

# HLA Venture Dana Putra (HLAVDP)

Mar 2018

## 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 focuses on Syariah-approved securities and money market instruments. This is a balanced fund with a medium risk profile.

### 3. Asset Allocation

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

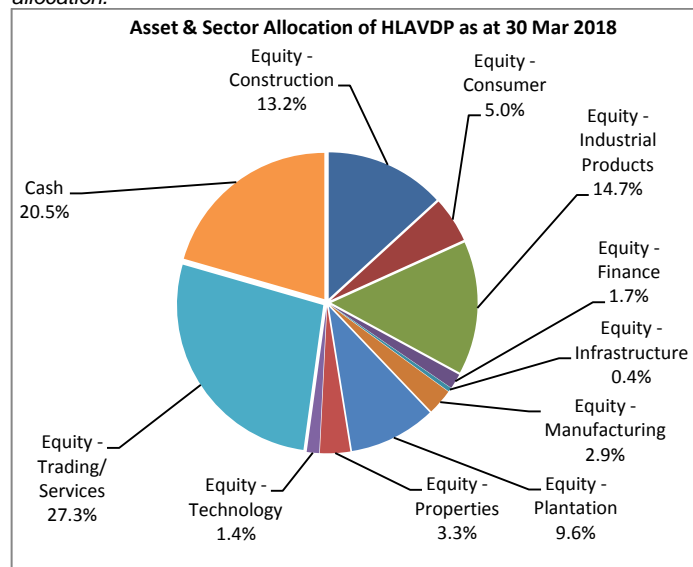
### 4. Target Market

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

## Fund Details

Unit Price (30/3/2018)	: RM2.6722
Fund Size (30/3/2018)	: RM73.0mil
Fund Management Fee (effective as at 01/09/2016)	: 1.40% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Balanced
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah 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 10 Holdings for HLAVDP as at 30 Mar 2018

	%
1. TENAGA	8.5
2. QL	4.2
3. DIALOG	3.8
4. AXIATA	3.6
5. KERJAYA	3.3
6. YINSON	3.1
7. IOICORP	3.1
8. SIMEPLT	2.9
9. INARI	2.8
10. GAMUDA	2.6
<b>Total Top 10</b>	<b>38.2</b>

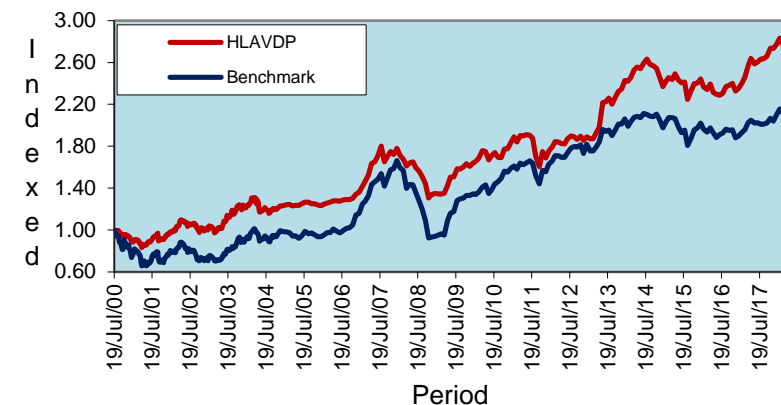
## Hong Leong Assurance Berhad (94613-X)

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## Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-3.66%	-3.56%	4.22%	9.72%	38.52%	65.71%	167.22%
Benchmark*	-0.54%	-1.47%	3.27%	0.83%	16.50%	49.53%	108.93%
Relative	-3.11%	-2.09%	0.94%	8.89%	22.02%	16.18%	58.29%

Source: Bloomberg

## Market Review, Outlook & Strategy

Global markets saw sharp swings during the month over fears of an all-out global trade war, which frayed investors' nerves and threatened to unhinge the driving force of equities markets which has been synchronized global economic growth. President Trump fired the first shot, seeking tariffs on up to US\$60b of Chinese imports, targeting the technology and telecommunications sectors. China in turn retaliated with tariffs on US\$3b worth of US imports, moderately targeting the rust belt which is the Republican heartland, whilst urging US to negotiate a settlement, followed by Chinese Premier Li Keqiang pledging to ease access to American businesses. Sentiment was aggravated further by the sell-off in US technology stocks, triggered by Facebook and its role in the Cambridge Analytica scandal.

Fed Chairman Powell on the other hand, managed to carry off a balancing act at the recent FOMC meeting. He outlined that the Fed has the flexibility to hike rates because it is more confident about growth but will keep the pace gradual. Elsewhere, Italy's election was concluded without any party receiving enough votes to claim an outright majority to form a government. The result suggests that populism is still a potent force in Europe.

The local market also traded in tandem with the sharp swings in regional markets. Fundamentally, nothing significant has changed for Malaysia as the global synchronized economic growth and corporate earnings rebound remain supportive of the domestic equity market. Meanwhile, Bank Negara (BNM) announced that it was keeping its overnight policy rate at 3.25%, while stating a lower expectation for inflation this year on the back of reduced global cost factors while the stronger Ringgit helped mitigate import costs. Bank Negara also released its annual report, expecting economic growth to remain robust over the next two years.

During the month, the KLCI still managed to gain 0.4% mom to close at 1,863.46pts as banks which are the index heavyweights; remained resilient. The broader market underperformed, with the FBM Emas falling by -1.3% mom to 13,045.59pts and FBM Shariah Index falling by 1.5% mom to 13,230.74pts. Small caps performance was much weaker as the FBM Small cap index fell by 11.1% mom to 14,856.33pts indicating declining risk appetite in the market while the ACE market tumbled -12.1%.

As we move into April, investors will be waiting for announcements on GE14 as it is widely predicted that the government could dissolve Parliament early in the month. As such, there could be increased volatility post the dissolution. However, we view this volatility as a buying opportunity to add and also reposition our portfolio with fundamentally strong stocks that may be irrationally sold down. In fact we are starting to see buying opportunities due to the recent sell down in the small-mid cap space especially in technology names and also the REIT sector. In the meantime our portfolio is anchored in quality stocks that are offering earnings certainty with stable dividend yields.

# HLA Venture Dana Putra (HLAVDP)

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

Year	2013	2014	2015	2016	2017
Benchmark	13.3%	-4.2%	2.4%	-6.1%	10.7%
HLAVDP- Gross	32.6%	-1.1%	4.9%	-2.4%	20.8%
HLAVDP - Net	28.6%	-2.4%	3.1%	-3.6%	17.7%

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.

### 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.