

HLA Venture Dana Putra (HLAVDP)

Apr 2020

Fund Features

1. Investment Objective

The objective of the fund is to achieve capital growth over the medium to long term.

2. Investment Strategy & Approach

This fund invests in Syariah-approved securities and money market instruments.

3. Asset Allocation

The fund will invest up to 90% but not less than 40% of its NAV in equities.

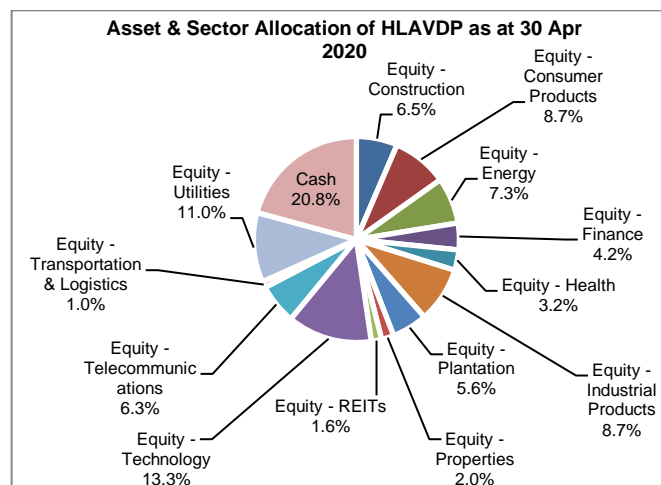
4. Target Market

This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (30/4/2020)	: RM2.1438
Fund Size (30/4/2020)	: RM76.8mil
Fund Management Fee (effective as at 01/01/2019)	: 1.34% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM Emas Shariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

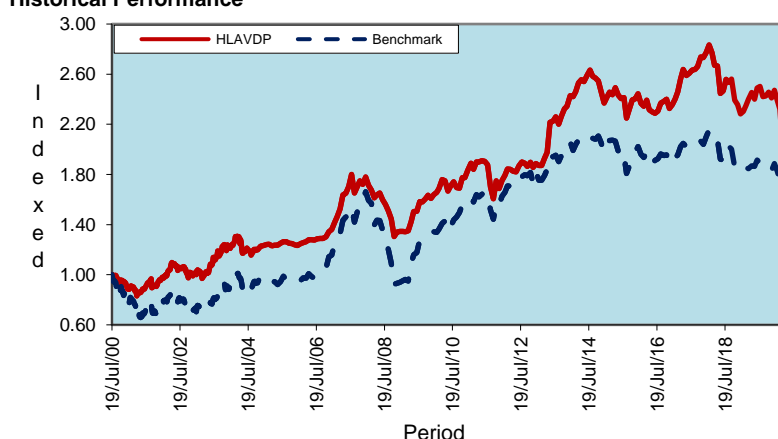
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%) of the initial asset allocation.



Top 5 Holdings for HLA VDP as at 30 Apr 2020

	%
1. TENAGA	8.1
2. MYEG	6.1
3. QL	5.0
4. YINSON	3.8
5. AXIATA	3.8
Total Top 5	27.0

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLA VDP	-13.23%	8.43%	-12.59%	-18.72%	-14.00%	22.54%	114.38%
Benchmark*	-8.85%	7.77%	-8.00%	-16.05%	-16.70%	20.25%	71.97%
Relative	-4.38%	0.66%	-4.59%	-2.67%	2.71%	2.29%	42.41%

Source: Bloomberg

Market Review, Outlook & Strategy

Global equities saw a sharp recovery in April as fear of the unknown receded somewhat, driven by news of additional stimulus (the US announced the fourth relief bill which was an additional US\$484b Covid-19 relief package) coupled with flattening of the infection curves across countries signaling that they would be preparing to reopen their economies soon. The unlimited quantitative easing by the central banks has thrown a lifeline to risky assets. The US Fed kept interest rates unchanged during the recent FOMC meeting and pledged to do whatever it takes to help the economy recover following the release of 1Q20's -4.8% qoq GDP data. China also announced a 6.8% contraction in its 1Q20 GDP. Despite that, market sentiment was buoyed by Gilead's announcement of positive data from its Phase-3 trials for antiviral drug - Remdesivir. For the first time in history, WTI May futures fell into negative territory on concerns that crude storage worldwide will reach its maximum capacity as demand declines.

Over in Malaysia, the Movement Control Order (MCO) was first implemented on 18 March and since then extended to MCO Phase 2 (1-14 April), MCO Phase 3 (15-28 April) and MCO Phase 4 (29 April – 12 May). The Ministry of International Trade and Industry estimated that the economy was operating at only 45% of its operating capacity during the implementation of MCO throughout April. The government announced a fourth Covid-19 related stimulus package of RM10b to assist the SME sector. On a positive note, the MCO saw the infection curve flatten and the government has since announced some relaxation measures to allow more businesses to resume operations in May. Bank Negara released their 2020 GDP forecast of between -2% and 0.5% with headline inflation averaging between -1.5% to 0.5%.

On a relative basis for the month of April, the FBM KLCI underperformed the broader market by posting a smaller recovery of 4.2% mom to close at 1,408 pts. The FBM Emas Shariah and FBM Emas recorded gains of 7.8% mom and 6.2% mom respectively in April. The Small Cap index outperformed the other indexes with a gain of 20.2% mom. In April, Malaysian equities saw foreign outflows to the tune of US\$612m (representing a 51% mom decline). Cumulatively, Jan to Apr 20, total net outflow was US\$2.4b and foreign ownership of Malaysian equities is now estimated at around 21.6% vs 22.3% as at end 2019.

Going into May, we think markets will continue to be volatile with concerns over earnings disappointment in the upcoming results season, current low crude oil price and the potential resurgence of the US-China trade war. Domestically, investors have been following closely the Monetary Policy Committee meeting where Bank Negara has cut the Overnight Policy Rate by 50 bps to help support the local economy. Market will also be watching the Parliament sitting which will reconvene for one day (instead of 15 days) due to the Covid-19 and this will be the first Parliamentary sitting following the change in government in February. We continue to stay defensive in this current volatile trading environment sticking to companies which offer resilient earnings and dividend prospects with strong cash flow profile to weather the economic downturn.

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

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Benchmark	18.2%	2.4%	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%
HLAVDP- Gross	14.4%	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%
HLAVDP - Net	11.9%	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%

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.

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.

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.

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.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

Others

HLA Venture Dana Putra 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.