

HLA Venture Global Fund (HLAVGLF)

January 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

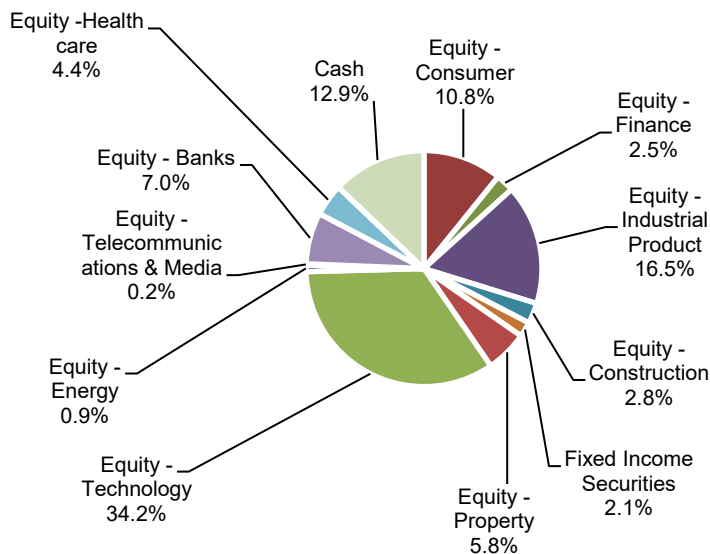
Unit Price (31/1/2023)	:RM1.7741
Fund Size (31/1/2023)	:RM39.3mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
Frequency of Unit Valuation	: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 2023

	%
Hong Leong Asia-Pacific Dividend Fund	66.57
Hong Leong Strategic Fund	33.28
Cash	0.15
Total	100.0

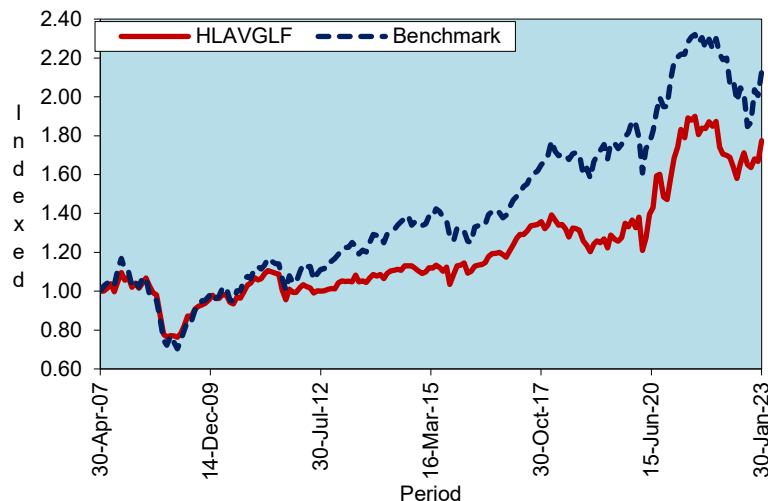
Asset & Sector Allocation of HLAVGLF as at 31 January 2023



Top 5 Holdings for HLAVGLF as at 30 December 2022

1.	PT Bank Mandiri (Persero) Tbk	5.1
2.	Onewo Incorporated	4.5
3.	D&O Green Technologies Berhad	4.4
4.	Focus Point Holdings Berhad	4.4
5.	Genetec Technology Berhad	4.3
Total Top 5		22.6

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	6.36%	6.36%	1.84%	33.82%	27.48%	68.46%	77.41%
Benchmark*	6.19%	6.19%	-4.05%	14.64%	20.24%	74.89%	113.08%
Relative	0.17%	0.17%	5.89%	19.18%	7.24%	-6.43%	-35.67%

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 – 2023 kicked off with a resurgence of investor optimism driven by the earlier-than expected reopening of the Chinese economy, resilient United States (US) economic data as well as reduced recession risk in Europe amid relatively mild winter which has defused the energy crisis in the region. The slowing inflation readings also strengthened market hopes that central banks can end their hiking cycles soon, providing support for growth stocks.

Asia Pacific – The MSCI AC Asia ex-Japan Index and MSCI AC Asia Pacific Index gained in January, driven by faster-than expected progress in China's re-opening with robust Chinese New Year data and no resurgence in COVID19 infections. Taiwan and Korea's outperformance were led by rebound in technology stocks.

Malaysia – Bank Negara Malaysia (BNM) surprised the market by pausing the Overnight Policy Rate (OPR) at 2.75%. BNM highlighted that the decision to retain the OPR in the current meeting allows the Monetary Policy Committee to assess the impact of the cumulative post OPR adjustments, given the lag effect of monetary policy on the economy. The FTSE KLCI was down 0.67% while FTSE BM EMAS Index was up 1.07%.

Outlook & Strategy

Global - While the job market remains resilient as unemployment rate hit 3.5%, the inflation has shown signs of slowing down, on the back of decelerating wage growth, falling energy price as well as housing activities amid progress of high interest rate.

Asia Pacific - Despite data showed that China's economy remained lacklustre in December, sustained economic recovery in 2023 is expected, as economic activities have started to pick up strongly thanks to pent-up demand and subsiding COVID-19 infections.

Malaysia - We expect the market to remain cautiously optimistic as investors will assess the corporate profitability during quarterly earnings report season.

Fixed Income Review and Outlook

Federal officials are widely expected to raise interest rates by 25 basis points (bps) in the upcoming Federal Open Market Committee (FOMC) meeting in early February, lowering the quantum of the increase for a second straight quarter. Officials are also anticipated to debate on how much further they need to raise interest rates to curb inflation before pausing rate hikes. In spite of this, Fed Reserve (Fed) Chair Jerome Powell is determined to tame inflation, and the market believes that the Fed is unlikely to quickly commence rate cuts this year. The yield on the benchmark 10-year US Treasury ended 36bps lower at 3.51% as of end-January from 3.87% as of end-December.

Local Malaysian Government Securities (MGS)/Government Investment Issue rallied strongly after BNM surprised the market with a hold on OPR at 2.75% on 19 January. 3-year and 10-year MGS yields declined by about 27-28bps to 3.39% and 3.80% respectively. Government-guaranteed bond yields fell 10-31bps whilst rated corporate bond yields dropped 14-24bps in January.

US inflation in December 2022 indicated consumer price gains continue to ease driven by reducing food and energy prices. Its headline Consumer Price Index (CPI) fell Year-on-Year (YoY) from 7% to 6.5% whilst core CPI fell from 6% to 5.7% YoY respectively. Meanwhile, FOMC policymakers are also paying close attention to the overall US labour markets as data has been turning negative broadly for a number of months showing signs of weakness. Locally, headline inflation eased to a six-month low of 3.8% YoY in December 2022 from 4% YoY in November primarily due to slower food, transport and recreation services price increases. At the current OPR level, the stance of monetary policy remains accommodative and supportive of economic growth. Central banks are expected to continue raising interest rates, albeit at a slower pace, to manage inflationary pressures. This will continue to pose headwinds to the global growth outlook. 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.

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.

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.

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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.