

HLA Venture Dana Putra (HLAVDP)

Oct 2019

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.

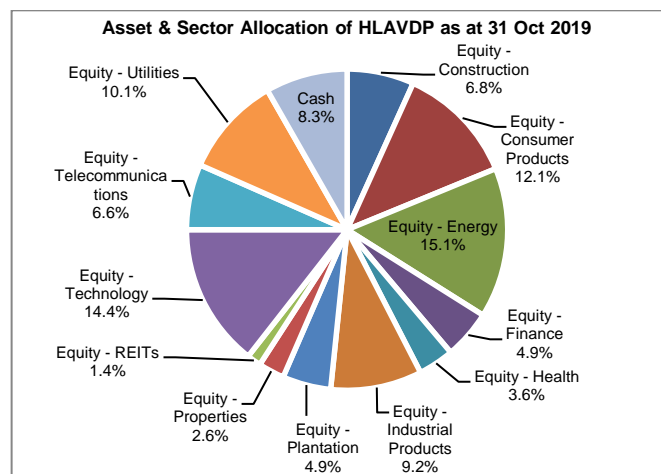
4. Target Market

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

Fund Details

Unit Price (31/10/2019)	: RM2.4554
Fund Size (31/10/2019)	: RM81.1mil
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

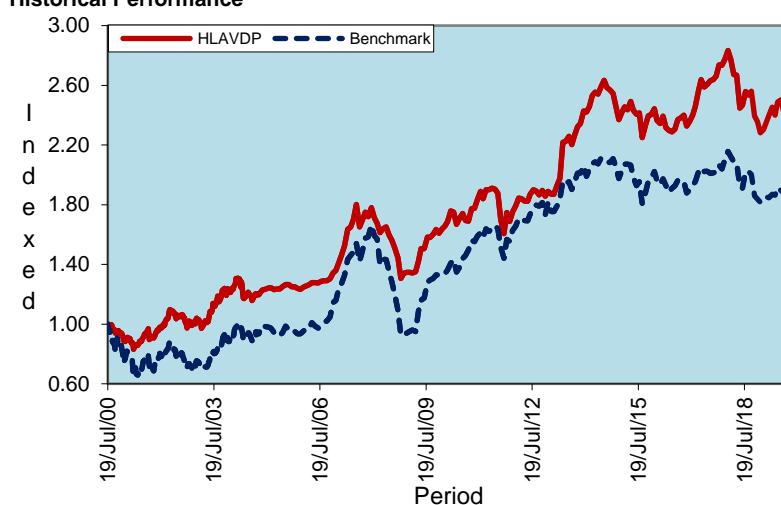
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



Top 5 Holdings for HLAVDP as at 31 Oct 2019

	%
1. TENAGA	7.9
2. YINSON	7.2
3. QL	5.4
4. MYEG	4.7
5. BAUTO	4.4
Total Top 5	29.5

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	7.58%	1.27%	2.63%	2.28%	-3.52%	50.35%	145.54%
Benchmark*	2.83%	0.52%	0.49%	-4.48%	-11.36%	40.60%	86.81%
Relative	4.76%	0.74%	2.14%	6.76%	7.84%	9.75%	58.73%

Source: Bloomberg

Market Review, Outlook & Strategy

October was generally an upbeat month. Sentiment was boosted by solid US corporate earnings and good progress on the unexpected US-China Phase 1 trade deal. The US Trade Representative's office issued a statement indicating that it would start a process on 1st November to extend tariff exclusions on US\$34b of Chinese goods and China reciprocated with a statement to confirm that it will purchase at least US\$20b of farm products in the first year if a partial trade deal was signed. The US Fed also cut rates for the third time by 0.25% (this was largely within expectations) as a pre-emptive measure given weak economic data of late. However, the Fed chairman did indicate that there would be a pause in interest rate cuts with the assumption of no downside risks to growth. Over in Europe, the EU agreed to extend the Brexit deadline to 31 Jan 20 despite the initial hard-line tones from both the EU and UK, with the Prime Minister agreeing to the Brexit extension and to hold the general election come December. Given the latest development, a no-deal Brexit seems very unlikely.

Domestically, the key highlight was Budget 2020 which was largely neutral for the market. The key winners in the Budget were technology (tax incentives), selected property (measures to boost property sales) and auto (fuel targeted subsidy programme and plans to reduce toll rates) sectors while losers were the manufacturing and services sectors (exposed to higher minimum wage in major cities). In October, foreign investors bought RM9.5b of equities but sold a higher amount of RM10b of equities, resulting in net outflows of RM0.5b.

For the month, the KLCI performed in line with the broader market but underperformed the small caps. FBM KLCI rose 0.9% mom to 1,598 pts. The FBM Small Cap was the best performing index increasing by 5.4% mom to 13,678.2 pts. FBM Emas Shariah was up by 0.5% mom to 11,829.8 pts and FBM Emas increased by 0.9% mom to 11,305.7 pts.

Among the key events to watch for in November would be the upcoming Monetary Policy Committee meeting, 3Q19's GDP announcement and the upcoming results season for Malaysian corporates. The semi-annual review of the FBM KLCI will take place in December 2019, based on the closing prices as at end Nov 2019. Whereas on the external front, investors will continue to follow closely the outcome of the US-China phase 1 trade deal. We continue to maintain our defensive stance, favoring quality names with resilient earnings and yields. Among the themes that we continue to like include dividend yielders, earnings turnaround and selected technology counters that leverage on the development of 5G.

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

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Benchmark	43.0%	18.2%	2.4%	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%
HLAVDP- Gross	25.1%	14.4%	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%
HLAVDP - Net	21.7%	11.9%	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%

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.

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.