

HLA Venture Global Fund (HLAVGLF)

May 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

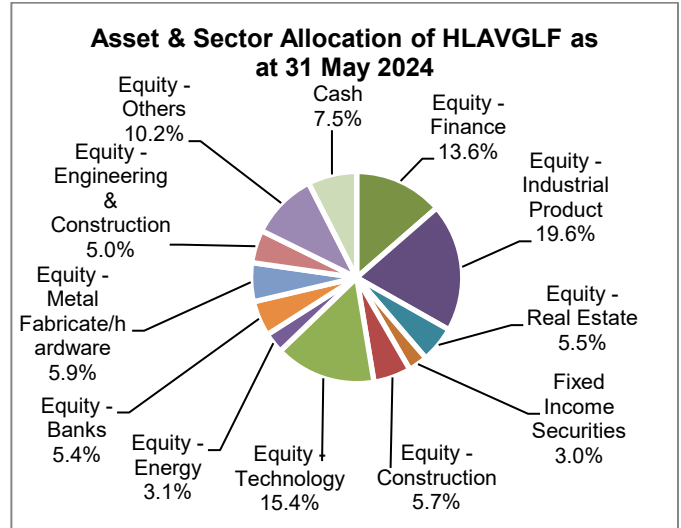
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

Unit Price (31/5/2024)	:RM1.5537
Fund Size (31/5/2024)	:RM33.1mil
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.

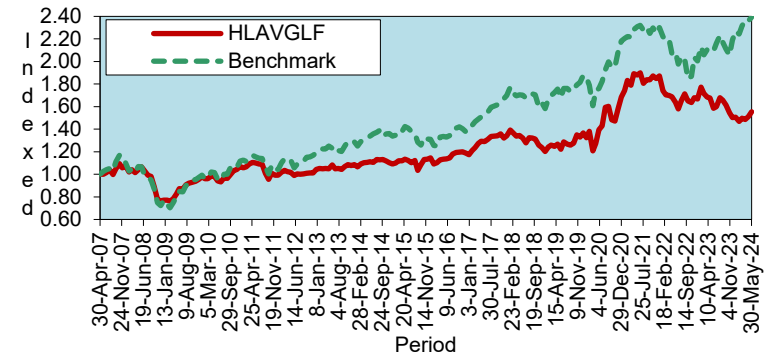
Asset Allocation for HLAVGLF as at 31 May 2024	%
Hong Leong Asia-Pacific Dividend Fund	57.89
Hong Leong Strategic Fund	41.91
Cash	0.19
Total	100.0



Top 5 Holdings for HLAVGLF as at 31 May 2024

1.	China CITIC Bank Corporation Limited	6.0
2.	King Slide Work Company Limited	5.6
3.	Onewo Incorporated	5.2
4.	Agricultural Bank of China Limited	5.0
5.	Greentown Management Holdings Company Limited	4.7
Total Top 5		26.5

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVGLF	3.17%	2.87%	-2.06%	-17.36%	27.07%	39.71%	55.37%
Benchmark*	5.49%	1.43%	14.34%	3.70%	42.43%	78.66%	139.32%
Relative	-2.32%	1.43%	-16.40%	-21.06%	-15.36%	-38.95%	-83.95%

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 United States (US) economy remains solid, although data released in May indicates signs of moderation, with capital spending and home sales trending sideways. The flash Purchasing Managers' Index (PMI) data provided a bright spot, with the manufacturing component rising to 50.9 and services to 54.8. US equities rebounded with a 5.0% monthly return in May, supported by better-than-expected first quarter earnings results across multiple sectors. In the eurozone, the European Central Bank (ECB) is more optimistic about the economy's disinflationary trajectory, as wage growth moderates despite recovering activity. Headline and core inflation in May accelerated to 2.6% and 2.9% year-on-year (YoY), respectively. The Dow Jones Industrial Average (DJIA) Index rebounded 2.3% and the broader S&P 500 Index surged 5.0%. The Euro Stoxx Index increased 3.3% while the FTSE 100 Index rose 3.4%.

Asia Pacific

Across Asian economies, there are encouraging signs of improvement, though with some caveats. Chinese data generally surprises to the upside, coinciding with a rebound in the equity market. However, the recovery details are less convincing as continued weakness in domestic demand necessitates strong export growth. Challenges in the real estate sector remain unresolved, casting doubts on the sustainability of the Chinese rally. Extremely low levels of the Japanese Yen are starting to weigh on consumer sentiment, resulting in Japanese stocks being one of the weakest regional performers in May, with a Tokyo Price Index (TOPIX) return of 1.2%.

Malaysia

Malaysia outperformed regional and global markets during the month as the rising data center investment in Malaysia by Multinational Corporations (MNCs) lifted the overall market sentiment. FTSE Bursa Malaysia (FBM) KLCI rose 1.3% to close at 1,596 points. The broader market outperformed as the FBM EMAS Index rose 2.4% to close at 12,161 points. Small caps outperform as the FBM Small Cap Index rose 4.1% to close at 18,613 points.

Outlook & Strategy

Global

Disinflationary trends in the US are stalling, particularly with persistent price pressures in the services sector. The latest inflation release showed only a modest slowing in both headline and core categories, reducing YoY rates to 3.4% and 3.6%, respectively. The minutes from the May Federal Open Market Committee (FOMC) meeting underscored concerns about the lack of progress on disinflation, diminishing hopes for an imminent rate cut.

Asia Pacific

Temporary relief measures by China authorities to boost the real estate sector do not address the main issue of weak demand. But its exports recovery and domestic travel related spending have been encouraging. After a strong rebound since April, we expect the market to consolidate unless a stronger-than-expected new home sales is reported in China.

Malaysia

Despite the rally and being the best outperformer in the region, Malaysia's market remained attractive in terms of valuation and currency level, coupled with the encouraging news of data centers investment by global MNCs have lifted the overall market sentiment.

Fixed Income Review and Outlook

US Federal Reserve's (Fed) minutes in the FOMC meeting highlighted the Fed's concern over lack of progress on inflation. They were joined in view to hold rates higher for longer until they gained greater confidence that US inflation was moving sustainably towards 2%. Inflation eased in April providing relief to investors after 3 months of surprises on the upside. The Consumer Price Index (CPI) increased 0.3% month-on-month (MoM) below market estimate of 0.4%. On a 12-Month basis, the CPI rose 3.4%, aligning with expectations. Excluding food and energy, the core inflation reading came in at 0.3% monthly and 3.6% annually, both as forecasted.

The Malaysian's first quarter of 2024 Gross Domestic Product (GDP) data stood at 4.20% YoY, surpassing the consensus estimate of 3.90% YoY. This also marks a pick up from the 2.90% recorded in the fourth quarter of 2023. On the corporate bond issuances, the primary issuances for the month include PONSB Capital Berhad (rated AA2(s)) with an issuance size of RM500 million in two different tenures. Meanwhile, Pengurusan Air SPV Berhad issued 15-Year government guaranteed bonds amounting to RM1.08 billion as well as a AAA-tranche totalling RM520 million. On government bond auctions, we saw a 20-Year Malaysian Government Securities (MGS) auction in the last week of May with a bid-to-cover ratio of 3 times.

Amidst the "bumpy" ride in inflation and the latest string of stronger-than-expected US macro figures like the March ISM, investors have started to question whether the Fed is indeed able to start rate cuts in June and whether it will be able to deliver the three cuts this year as signalled by the latest Dot Plot. Market is now skewed to expecting the first 25 basis points (bps) cut in November, from previous expectations of 3 rate cuts in 2024 (one each in mid-2024, third quarter of 2024 and fourth quarter of 2024).

Overall, domestic demand is mainly driven by private consumption, improvement in fixed investment activities and a turnaround in exports. Looking ahead, with a moderate outlook on economic expansion coupled with moderate inflationary outlook, we believe that Bank Negara Malaysia (BNM) will maintain our Overnight Policy Rate (OPR) at 3.00%.

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.

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.

Target Fund Details

1. 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%

2. 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.

HLA Venture Global Fund (HLAVGLF)

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.