

HLA Venture Global Fund (HLAVGLF)

January 2024

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

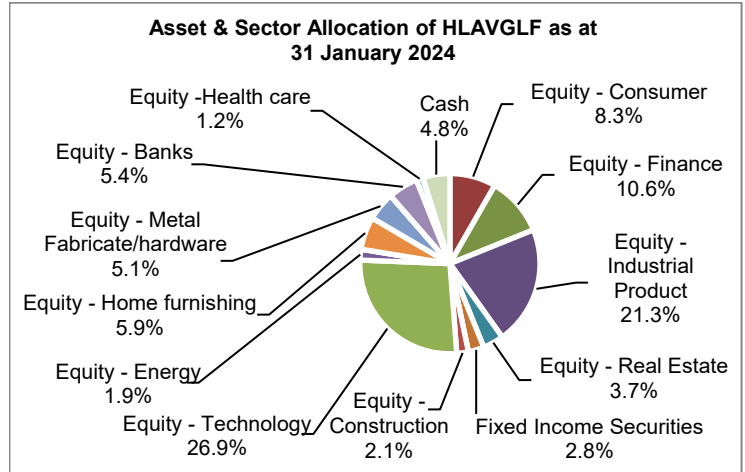
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

Unit Price (31/1/2024)	: RM1.4691
Fund Size (31/1/2024)	: RM31.5mil
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.

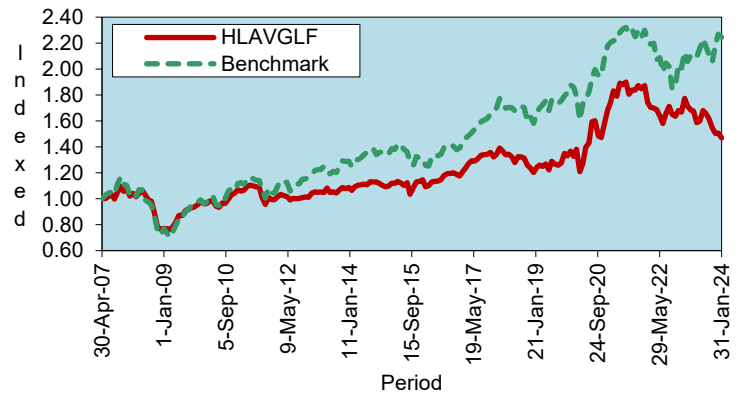
Asset Allocation for HLAVGLF as at 31 Jan 2024	%
Hong Leong Asia-Pacific Dividend Fund	61.08
Hong Leong Strategic Fund	38.60
Cash	0.32
Total	100.0



Top 5 Holdings for HLAVGLF as at 31 Jan 2024

1.	Lite-On Technology Corporation	5.9
2.	Frontken Corporation Berhad	5.8
3.	PT Bank Mandiri (Persero) Tbk	5.4
4.	King Slide Work Company Limited	5.1
5.	Focus Point Holdings Berhad	4.5
Total Top 5		26.6

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	-11.92%	-2.45%	-17.19%	-15.68%	18.28%	37.94%	46.91%
Benchmark*	11.87%	-1.05%	5.35%	1.83%	34.71%	79.65%	124.48%
Relative	-23.80%	-1.40%	-22.54%	-17.51%	-16.44%	-41.70%	-77.57%

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

Following a very strong fourth quarter for the global equity market in 2023, the performance started to diverge among different regional equities in January as some central banks made efforts to temper market expectations for the timing and magnitude of the rate cuts. The S&P 500 Index hit record highs, driven by the rally in the 'Magnificent Seven' stocks. The Dow Jones Industrial Average Index rose 1.2% and the broader S&P 500 Index rose 1.6%. The Euro Stoxx Index rose 2.8% while the FTSE 100 Index declined 1.3%.

Asia Pacific

Asia markets started the year poorly, led by substantial decline in the China and Hong Kong market. Although China fourth quarter Gross Domestic Product (GDP) growth was commendable and the People's Bank of China (PBOC) also announced several substantial stimulus measures, it did little to dispel investors' concerns about China's economic outlook. In the region, Japan and Malaysia were the leaders while China and Hong Kong were the laggards.

Malaysia

In a rare moment of glory, the local index was the top performing ASEAN market in January and was only second to Japan in the Asia Pacific region. The local stock market saw strong interest from foreign investors. The FTSE BM KLCI rose 4.0% to close at 1,513 points. The broader market underperformed as the FTSE BM EMAS Index rose 3.9% to close at 11,243 points. Small caps underperformed as the FTSE BM Small Cap Index rose 2.3% to close at 16,721 points.

Outlook & Strategy

Global

Although the United States (US) Federal Reserve (Fed) signaled a potential cut in interest rates, the recent strong jobs data in the US did not justify the magnitude of rate cuts currently priced in by the market. We opine that corporates will need to deliver the earnings that investors are expecting for the market to rally further.

Asia Pacific

Although China delivered a commendable fourth quarter GDP growth, it was a hard-fought result as the underlying economy continues to struggle. Disappointing retail sales data and further weakening of housing activity suggest that policy makers would need to make greater effort to confront the prevailing economic headwinds.

Malaysia

We expect foreign investor interest in Malaysia market to remain buoyant due to improved political stability, recognition of the efforts made by the government to rationalize subsidies and rising foreign investor risk appetite.

Fixed Income Review and Outlook

The United States Treasuries (UST) sold off sharply in January following stronger monthly employment report which saw number of jobs added in the US for January nearly doubling expectations, with wage growth also coming in much higher than expected. Locally, the Malaysian Government Securities (MGS) yields inched up 1 – 3 basis points (bps), in line with higher UST and more defensive bids. However, towards the end of the month, we saw increased demand, especially for the long-end papers when Malaysia's advanced GDP was announced. The 10-Year MGS ended at 3.83% whilst the 30-Year MGS ended at 4.25%.

There were some new issuances in the market with Maybank issuing a Tier 2 10NC5 sub-debt paper with yield of 4.03%. The initial issuance size was RM2 billion but was upsized to RM3 billion. The 5-Year Islamic government bonds auction drew a strong bid-to-cover ratio of 4.4x with a tender size of RM5 billion without private placement. Demand is strong from investors despite external volatility.

Malaysia's advanced fourth quarter GDP grew 3.40% versus market's estimates of 4.00%. Malaysia's 2023 GDP growth was 3.80%, lower than the government's estimate of 4.00% - 4.50% due to slower growth in sectors like mining, manufacturing, construction, and services.

Bank Negara Malaysia (BNM) held its first meeting on January 24 and decided to maintain Overnight Policy Rate (OPR) at 3.00%.

Federal Open Market Committee (FOMC) members are confident that the US economic activities will remain resilient in the near term as the projected 2023 real GDP growth was revised upwards to 2.6% (September: 2.1%). We expect a more apparent growth slowdown in the first half of 2024 but likely a soft landing. Volatility is anticipated to persist with the expectations of UST yields falling further into the first half of 2024 amid geopolitical risks.

Local headline inflation eased to 1.5% year-on-year (YoY) in November (October: 1.8%), marking a sustained deceleration since September 2022 to a 33-Month low. The deceleration was mainly due to lower gains in the food & non-alcoholic beverages subcomponents. Core inflation also eased to 2.0% (October: 2.4%). 2024's outlook is still uncertain as areas like subsidies removal have yet to be determined. We expect a neutral stance from Monetary Policy Committee (MPC) and maintain OPR at 3.00%. We expect BNM to keep OPR unchanged at 3.00% in 2024 in the absence of demand pulled inflationary pressures although monthly headline Consumer Price Index (CPI) may have bottomed. We continue to overweight corporate bonds for additional yield pickup over comparable government and government guaranteed bonds although credit spreads have broadly compressed across the ratings curve.

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.

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:

- 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.

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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.