

# HLA Dana Suria (HLADS)

Jan 2017

## Fund Features

### 1. Investment Objective

This fund provides investors an affordable access into a diversified investment portfolio which offers steady and consistent return over a long-term investment horizon by investing into local and global equities and fixed income securities that comply with Shariah requirements.

### 2. Investment Strategy & Approach

At inception, this fund will invest by feeding into Hong Leong Dana Maa'rof and HLA Venture Dana Putra ("Target Funds") with the option to increase the number of funds or replace the Target Funds in future.

Generally, the Target Funds select undervalued companies that have the potential to offer good Medium-To-Long Term capital growth. In terms of fixed income instruments, selection depends largely on credit quality to assure relative certainty in profit income, principal payment, and overall total return stability.

### 3. Asset Allocation

Hong Leong Dana Maa'rof (HLDM) will invest a minimum 40% and maximum 60% of its NAV into Shariah-compliant equities while HLA Venture Dana Putra (HLAVDP) will invest up to maximum 90%, but not less than 40% of fund's NAV into Shariah approved equities. Generally, HLA Dana Suria may invest up to a maximum of 95% of its NAV into Shariah-compliant equities or a maximum of 100% of its NAV into Shariah-based deposits or Islamic money market instruments.

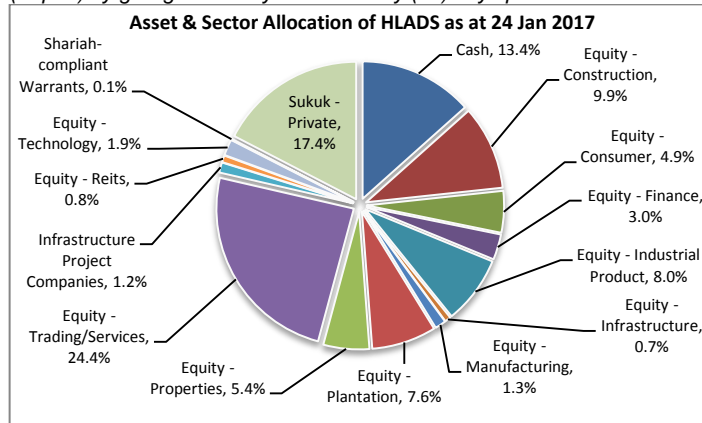
### 4. Target Market

This fund is suitable for investors who have moderate risk-reward temperament and are looking for returns from Shariah-compliant investments in a medium-to-long term investment horizon.

## Fund Details

Unit Price (24/1/2017)	:RM1.0702
Fund Size (24/1/2017)	:RM6.62mil
Fund Management Fee	:1.30% p.a.
Fund Manager	:Hong Leong Assurance Berhad
Fund Category	:Managed
Fund Inception	:24 Sept 2013
Benchmark	: (70% x FTSE Bursa Malaysia EmasShariah Index) + (30% x 3-month Klibor)
Frequency of Unit Valuation	:Weekly

*The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.*



## Top 10 Holdings for HLADS as at 24 Jan 2017

		%
1.	Lembaga Pembiayaan Perumahan Sektor Awam	Sukuk 5.7
2.	TENAGA NASIONAL BERHAD	Equity 4.6
3.	SIME	Equity 3.8
4.	KESAS SDN BHD IMTN 2020	Sukuk 2.9
5.	SEPANGAR BAY POWER CORP 2022	Sukuk 2.9
6.	Sarawak Hidro Sdn Bhd	Sukuk 2.9
7.	UEM Sunrise Berhad IMTN 2018	Sukuk 2.9
8.	QL	Equity 2.3
9.	DIGI	Equity 2.1
10.	IOICORP	Equity 1.8
<b>Total Top 10</b>		<b>31.9</b>

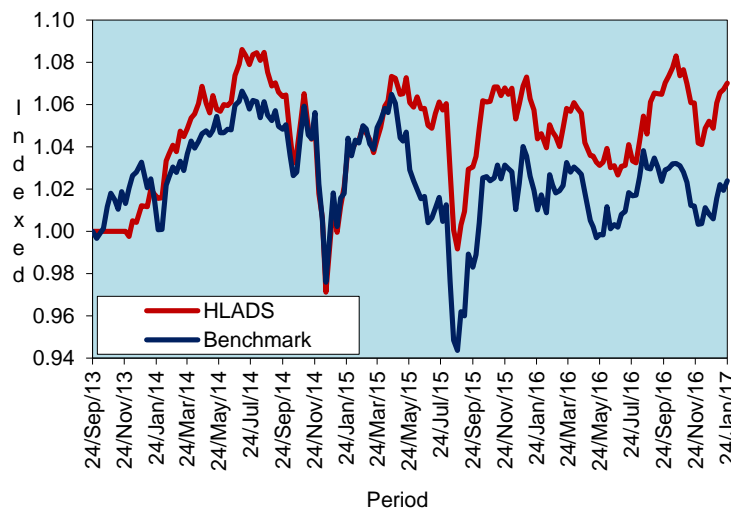
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## Historical Performance



	1 month	1 Year	3 Years	YTD	Since Inception
HLADS	2.04%	2.53%	5.38%	2.04%	7.02%
Benchmark	1.79%	1.36%	2.32%	1.79%	2.39%
Relative	0.25%	1.17%	3.06%	0.25%	4.63%

## Market Review, Outlook & Strategy

The US market started the year on a strong note with the Dow surpassing the 20,000 level, fuelled by optimism over US President-elect Donald Trump's reflation play and stronger crude oil prices. Asian equities also staged a rebound post the US-election sell off on a combination of good economic data from China, Eurozone and Japan, decent result announcements in the US and still accommodative monetary policies. However, investor sentiment took a hit when President Trump officially took office and implemented controversial policies such as, repelling the Trans-Pacific Partnership, travel ban on selected nationalities and repeated his intention to build the Mexican border wall. UK was also back in the spotlight when Prime Minister Theresa May opted for a hard Brexit and secured majority of the Parliament members' votes to start exit talks.

Domestically, local investors were cautious in general. There was good appetite, however, for companies with corporate action and newsflow. Among the more notable key corporate news was the oil & gas demerger exercise undertaken by UMW Holdings and Sime Darby's plans to spin off its plantation and property divisions via separate listings. The local index was also supported by the strength in crude oil prices when Saudi Arabia said it will strictly adhere to its commitment to cut output under the global agreement. The Ringgit also strengthened against the US\$ to 4.4285 during the month in tandem with other Asian currencies when President Trump started to say that the US dollar had appreciated too much.

For the month, the KLCI gained 1.8% or 30pts to close at 1,671pts. The KLCI rallied to a high of 1,692.22 before consolidating lower on profit taking. The broader market outperformed, with the FBM Emas gaining 2.4% mom to 11,499pts. Small caps also outperformed the KLCI with the FBM Small cap index jumping 4.8% to 15,075pts. Average daily value traded on Bursa in January increased 10% mom to RM1.92bn.

Global markets are likely to remain volatile and will continue to be dictated by the direction of monetary policies as well as rising political uncertainty in the developed markets. The local bourse will not be spared but we would view any potential sell down as an opportunity to buy companies trading at attractive valuations. The themes that stand to do well this year are: i) infrastructure and building materials; ii) GLC reform plays and iii) tourism beneficiaries.

## Market Review, Outlook & Strategy - Fixed Income Market

Generally, the movement of MGS yields seemed to have decoupled from UST in the month of January. MGS yields continued to shift lower while US treasuries remained volatile but was skewed towards the rising trend. The three government bond auctions this month garnered somewhat healthy book to cover ratios and all rallied post tender. Month-on-month, the yields for 3 years to 20 years MGS benchmark compressed by 5-23 bps despite the fact that most UST benchmarks rose marginally. On the monetary front, BNM and FED as widely expected, held OPR and Fed Rate unchanged at 3.0% and 0.75% respectively.

In the corporate bond space, secondary trading volume was seen picking up while there were 2 main primary issues. The new Rantau 15 years was priced at 5% while Affin Bank 10NC5 years sub-debt was priced at 5.45%. We will continue to adopt a dollar cost averaging strategy since there is room to gradually increase as the current cash level is considered tactical.

## HLA Dana Suria (HLADS)

### Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2013	2014	2015	2016
Benchmark	3.3%	-1.4%	2.2%	0.4%
HLADS - Gross	2.7%	1.5%	7.4%	-0.6%
HLADS - Net	1.2%	0.1%	5.5%	-1.9%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) 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.

The fund was only launched on 24 September 2013. The actual investment returns are calculated based on unit price from 24 September to 31 December 2013.

### 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 detailed explanation of the risk 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. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

#### 4. 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.

#### 5. 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 will cover the nature and scope of the investment authority that is exercisable by various parties in managing the Company's investments. Besides this, sensitivity and stress testing is conducted to inform the Company's management the profit & loss profiles of their investments under different pre-defined risk scenarios and the necessary action to be taken if the potential losses exceed the Company's risk tolerance level.

### 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 the Company 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 Dana Maa'rof is a Balanced fund managed by Hong Leong Asset Management Berhad. The past performance of this fund is as follows:

Year	2012	2013	2014	2015	2016
Performance	6.4%	7.0%	0.1%	9.1%	-1.2%

Source: Hong Leong Asset Management Berhad

- HLA Venture Dana Putra is a Balanced fund managed by Hong Leong Assurance Berhad. The past performance of this fund is as follows:

Year	2012	2013	2014	2015	2016
Performance	10.0%	32.6%	-1.1%	4.9%	-2.3%

Source: Hong Leong Assurance Berhad

## HLA Dana Suria (HLADS)

### 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 Fund, past performance is calculated after adjusting for distribution and/or additional units, if any.

### Others

HLA Dana Suria is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner into Islamic unit trust/investment-linked funds which will invest in Shariah-compliant fixed income securities, equities, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the funds default or become insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the fund 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.