

HLA Venture Global Fund (HLAVGLF)

April 2024

Fund Features

1. Investment Objective

The objective of the fund is to 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

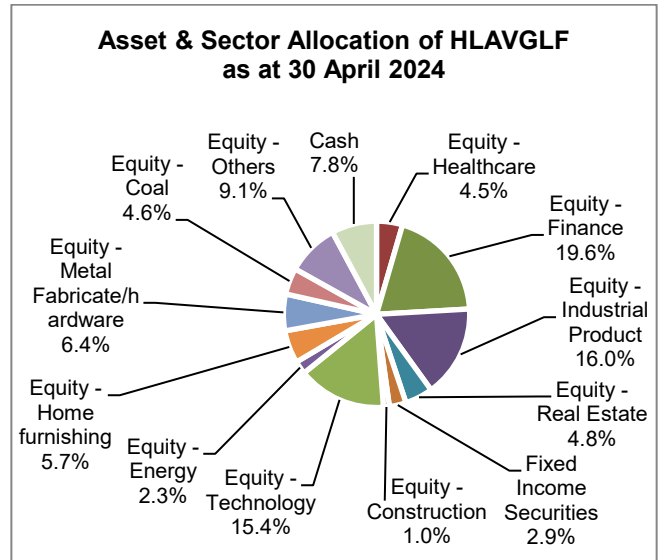
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

Unit Price (30/4/2024)	: RM1.5104
Fund Size (30/4/2024)	: RM32.3mil
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 three (3) months prior written notice.

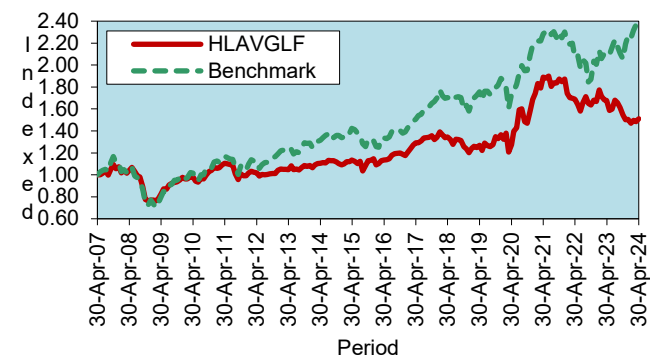
Asset Allocation for HLA VGLF as at 30 April 2024	%
Hong Leong Asia-Pacific Dividend Fund	58.25
Hong Leong Strategic Fund	41.33
Cash	0.42
Total	100.0



Top 5 Holdings for HLA VGLF as at 30 April 2024

1.	King Slide Work Company Limited	6.1
2.	China CITIC Bank Corporation Limited	5.8
3.	Lite-On Technology Corporation	5.5
4.	Agricultural Bank of China Limited	5.5
5.	Onewo Incorporated	4.6
Total Top 5		27.5

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	0.29%	1.68%	-9.88%	-20.14%	19.07%	36.43%	51.04%
Benchmark*	4.00%	-0.34%	11.57%	3.37%	34.43%	79.52%	135.94%
Relative	-3.71%	2.01%	-21.45%	-23.50%	-15.36%	-43.09%	-84.90%

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

Developed markets saw some moderate correction, which was not entirely unexpected given that the recent rally in global equity markets have surpassed even the most optimistic forecast in terms of magnitude and duration. The fall in equity markets also coincided with the correction in the global bond markets as investors start scaling back their rate-cut expectations. The Dow Jones Industrial Average (DJIA) Index declined 5.0% and the broader S&P 500 Index declined 4.2%. The Euro Stoxx Index declined 3.2% while the FTSE 100 Index rose 2.4%.

Asia Pacific

Asia Pacific had a relatively strong month, primarily led by the Hong Kong market. Investors grew more confident of a recovery in China corporate earnings this year and are starting to see value in the Hong Kong and China markets after years of relative underperformance. In the region, Hong Kong and Malaysia were the leaders while Japan and Australia were the laggards.

Malaysia

Malaysia outperformed regional and global markets during the month when risk-off sentiment prevailed. The rise in commodity prices during the month also made Malaysia more appealing to foreign investors. The FTSE Bursa Malaysia (FBM) KLCI rose 2.6% to close at 1,576 points. Small caps outperformed as the FBM Small Cap Index rose 3.4% to close at 17,885 points.

Outlook & Strategy

Global

Inflation in the US remains elevated, as shown by the latest data. Although headline US Gross Domestic Product (GDP) growth in the first quarter appears weak, resilient private demand and strong jobs data gave the US Fed enough reasons to leave rates higher for a longer period of time.

Asia Pacific

In China, the recent Politburo meeting highlighted the importance of policy measures to address the excess housing inventory. Domestic consumption remains weak in China as retail sales came in weaker-than-expected while auto sales also fell. Against consensus expectations, Bank Indonesia raised its policy rate by 25 bps to support the Rupiah.

Malaysia

With most of Malaysian corporates reporting earnings in May, we expect the local market to experience some volatility and profit-taking activities following a strong rally in the last four months.

Fixed Income Review and Outlook

United States Treasuries (UST) saw selloffs with no sign of respite in April. Markets trimmed further on Federal Reserve (Fed) rate cut pricing, now closer to one 25 basis points (bps) cut in the fourth quarter of 2024. At the Federal Open Market Committee (FOMC) meeting, the Fed is widely expected to hold the Fed Funds Rate (FFR) unchanged at 5.25%-5.50%. Market now expects the Fed to give qualitative guidance that Powell and the majority of FOMC members no longer expect 3 cuts in 2024 as previously indicated.

Locally, Malaysia's headline Consumer Price Index (CPI) was unchanged at 1.8% year-on-year (YoY) in March (February: 1.8%) and core CPI eased to 1.7% YoY (February: 1.8%) despite the increase in services tax to 6%-8% from 6% on 1 March 2024. Trade data also showed improvement as contraction in exports was milder-than-expected at -0.80% compared to consensus' -1.1%. Imports grew strongly at 12% showing demand for capital goods items. The sovereign bond markets saw mild sell-off largely due to a knee jerk reaction from higher UST and rising geopolitical tensions.

The strong US inflation and economic data have strengthened the case for delayed or fewer Fed rate cuts this year, keeping the broad US Dollar strength intact and pressuring Asian FX including the Ringgit.

Locally, the nation's inflation outlook is still exposed to upside risks from subsidy rationalization, global commodity price movement (i.e. crude oil, CPO and cocoa prices) and financial market developments while the softer-than-expected first quarter of 2024 advance GDP growth of 3.9% YoY (Fourth quarter of 2023: +3.0%) raised concerns about a slower-than-anticipated recovery pace this year.

The Monetary Policy Committee (MPC) will next meet on 8-9 May. We believe Bank Negara Malaysia (BNM) will maintain Overnight Policy Rate (OPR) unchanged at 3%.

We continue to overweight corporate bonds for additional yield pickup and seek opportunities to rebalance our portfolios.

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

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Benchmark	8.3%	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%	16.2%	5.4%	-12.7%	13.1%
HLAVGLF- Gross	6.0%	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%	26.7%	13.7%	-10.6%	-9.3%
HLAVGLF - Net	4.2%	0.5%	4.9%	2.6%	14.1%	-10.3%	13.7%	23.3%	11.2%	-10.9%	-9.7%

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.

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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	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.

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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.