

HLA Venture Dana Putra (HLAVDP)

September 2022

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 (30/9/2022)	: RM2.5522
Fund Size (30/9/2022)	: RM141.2 mil
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 EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

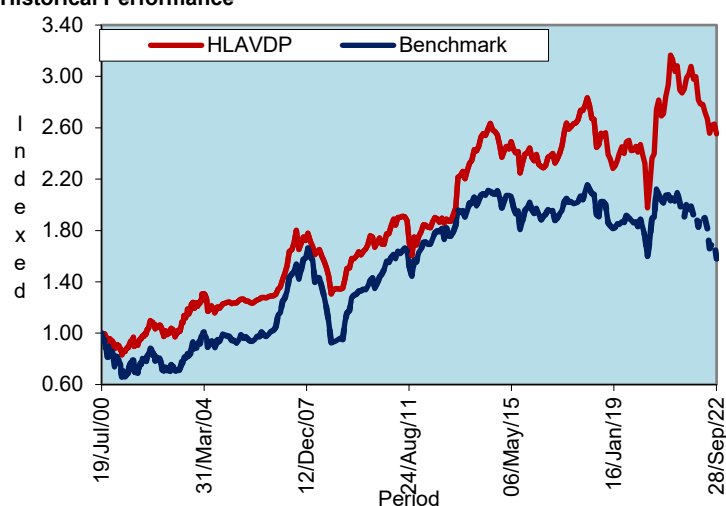
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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

Although the funds invest in Syariah-approved securities, the Investment-Linked Insurance plan that utilizes these funds is not classified as a Syariah-compliant product.

Top 5 Holdings for HLAVDP as at 30 Sept 2022

	%
1. INARI	4.1
2. MYEG	3.8
3. TM	3.7
4. SIMEPLT	3.4
5. TENAGA	3.2
Total Top 5	18.2

Historical Performance

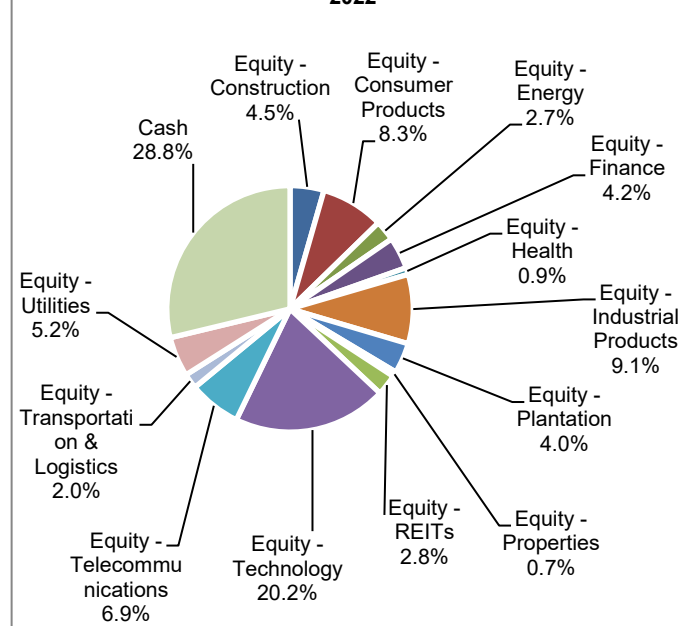


	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-14.91%	-2.94%	-15.34%	5.26%	-4.09%	36.87%	155.22%
Benchmark*	-18.39%	-7.45%	-19.02%	-14.96%	-21.80%	-11.76%	58.04%
Relative	3.48%	4.51%	3.69%	20.22%	17.71%	48.63%	97.18%

Source: Bloomberg

Notice: Past performance of the fund is not an indication of its future performance.

Asset & Sector Allocation of HLAVDP as at 30 Sept 2022



Market Review, Outlook & Strategy

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HLA Venture Dana Putra (HLAVDP)

September was a tough month where global equities slumped in tandem with other risk assets while the greenback surged with the DXY Index near a 20-year high. Market sentiment was depressed due to global growth concerns with rising possibility of central banks overtightening and ongoing geopolitical tensions. During the FOMC meeting, the Fed raised rates by another 75 bps and signaled that the Fed remains committed to tighten at the expense of the economy until inflation subsides. Geopolitically, the Russia-Ukraine tension deteriorated further when the Russian President announced a partial mobilization of reservists and the annexation of captured Ukraine territory with the threat of nuclear weapons should Russia be invaded. US-China tension rose when the US Senate Committee on Foreign Relations approved the Taiwan Policy Act of 2022 which could potentially increase US' support for Taiwan by providing billions of dollars in defense capabilities. FX volatility was also seen in the British pound after the new UK government announced a radical economic plan in a bid to boost growth and Yen weakens as the BoJ remains steadfast in its stance of ultra-easy monetary policy in order to spur inflation and to support growth in Japan.

Back to Malaysia, we saw Bank Negara Malaysia raised the Overnight Policy Rate by 25bps to 2.5% as headline CPI hit the highest in 5.5 years to +4.7% yoy in August (July: +4.4% yoy). There is increasing expectation that Parliament could be dissolved after the tabling of Budget 2023 on 7th October with UMNO leaders confirming to the media that general election would be held this year. The three best-performing sectors in September were construction (-2.1% mom), transport (-2.9% mom) and REIT (-3.4% mom). The top three worst-performing sectors in September were plantation (-10% mom), energy (-8% mom) and telecommunication (-7.1% mom).

Average daily trading value increased to RM1.8b in September from RM1.7b in August. Foreign institutions turned net sellers -RM1.6b while local institutions turned net buyers (+RM1.1b). Local retailers remained net buyers +RM0.5b. Retailers and local institutions accounted for 24% and 36% of value traded. Foreign institutions accounted for 29% of value traded. The 4 major indices were negative in September: FBM KLCI -7.8% mom, FBM Shariah -7.5% mom, FBM Emas -6.7% mom and FBMSC -4.6% mom.

The market will remain volatile and investors are likely to remain cautious with the rising likelihood of a global recession. Investors will continue to monitor closely Fed speak to gauge the interest rates trajectory as well as the ongoing Russia-Ukraine war and the impact on commodity prices. Also in China, the 20th Congress of the Chinese Communist Party on 16th October will be followed closely for any indication of a softer stance to the current zero Covid strategy as well as the successful reopening of Hong Kong and Macau. Domestically, the upcoming Budget 2023 on 7th October is unlikely to excite the market but potentially an indication of an early 15th General Election. We remain defensive, investing in both value and growth. Sectors that we continue to favour include interest rate hike beneficiaries (banks), selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

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

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benchmark	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%	-6.8%
HLAVDP- Gross	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%	3.9%
HLAVDP - Net	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%	2.1%

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.

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 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

HLA Venture Dana Putra (HLAVDP)

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 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.
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.

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.