

HLA Venture Global Fund (HLAVGLF)

July 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.

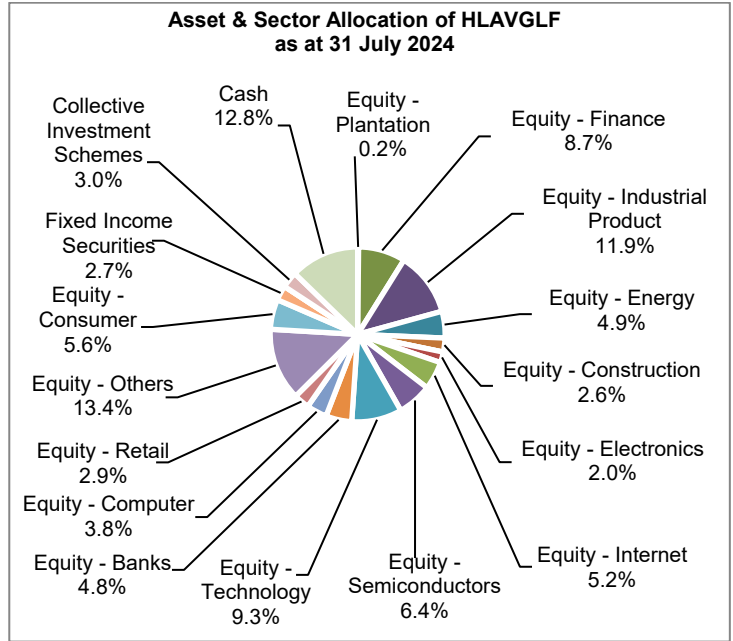
Fund Details

Unit Price (31/7/2024)	: RM1.5661
Fund Size (31/7/2024)	: RM33.4mil
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 31 July 2024

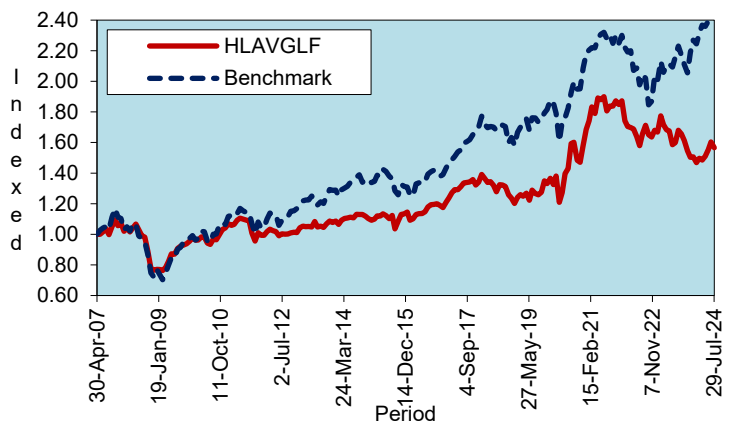
	%
Hong Leong Asia-Pacific Dividend Fund	55.91
Hong Leong Strategic Fund	43.82
Cash	0.27
Total	100.0



Top 5 Holdings for HLA VGLF as at 31 July 2024

1.	Sunway Berhad	6.6
2.	Government Investment Issue -2029	6.3
3.	Taiwan Semiconductor Manufacturing Company Limited	5.6
4.	KJTS Group Berhad	4.5
5.	Pentamaster Corporation Berhad	4.5
Total Top 5		27.5

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLA VGLF	3.99%	-2.34%	-6.76%	-13.30%	23.63%	38.51%	56.61%
Benchmark*	9.06%	1.10%	10.91%	8.61%	40.53%	80.08%	147.42%
Relative	-5.07%	-3.44%	-17.67%	-21.91%	-16.90%	-41.57%	-90.81%

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

The July Federal Open Market Committee (FOMC) meeting brought no significant surprises. The Federal Reserve (Fed) adopted a slightly more dovish stance than anticipated, with Powell expressing increased confidence in a potential September rate cut. The central bank's focus remains on cooling the United States (US) labour market. Following the FOMC, US bond yields declined, and implied Fed rates for December 2024 decreased. The S&P 500 Index rose by 1.1%, while the Dow Jones Industrial Average (DJIA) Index gained 4.4%.

Asia Pacific

Chinese developers continued to struggle with mediocre sales in July, despite robust policy support. Aggregate sales for 23 key developers plummeted by 43% year-on-year (YoY). The third plenary meeting failed to provide concrete measures to stimulate the property sector. The Hang Seng Index dropped 2.1%, and the China A50 Index fell 1.1%.

Malaysia

Malaysia's economy expanded by a strong 5.8% YoY in the first quarter of 2024, surpassing the consensus estimate of 4.7% and accelerating from the previous quarter's 4.2% growth. The FTSE Bursa Malaysia (FBM) KLCI surged 2.2% to 1,626, driven by the financial sector's outperformance.

Outlook & Strategy

Global

We view any potential stock market pullback as a buying opportunity for long-term investors, particularly in the Artificial Intelligence (AI) and technology sectors. However, we anticipate some market consolidation as the US elections approach.

Asia Pacific

Following the recent correction, we expect Asia ex-Japan equities to rebound, supported by factors such as US disinflation, anticipated Fed rate cuts, a soft landing, and increased AI capital expenditure.

Malaysia

While the Fed has signalled potential rate cuts, we anticipate Bank Negara Malaysia (BNM) to maintain its Overnight Policy Rate (OPR) until the end of the year. This is expected to support local banks' net interest margins, and a strengthening Ringgit could attract foreign investment into the banking sector.

Fixed Income Review and Outlook

In July, the FOMC kept rate unchanged at 5.25%-5.50% as US labour market conditions softened and inflations have made further progress toward the Fed's 2% goal. The 3-Month annualised rate slowed to 2.3% opening the path for a widely anticipated rate cut in September. Locally, 3-Month KLIBOR fell another 1 basis point to 3.57% and Malaysia's June Consumer Price Index (CPI) came in below expectations due to muted effects from the service tax adjustment in March and diesel subsidy rationalisation in June. June's CPI was benign, with headline inflation rising by 2.0% YoY, below consensus estimates of 2.20%. The local bond market had an active week, driven by month-end rebalancing activities by fund managers and foreign investors. Government bond yields ended the month stronger, with the yield curve tightening by 2 basis points (bps)-5 bps across the curve.

In the corporate debt primary issuances, Digi Telecommunications Sendirian Berhad issued a RM1 billion sukuk with tenures of 5 years and 7 years, at RM500 million respectively. Despite the tight corporate market, the 7-Year sukuk achieved a final yield of 3.93%, approximately 13 bps above the 7-Year Malaysian Government Securities (MGS) yield.

The Fed in its July 2024 FOMC meeting, unanimously agreed to keep the target range of its Fed Funds Target Rate (FFTR) unchanged at 5.25%-5.50%. This was widely expected and marked the eighth consecutive pause. The Fed also voted unanimously to keep the interest rate paid on reserves balances unchanged at 5.40%. While there remains the risk for the Fed to delay cuts further if the inflation descent is stalled again, that risk is now better balanced by the evident cooling of the labour market.

Malaysia's economic growth is forecasted at 4.0%-5.0% in 2024, supported by the recovery in exports and resilient domestic demand. Inflation is expected to remain modest between 2.0%-3.5% in 2024, although this will be highly dependent on changes to domestic policies as well as global commodity prices and financial market developments. In view of the moderate outlook for growth and inflation, we opine BNM will keep OPR unchanged for the remainder of the year.

We continue to overweight corporate bonds over government bonds and government guaranteed papers for additional all-in-yield pickup and seek opportunities to rebalance our portfolios towards the intermediate segment of the yield curve without adding duration risk as valuation is tight at the long end underpinning the flat term structure.

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

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Benchmark	3.9%	-2.2%	6.2%	22.3%	-7.0%	18.7%	16.2%	5.4%	-12.7%	13.1%
HLAVGLF- Gross	1.9%	6.7%	4.2%	16.7%	-9.8%	16.2%	26.7%	13.7%	-10.6%	-9.3%
HLAVGLF - Net	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.

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:

- a) having a flexible tactical asset allocation
- b) investing in a wide range of companies across different sectors
- c) setting prudent investment limits on various exposures
- d) taking into account the liquidity factor in selecting securities
- e) engaging in the hedging of foreign currency exposure where appropriate

Basis of Unit Valuation

1. 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.
2. 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.
3. The maximum value of any asset of any fund shall not exceed the following price:
 - a) The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
 - b) 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.
4. 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.

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.

HLA Venture Global Fund (HLAVGLF)

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.