HLA Venture Dana Putra (HLAVDP)

Sep 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.

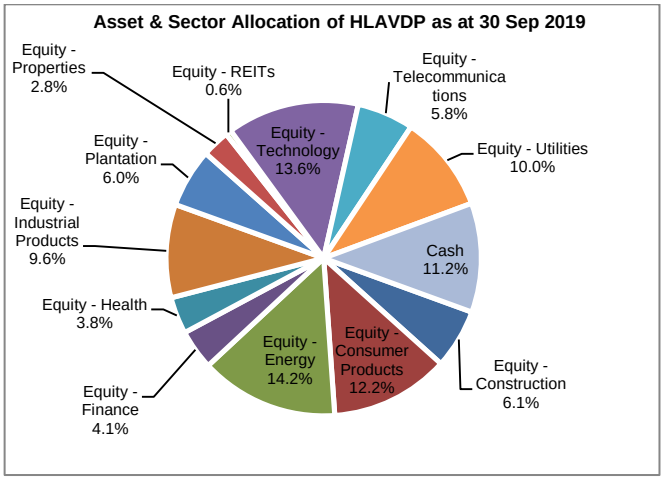
4. Target Market

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

Fund Details

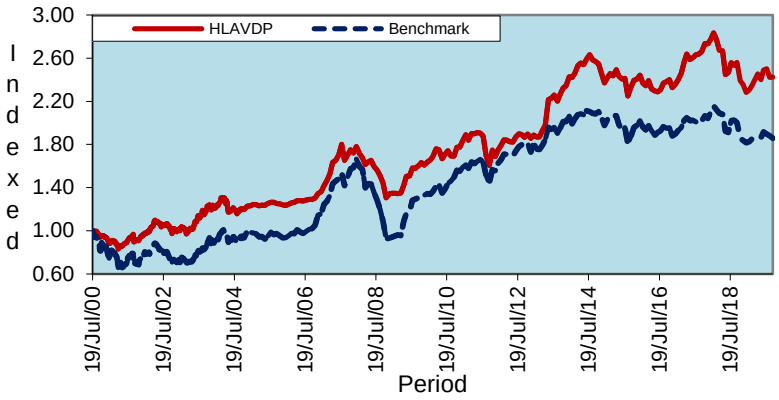
Unit Price (30/9/2019)	: RM2.4247
Fund Size (30/9/2019)	: RM79.1mil
Fund Management Fee (effective as at 01/01/2019)	: 1.34% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency 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 5 Holdings for HLAVDP as at 30 Sep 2019		%
1.	TENAGA	8.0
2.	YINSON	7.1
3.	QL	5.5
4.	MYEG	5.4
5.	BAUTO	4.5
	Total Top 5	**30.5**

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	6.24%	0.12%	-5.31%	1.78%	-5.61%	51.30%	142.47%
Benchmark*	2.29%	-1.21%	-7.18%	-4.70%	-10.75%	42.28%	85.84%
Relative	3.94%	1.33%	1.86%	6.47%	5.14%	9.02%	56.63%

Source: Bloomberg

Market Review, Outlook & Strategy

Global equities rose in September on renewed optimism over the US-China trade talks scheduled to be held on October 10th-11th and a realisation of a mini US-Japan trade deal. Sentiment was also lifted when the US President delayed the implementation of fresh tariffs scheduled for October 1st as a gesture of goodwill and China reciprocated by placing a number of US agricultural goods on the exemption list. Investors also seemed to have shrugged off the move by US lawmakers to call for impeachment proceedings against the US President when the US President suggested that a trade deal with China might come sooner than expected. During the month the European Central Bank embarked on a fresh round of stimulus measures which include a 10bps cut to interest rates and a revival of its bond purchase programme. The price of crude was down by 1.7% mom to US$54.24/barrel despite drone attacks on Saudi Aramco's oil facilities which knocked off 5% of global supply as bulk of the disruption was expected to be resolved by the end of September.

September was a lighter trading month for the domestic market with the market only opened for 18 days vs the YTD average of 20 days. The market continued to be lacklustre as the much anticipated mega merger between Axiata and Telenor fell through with both parties citing complexities involved in the proposed transaction. During the month as well, Bank Negara Malaysia left the Overnight Policy Rate unchanged at 3%. Cabinet has also approved a 10-year masterplan to reform the domestic power industry dubbed as the Malaysia Electricity Supply Industry 2.0 (MESI 2.0). In the fixed income space, Malaysia was retained in FTSE Russell's World Government Bond Index but will remain on the watchlist until the next interim review in Mar 2020.

The FBM KLCI underperformed the broader market with a 1.8% mom decline in September to close at 1,583.91 pts. FBM Emas and Emas Shariah declined by 1.3% mom and 1.2% mom respectively for the month of September. FBM Small Cap outperformed the other indices; +0.8% mom in September.

Domestically, the key events that investors will be keeping an eye out for include the upcoming Budget 2020 on the 11th October and the cabinet's decision on the proposed highway takeover. On the external front, the ongoing US China trade talks will continue to dominate headlines alongside the UK's scheduled departure from the EU on 31st October. Markets will also be watching closely domestic economic data in the US in order to get an indication on whether the spillover effect of the trade war with China would finally have an impact on its domestic economy. We continue to remain defensive - seeking exposure in dividend yielding companies backed by stable earnings trajectory, weak Ringgit beneficiaries and potential prime priming candidates. We also like selected technology and manufacturing players which should ride on the upcoming 5G technological wave.

HLA Venture Dana Putra (HLAVDP)

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

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.