

HONG LEONG ASSET MANAGEMENT BHD

HONG LEONG GLOBAL MULTI STRATEGIES FUND

RESPONSIBILITY STATEMENT

This Product Highlights Sheet has been reviewed and approved by the directors of Hong Leong Asset Management Bhd and they have collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, that there are no false or misleading statements or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

STATEMENTS OF DISCLAIMER

The relevant information and document in relation to the Hong Leong Global Multi Strategies Fund, including a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia under the Lodge and Launch Framework.

The lodgment of the relevant information and document in relation to the Hong Leong Global Multi Strategies Fund, including this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Hong Leong Global Multi Strategies Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

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This Product Highlights Sheet only highlights the key features and risks of the Hong Leong Global Multi Strategies Fund. Investors are advised to request, read and understand the disclosure documents before deciding to invest.

PRODUCT HIGHLIGHTS SHEET

HONG LEONG GLOBAL MULTI STRATEGIES FUND

BRIEF INFORMATION ON THE FUND

1. What is this fund about?

Hong Leong Global Multi Strategies Fund (“HLGMSF” or the “Fund”) is a mixed assets wholesale fund managed by Hong Leong Asset Management Bhd (the “Manager”) that aims to provide capital growth and regular income¹ over the medium to long-term² by investing primarily in a portfolio of collective investment schemes.

FUND SUITABILITY

2. Who is this fund suitable for?

HLGMSF is suitable for Sophisticated Investors who:

- are seeking a diversified portfolio that provides exposure globally and across multiple strategies and asset classes;
- are seeking capital growth over a medium to long-term² investment horizon;
- are seeking regular income³ stream; and
- are willing to assume a moderate to higher risk in the investments to obtain potentially higher returns.

The Fund has a Product Risk Rating of ‘Medium Risk’.

KEY FUND FEATURES

3. What am I investing in?

Category of fund	Mixed Assets (Fund-of Funds/Wholesale).
Type of fund	Growth and Income.
Investment objective	The Fund aims to provide capital growth and regular income ¹ over the medium to-long term ² by investing primarily in a portfolio of collective investment schemes.
Asset allocation (% of the Fund's net asset value ("NAV"))	<ul style="list-style-type: none"> • a maximum of 98% of the Fund's NAV will be invested in collective investment schemes; and • a maximum of 30% of the Fund's NAV will be held in liquid assets which include money market instruments and deposits with financial institutions.
Performance benchmark	50% MSCI All Country World Index + 50% Bloomberg Barclays Global Aggregate Total Return Index Hedged USD, in RM terms.
Investment process and strategy	<p>The investment strategy of the Fund is to invest in listed and/or unlisted collective investment schemes that provide capital growth and regular income through exposure into globally focused strategies across multiple asset classes.</p> <p>To build a well-diversified portfolio, the selection of collective investment schemes will be based on asset class and geographical focus that perform differently at various market cycles. Dividend yield of the collective investment schemes will also be considered in the selection process.</p>
Distribution policy	<p>The Fund intends to provide regular income. As such, income distribution will be declared on a monthly basis, subject to availability of income. Income distributed will be reinvested into additional units unless unit Holders opt for the distribution to be paid out.</p> <p>The Manager's current intention is to declare distributions out of the income and/or capital* of the Fund after deducting fees and expenses incurred by the Fund. Income distribution may be declared out of capital* if the Fund does not have sufficient net realized gains or net realized income from the current financial year. The rationale for providing for payment of distribution out of capital* is to allow for the ability to provide a stable and consistent level of distribution to unit holders. Distribution out of capital* carries the risk of eroding the capital of the Fund and as a result the value of future returns may be diminished.</p>

Notes:

¹ Income distributed (if any) will be reinvested into additional units unless unit holders opt for the distribution to be paid out.

² Refers to a period of 3 to 5 years

	Note: * Capital refers to unrealised income or unrealised gain.
Launch date	20 March 2020.
Initial Offer Price	RM1.0000 per unit.
Initial Offer Period (IOP)	The IOP for the Fund will be twenty one (21) calendar days from the launch date of the Fund, i.e. commencing from 20 March 2020 to 9 April 2020.
Commencement date	The date on which the investments of the Fund are first made and is the date which falls on the next Business Day immediately after the expiry of the IOP.

4. Who am I investing with?

Manager	Hong Leong Asset Management Bhd [199401033034 (318717-M)].
Trustee	Deutsche Trustees Malaysia Berhad [200701005591 (763590-H)].

5. What are the possible outcomes of my investment?

There are many possible outcomes associated with an investment in the Fund. Unit holders can potentially make profit either (i) when the Fund declares and pays out distributions; or (ii) when the unit holder sells their investments in the Fund when the market value of the Fund's portfolio and the its NAV per unit increase. However, this also means that the market value of the Fund's portfolio and its NAV per unit may fall and as a result, unit holders may lose part of its capital. Unit holders should take note that the value of an investment in the Fund and its distribution payable (if any) may go down as well as up and are not guaranteed. Unit holders should also take note that investment in the Fund involves some degree of risk and that the value of their investment is at risk depending on the underlying investments of the Fund.

KEY RISKS

6. What are the key risks associated with this fund?

General risks

Market risk	Market risk refers to the potential losses that may arise from adverse changes in the market prices of the investments of the Fund. The value of the investments that the Fund invests in may fluctuate in response to market developments (such as adverse changes in government regulations and policies, economic developments, investor sentiment, inflation, interest rates and exchange rates), which would then affect the Fund's NAV per unit.
Fund management risk	The performance of the Fund is dependent on the experience, knowledge, expertise and investment strategies adopted by the personnel of the Manager. Lack of experience, knowledge and expertise, as well as poor execution of the investment strategy or general management of the Fund may jeopardise the unit holders' capital and returns. In view of this, proper training and stringent selection of personnel to manage the Fund is crucial towards mitigating this risk.
Inflation/Purchasing power risk	This refers to the likelihood that a unit holder's investments are not growing at a rate equal or greater than the inflation rate, thus resulting in the unit holder's decreasing purchasing power.
Loan financing risk	The risk occurs when unit holders take a loan/financing to finance their investment. The inherent risk of investing with borrowed money includes unit holders being unable to service the loan repayments. In the event units are used as collateral, unit holders may be required to top-up their existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase towards settling the loan.
Non-compliance risk	This is the risk where the Manager does not comply with the provisions as set out in the Deed; or the laws/guidelines that govern the Fund; or its internal procedures and policies. The non-compliance could be due to several factors such as a result of human errors and oversight, system failures or fraudulent acts by the Manager. Any non-compliance may adversely affect the Fund's NAV per unit, especially in situations where the Manager is forced to sell the investments of the Fund at unfavourable prices to resolve the non-compliance. The Manager has imposed stringent internal compliance controls to mitigate this risk.

Specific risks

Third Party Managers' risk	As a fund-of-funds, the Fund invests into collective investment schemes which are managed by third party managers. The Manager has no control over the investment strategies, methodologies, knowledge, operational controls, compliance and management of the collective investment schemes. Poor management or mismanagement by the third party managers will jeopardise the value of the Fund's investment in the collective investment schemes and as a result, the NAV of the Fund will be adversely affected.
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Collective Investment Scheme risk	<p>Any adverse effect on the collective investment schemes which the Fund is investing in will impact the NAV of the Fund. For example, the respective collective investment schemes may underperform its benchmarks due to poor market conditions and as a result, the NAV of the Fund will be adversely affected as the performance of the Fund is dependent on the performance of the respective collective investment schemes. The Fund will invest in globally focused strategies across multiple asset classes which will carry the following risks:</p> <ul style="list-style-type: none"> - <u>Equity risk</u> <p>The buying and selling of equity carry a number of risk, especially the general insolvency risk associated with the issuers of equities. The value of equities investment depends on, but not limited to, its earning potential, sound management, treatment of minority shareholders and other factors. Failure to achieve the expected earnings may cause declining equities value.</p> <ul style="list-style-type: none"> - <u>Credit risk</u> <p>Credit risk relates to the creditworthiness of the issuers of the debt securities and their expected ability to make timely payment of interest and/or principal. Any adverse situations faced by the issuer may affect the value as well as liquidity of the debt securities. In the case of rated debt securities, this may lead to a credit rating downgrade.</p> <ul style="list-style-type: none"> - <u>Interest Rate risk</u> <p>This risk refers to the impact of interest rate changes on the valuation of debt securities or money market instruments. When interest rate rise, the prices of debt securities or money market instruments generally decline and this may lower the market value of the debt securities or money market instruments. The reverse may apply when interest rates fall.</p>
Counterparty risk	<p>The Fund's investments in money market instruments or placements of deposits with financial institutions are subject to the risk of the counterparty. Counterparty risk refers to the possibility that the financial institutions being unable to make timely payments of interest and/or principal payment on the maturity date. This may then lead to a default in the payment and/or interest and ultimately, affect the NAV per unit of the Fund. To mitigate this risk, the Manager will ascertain the creditworthiness of the financial institutions through a rigorous and disciplined credit research and analysis before prior to its investments.</p>
Currency risk	<p>The Fund can invest in non-RM denominated share classes of the underlying funds, while the base currency of the Fund is RM. Any fluctuations in the currency exchange rates can affect the value of the Fund's investment in the underlying funds when it is converted back to the Fund's base currency, and subsequently affect the Fund's NAV per unit. Unit holders should be aware that if foreign currency depreciates against the base currency, this will have an adverse effect on the NAV of the Fund in the base currency and vice versa. Unit holders should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.</p>
Liquidity risk	<p>Liquidity risk comprises two broad risk types: Market Liquidity Risk and Funding Liquidity Risk. Market Liquidity Risk is defined as the ease with which a security can be sold at or near its fair value depending on the trading volume of that security in the market. If the Fund holds a large portfolio of securities that are less liquid, these securities may have to be sold at unfavourable prices and/or withdraw deposits placed with financial institutions prior to maturity which would expose the Fund to a higher degree of market liquidity risk. As such, any premature withdrawal of deposits where interest income may be forfeited or forced sale of the Fund's investment to meet any shortfall will have adverse impact on the Fund's NAV per unit and subsequently the value of unit holders' investments in the Fund.</p> <p>Funding Liquidity Risk is defined as the risk that the Fund will not be able to meet efficiently both the expected and unexpected current and future cash outflow. The risk primarily involves the Fund's inability to meet redemption requests without major distortion to the portfolio allocation.</p> <p>To mitigate this risk, the Manager will employ prudent liquidity management such as cash flow and redemption monitoring to ensure that the Fund maintains reasonable levels of liquidity to meet any redemption request supplemented by a temporary defensive strategy should adverse conditions prevail. The Manager will apply Liquidity Risk Management tools inclusive of Liquidity Stress Test to assess the Fund's viability to meet expected and unexpected redemptions under adverse scenarios.</p> <p>The Manager may, in consultation with the Trustee, suspend dealing in units under exceptional circumstances where there is sufficient reason to do so having regard to the interests of the unit holders in an effort to further curtail the liquidity risk experienced by the Fund. Exceptional circumstances can be considered where the market value or fair value of a material portion of the Fund's assets cannot be determined.</p>
Country risk	<p>As the underlying funds may be domiciled in foreign countries, the Fund's investment in these underlying funds is subject to country risk. It may be adversely affected by political instability as well as exchange controls, changes in taxation, foreign investment policies, restrictions on repatriation of investments and other restrictions and controls which may be imposed by the relevant authorities in those countries. In the event any of such events were to materialise, it may adversely affect the value of the Fund's investment in the underlying funds. This in turn may cause the NAV of the Fund to fall.</p>

Hedging risk	The Manager has the flexibility to hedge particularly the foreign currency exposure at the RM class level by using derivatives. Foreign currency hedging has the potential to mitigate adverse foreign currency fluctuations but may not completely eliminate all currency risk. Hedging involves costs, which reduce investment performance of the Fund.
Concentration risk	When the Fund invests a large portion of its assets in a limited number of collective investment schemes or within a limited geographical area or is concentrated in a particular country, region, or sector, its performance may be more affected by any political, economic, environmental or market conditions within that area.

SOPHISTICATED INVESTORS SHOULD TAKE NOTE THAT THE ABOVE LIST OF RISKS MAY NOT BE EXHAUSTIVE AND IF NECESSARY, THEY SHOULD CONSULT THEIR ADVISER(S) FOR A BETTER UNDERSTANDING OF THE RISKS.

FEES & CHARGES

7. What are the fees and charges involved?

There are fees and charges involved and investors are advised to consider them before investing in the Fund.

The following table describes the charges that you may **directly** incur when you buy or redeem units:

Sales charge¹	Up to 5.00% of the Fund's NAV per unit.
Redemption charge¹	There is no redemption charge imposed by the Manager.
Switching fee¹	There is no switching fee imposed on switching of Funds.
Transfer fee¹	A transfer fee may be imposed on unit holders who transfer, either fully or partially, the units registered in their names to other persons. However, the Manager has waived the transfer fee for this Fund.

The following table describes the fees that you may **indirectly** incur when you invest in the Fund:

Annual management fee¹	Up to 2.00% per annum of the Fund's NAV, calculated and accrued on a daily basis. There will be no double charging of annual management fees.
Annual trustee fee¹	Up to 0.04% per annum of the Fund's NAV, subject to a minimum of RM12,000 per annum (excluding foreign custodian fees and charges), calculated and accrued on a daily basis.
Other Fund expenses	There are other expenses involved in the administration of the Fund. The other fund expenses are custodian fee (for funds with foreign investments) (if any), brokerage fee (if any), the Auditor's fees and other relevant professional fees such as validation and regulatory reporting on common reporting standard ("CRS"), foreign account tax compliance act ("FATCA"), distribution of statements of investment, quarterly and annual reports, tax vouchers, distribution warrants and other notices to unit holders as well as expenses that are directly related and necessary to the business of the Fund as set out in the Deed. These fund expenses may be paid out of the Fund.

VALUATIONS AND EXITING FROM INVESTMENT

8. How often are valuations available?

The NAV per unit of the Fund is determined on each Business Day². The daily NAV per unit of the Fund can be obtained from the Manager's website at www.hlam.com.my or our branch offices. Alternatively, investors may contact the Customer Experience personnel at 03 – 2081 8600 ext 18611/18612 for the NAV per unit.

9. How can I exit from this investment and what are the risks and costs involved?

Cooling-off right

The cooling-off right is not applicable for this Fund.

Redemption of Units

- No redemption charge is imposed upon redemption of units.
- Minimum redemption of units is 1,000 units.
- No restriction on the frequency for redemption.

Notes:

¹ All fees and charges and/or sum set out that may be payable to the Manager/Trustee are subject to any applicable taxes and/or duties and at such rate as may be imposed by the government from time to time. The Manager/Trustee (where applicable) shall have the right to charge and recover from the Fund any applicable taxes and/or duties now or hereafter imposed by law or required to be paid in connection with the products or services provided by the Manager/Trustee (where applicable).

² 'Business Day' refers to a day (other than Saturday, Sunday or public holidays) on which the Manager is open for business and Bursa Malaysia is open for trading.

- Cut-off time for any redemption requests is at 4.00 p.m. on any Business Day¹.
- For partial redemption, you must maintain a minimum balance of 5,000 units in the Fund. Otherwise, the Manager will automatically effect a full redemption and inform the unit holder thereafter.
- Payment will be made to you within seven (7) Business Days.
- Payment can be made either via cheque, telegraphic transfer to Hong Leong Bank Berhad or participating banks' Giro account.

Transfer of Units

- The minimum transfer of units is 10,000 units.

Switching of Units

- Switching of units is allowed for the Fund. There is no switching fee imposed on switching of funds.

FUND PERFORMANCE

10. Information on Fund Performance

(a) Average total return for the following period ended 30 November 2022

	1-Year	Since launch#
Hong Leong Global Multi Strategies (%)	-4.84	4.57
MSCI AC World+Bloomberg Global Aggregate Total Return Hedged USD (50:50) (%)	-5.44	10.51

(b) Annual total return for the financial period ended 30 November

	2022	2021	2020#
Hong Leong Global Multi Strategies (%)	-4.84	14.35	3.25
MSCI AC World+Bloomberg Global Aggregate Total Return Hedged USD (50:50) (%)	-5.44	12.91	20.25

#The figure shown is for the period since launch of the Fund (20 March 2020)

Source: Lipper for Investment Management.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

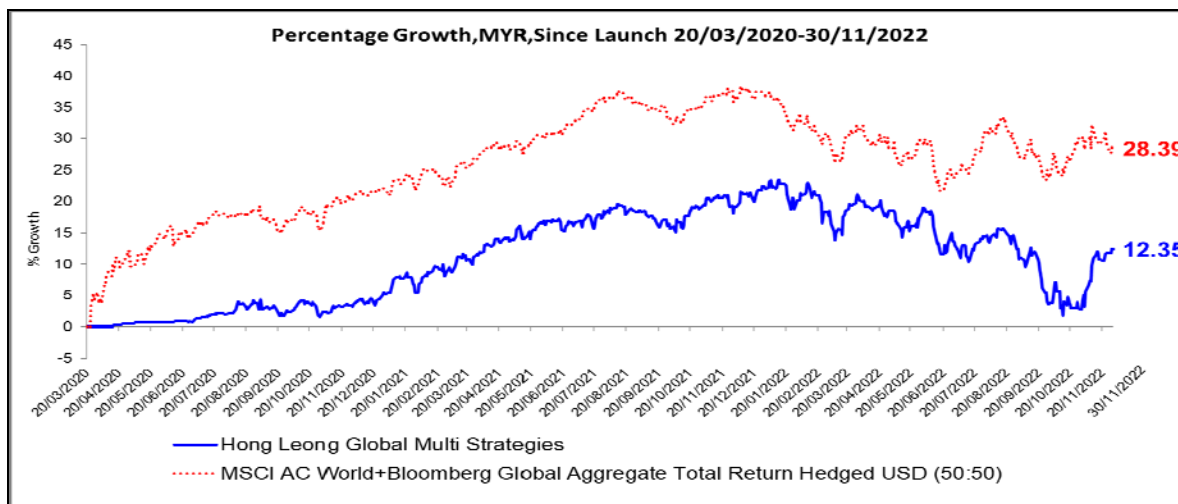
1-Year performance review

The Fund posted a return of -4.84% for the financial period ended 30 November 2022 while its benchmark the MSCI AC World+Bloomberg Global Aggregate Total Return Hedged USD (50:50) registered a return of -5.44%.

(c) Basis of calculation

Percentage Growth, NAV Per unit-to-NAV Per unit basis with gross income (if any) from HLGMSF reinvested and in MYR terms.

(d) Performance in Chart



Source: Lipper for Investment Management.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

¹ 'Business Day' refers to a day (other than Saturday, Sunday or public holidays) on which the Manager is open for business and Bursa Malaysia is open for trading.

Since launch, the Fund has posted a return of 12.35% while its benchmark the MSCI AC World+Bloomberg Global Aggregate Total Return Hedged USD (50:50) has registered a return of 28.39%.

(e) Portfolio turnover ratio (PTR)

	Financial period ended 30 November		
	2022	2021	2020*
PTR of the Fund (times)	1.11	1.45	5.41

* The figure shown is for the period since launch of the Fund (20 March 2020)

The Fund recorded a lower PTR of 1.11 times during the financial year ended 2022 from 1.45 times during the financial year ended 2021 on account of lower level of rebalancing activities performed by the Fund.

(f) Distribution

Financial year	Additional Units	Cash distribution
2020	-	Gross/Net 1.7904 sen/unit
2021	-	Gross 4.0700 sen/unit Net 3.9854 sen/unit
2022	-	Gross 4.2400 sen/unit Net 4.1536 sen/unit

INVESTORS SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE

Note: Should you require further information or updates on Fund Performance, please refer to the "Invest Facts" which is available on our website at www.hlam.com.my or you may contact the Manager as provided under Section "CONTACT INFORMATION" – Item 11 (1) on page 7.

CONTACT INFORMATION

11. Who should I contact for further information or to lodge a complaint?

1. For internal dispute resolution, you may contact:

Hong Leong Asset Management Bhd

Level 18, Block B, Plaza Zurich
No. 12, Jalan Gelenggang
Bukit Damansara
50490 Kuala Lumpur
Tel : 03-2081 8600
Fax : 03-2081 8500
Website : www.hlam.com.my
E-mail : inquiry@hla.hongleong.com.my

2. If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):

(a) via phone to : 03-2282 2280
(b) via fax to : 03-2282 3855
(c) via e-mail to : info@sidrec.com.my
(d) via letter to : Securities Industry Dispute Resolution Center (SIDREC)
Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur

3. You can also direct your complaint to the Securities Commission Malaysia (SC) even if you have initiated a dispute resolution process with SIDREC. To make a complaint, please contact the SC's Consumer & Investor Office:

(a) via phone to the Aduan Hotline at : 03-6204 8999
(b) via fax to : 03-6204 8991
(c) via e-mail to : aduan@seccom.com.my
(d) via online complaint form available at : www.sc.com.my
(e) via letter to : Consumer & Investor Office
Securities Commission Malaysia
3 Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur

4. Federation of Investment Managers Malaysia (FIMM)'s Complaints Bureau:

(a) via phone to : 03-7890 4242
(b) via e-mail to : complaints@fimm.com.my
(c) via online complaint form available at : www.fimm.com.my
(d) via letter to : Legal & Regulatory Affairs
Federation of Investment Managers Malaysia
19-06-01, 6th Floor Wisma Tune
No. 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur