

HLA Venture Global Fund (HLAVGLF)

May 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

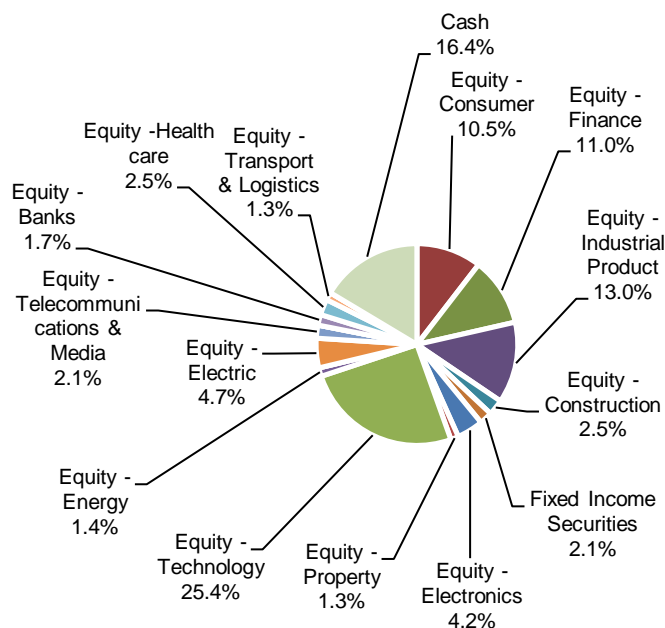
Unit Price (31/5/2022)	:RM1.6383
Fund Size (31/5/2022)	:RM36.5 mil
Fund Management Fee	:1.29% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Equity
Fund Inception	: 02 April 2007
Benchmark	:MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL
Frequency of Unit Valuation	: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 May 2022

	%
Hong Leong Asia-Pacific Dividend Fund	66.88
Hong Leong Strategic Fund	32.37
Cash	0.75
Total	100.0

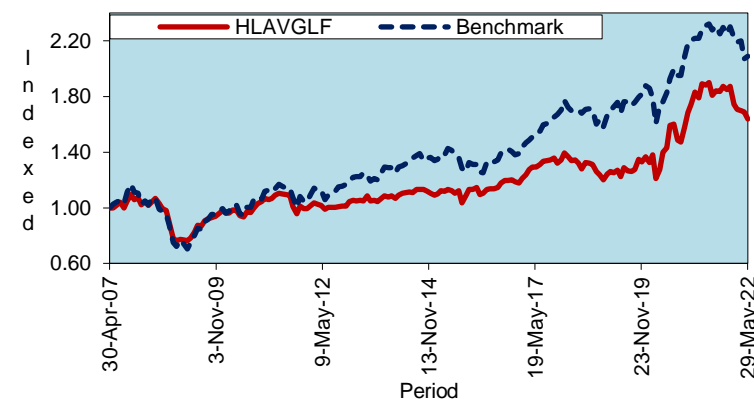
Asset & Sector Allocation of HLAVGLF as at 31 May 2022



Top 5 Holdings for HLAVGLF as at 31 May 2022

1.	PT Bank Mandiri (Persero) Tbk	5.6
2.	China Longyuan Power Group Corporation Limited	4.7
3.	Cowell e Holdings Inc	4.2
4.	Genetec Technology Berhad	3.9
5.	D&O Green Technologies Berhad	3.9
	Total Top 5	22.4

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	-12.53%	-2.95%	-12.86%	33.99%	26.86%	65.43%	63.83%
Benchmark*	-9.25%	0.76%	-9.55%	24.22%	35.65%	97.12%	108.73%
Relative	-3.28%	-3.71%	-3.30%	9.77%	-8.79%	-31.69%	-44.90%

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 – After four tumultuous months of decline, global equity markets appeared to have found a floor, at least momentarily. Most markets closed flat at the end of the month, but not without some stomach-churning volatility during the month. The major macro risks continue to weigh heavily on market sentiment and there appears to be little catalyst that will spur any improvement in sentiment. The Dow Jones Industrial Average Index was unchanged and the broader S&P 500 Index was unchanged. The Euro Stoxx Index declined 0.4% and the FTSE 100 Index rose 0.8%.

Asia Pacific – After a difficult first few months, there appeared to be some bargain hunting activities by investors, particularly in the North Asian markets that bore the brunt of the equities meltdown. In the region, China and Hong Kong were the leaders while Singapore and Australia were the laggards.

Malaysia – The FTSE BM KLCI ended the month with a slight decline due to profit taking by investors in the plantation sector and declines in the glove sector. The FTSE BM KLCI declined 1.9% to close at 1,570 points. The broader market underperformed as the FTSE BM EMAS Index declined 2.7% to close at 11,152 points. Small caps underperformed as the FTSE BM Small Cap Index declined 7.0% to close at 15,604 points.

Outlook & Strategy

Global - The US Fed raised rates by 50bps during the month. This was well communicated since a month ago and hence markets took it in its stride. Further 50bps rate hike is highly likely in the coming months. The adverse effects of high inflation appear to filter into the recent economic data, particularly in Europe as consumer confidence declined significantly and business surveys softened.

Asia Pacific - Shanghai, which was in full lockdown in much of April, has begun to reopen, albeit in a gradual manner. The China authorities cut a key mortgage reference rate in order to support the housing market. China credit growth slowed in May as banks are increasingly concerned about the deteriorating economic condition as a result of the lockdowns.

Malaysia - In a surprise move, BNM raised rates by 25bps during the month. BNM's monetary policy action, coupled with a stronger than expected first quarter gross domestic product growth implies that the local economic recovery is sustainable. We prefer to be invested in selected export stocks and selected domestic-centric stocks that may benefit from the local economic recovery.

Equities

Fixed Income Review and Outlook

In the recent Federal Open Market Committee meeting, the Federal Reserve (Fed) continued its rate hiking cycle by lifting the policy fed funds rate by 50 basis points (bps), the biggest hike since 2000 citing price pressures on food and energy caused by Russia-Ukraine conflict. The 10-year US Treasuries yields touched as high as 3.17%, before settling at 2.89% at month end.

Locally, Bank Negara Malaysia's (BNM) surprised the market by hiking the Overnight Policy Rate (OPR) by 25bps to 2% from a record low of 1.75%. The central bank stated its move took into account global inflationary pressures and improvements in the labour markets and global economy. The local bond market endured stronger session post rate hike with yields edging lower, tracking the movement in US Treasuries. Notably, the Malaysia Government Securities (MGS) 10-year benchmark yield closed lower at 4.17% from 4.38% last month.

In the primary issuance market the 10-year MGS reopening drew a healthy bid-to-cover ratio of 2.6 times on an expected size of RM4.5 billion, the highest bid-to-cover ratio for a 10-year MGS/Government Investment Issue (GII) auction since 2021. The 3-year GII reopening drew an overwhelming demand with a bid-to-cover ratio of 3.6times despite a larger-than-expected size of RM5 billion. In the local bond pipeline, we expect to see Pengurusan Aset Air tapping into the local bond market, followed by TNB Genco, Amanat Lebuh raya Rakyat and Sarawak Petrochemical in the coming weeks.

Malaysia's headline inflation reverted higher to 2.3% year-on-year in April after moderating for its fourth straight month to 2.2% in March largely lifted by costlier food & non-alcoholic beverages, transportation, recreation services & culture, expenditure in restaurant & café, as well as education. We believe that BNM will remain mindful of raising rates too aggressively in the next Monetary Policy Committee meeting in July. In terms of portfolio action, we continue to remain defensive due to rising rate environment and inflationary pressure.

Fixed

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.

HLA Venture Global Fund (HLAVGLF)

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.