Bloomberg, RAM Quantshop

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

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HLA Venture Global Fund (HLAVGLF)

Market Review, Outlook & Strategy relevant to Target Fund

Equity Review

Global – Developed equity markets finished the year with aplomb with the main United States (US) indices either near or at all-time high. This is despite multiple perceived headwinds such as the rising inflation, rising number of COVID-19 cases and hospitalization and less easy monetary policy from central banks. The Dow Jones Industrial Average Index rose 5.4% and the broader S&P 500 Index rose 4.4%. The Euro Stoxx Index rose 5.8% and the FTSE 100 Index rose 4.6%.

Asia Pacific – Regional markets rose but lagged behind developed equity markets during the month. In fact this has been a recurring trend throughout much of 2021 as parts of Asia struggled to recover fully from the prolonged COVID-19 related movement restrictions that were imposed in the first half of the year. In the region, Thailand and Korea were the leaders while Philippines and Hong Kong were the laggards.

Malaysia – The local market posted a positive return during the month led by a recovery in share prices of telecommunication and healthcare stocks. The FTSE BM KLCI rose 3.5% to close at 1,568 points. The broader market underperformed as the FTSE BM EMAS Index rose 2.0% to close at 11,309 points. Small caps underperformed as the FTSE BM Small Cap Index declined 0.7% to close at 15,760 points.

Outlook & Strategy

Global - As widely expected, the US Fed indicated that they will accelerate quantitative easing (QE) tapering and possibly carry out three rate hikes by end of 2022. In a surprise turn of political events, Democrat Senator Manchin decided not to support President Biden's Build Back Better stimulus package citing concerns about the rise in debt.

Asia Pacific - The Chinese government appeared to have shifted the focus to economic stability and sustainable growth following a slew of lackluster economic data. The People's Bank of China (PBOC) also cut the reserve requirement ratio (RRR) by 50bps and also cut its one-year loan prime rate. Its first reduction in 20 months.

Malaysia - The equity market outlook for Malaysia is expected to be considerably better due to the high vaccination rate and higher expected economic growth in 2022. 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

In the final meeting of 2021, the Federal Reserve (Fed) announced it will speed up its bond purchase tapering, thus on course to end the quantitative easing programme a few months earlier than expected. With inflation at a four decade high, the Fed's hawkish tone signalled at least two rate hikes in 2022. Locally, it was a relatively quiet year end for the local government bond market due to the seasonal holiday period. Bond yields trended slightly higher amid year-end consolidation activities and thin liquidity. The longer maturity benchmarks were relatively resilient, with the 10-year Malaysian Government Securities (MGS) benchmark yield staying unchanged at 3.55%. However, the 3-year MGS and Government Investment Issue (GII) yield trended 9 basis points (bps) and 8bps higher due to the surprisingly weak 3-year government bond auction. During the month, Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 1.75% and guided for monetary policy to remain accommodative to cushion any potential downside risks. In the primary issuance market, the 3-year MGS reopening drew underwhelming support with a low bid-to-cover ratio of 1.15 times on a size of RM4.5 billion. Notable issuances during the month include Malaysia Airports Holdings Berhad's RM800 million issuance and MCIS Insurance Berhad's RM200 million issuance.

Malaysia's headline inflation sustained an uptrend to a 5 month high of 3.3% year-on-year in November (2.9% in October). November's inflation gains were driven by transport (12.7%), housing, water and electricity, gas and other fuels (3.4%); food and non-alcoholic beverages (2.7%); furnishings, household equipment and routine household maintenance (2.6%); and restaurants and hotel (0.9%). Food prices recorded the highest increase in over 3 years. Despite the downside risks to growth and pandemic uncertainties related to Omicron risks, we believe the OPR may rise by 50bps to 2.25% in the second half of 2022, driven by the US interest rate path projection. We maintain our defensive strategy to reduce duration in funds in order to manage fund volatility in a rising rate environment.

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.

HLA Venture Global Fund (HLAVGLF)

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.

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:

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%

Source: Hong Leong Asset Management Berhad (HLAM)

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

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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.