

HLA Venture Dana Putra (HLAVDP)

February 2023

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.

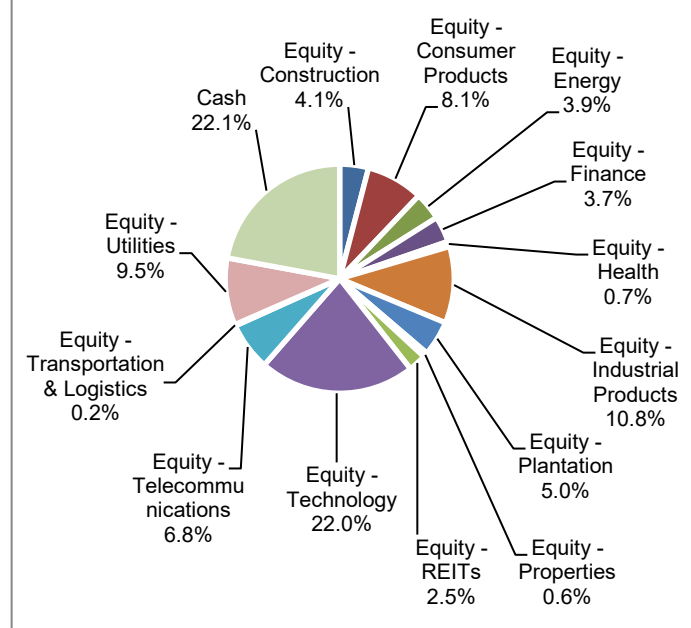
Fund Details

Unit Price (28/2/2023)	: RM2.6303
Fund Size (28/2/2023)	: RM151.4 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.

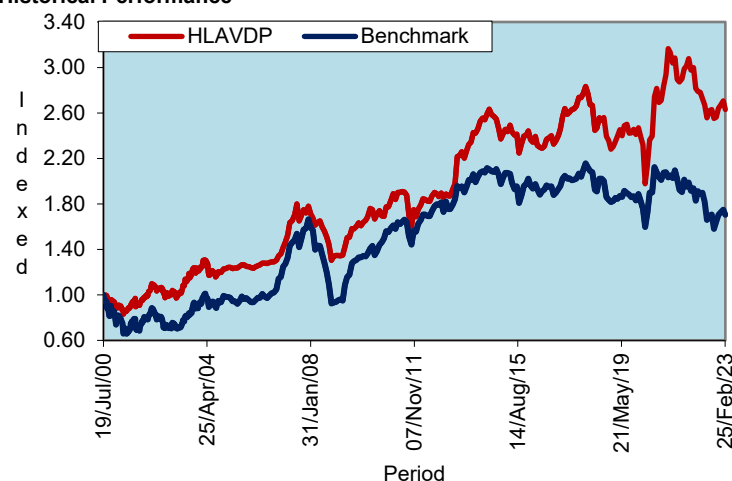
Asset & Sector Allocation of HLAVDP as at 28 Feb 2023



Top 5 Holdings for HLAVDP as at 28 Feb 2023

	%
1. TENAGA	7.4
2. INARI	3.7
3. SIMEPLT	3.2
4. TM	3.2
5. MYEG	3.0
Total Top 5	20.5

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-1.44%	-2.85%	-5.63%	13.33%	-5.07%	40.63%	163.03%
Benchmark*	-1.29%	-2.51%	-10.89%	-2.91%	-19.59%	-2.77%	70.51%
Relative	-0.15%	-0.33%	5.26%	16.24%	14.51%	43.40%	92.52%

Source: Bloomberg

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

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Market Review, Outlook & Strategy

Global equities retreated in February from the strong 2023 start following stubbornly-high inflation data which created uncertainties on the Fed rate outlook and the rising geopolitical tensions between the US and China. The recent release of PCE price index, which is a key inflation measure for the US Fed, came in higher than market expectations suggesting that inflationary pressures may not be fading anytime soon. The US 4Q corporate results season also underperformed expectations, where more companies were finding it more difficult to maneuver the weak growth, waning price power and increased interest rate. Over to the HK/ China markets, it was equally challenging as investors remained cautious as they await policy signals from the upcoming National People's Congress. The financial industry was rocked by the disappearance of an individual who oversaw the nation's biggest tech deals over the past decade. Sentiment over the big internet players further soured when JD.com announced that it is launching a US\$1.5b (RMB10b) subsidy campaign in March to lower the prices of certain products.

Domestically, the focus for the month was the re-tableting of Budget 2023. The re-tableted Budget 2023 was market neutral with no major immediate taxes announced with the economy and cost of living issues being the main priority. Overall budget expanded to account for higher subsidies funded by direct taxes and the government reaffirmed its plans for targeted subsidies. Government revenue is also expected to be higher from direct taxes and Petronas has committed to declare an extra RM5b of dividend to RM40b. Development expenditures were little changed. The recent results reporting season for 4Q saw most companies coming in within expectations with a more cautious outlook for 2023. The resurgence in US\$ in February saw the Ringgit depreciating by 5% to 4.4873 per US\$.

Average daily trading value increased to RM2.3b in February from Jan's RM2.1b. Foreign investors stayed net sellers at -RM0.1b, while local institutions turned net sellers -RM0.6b. Local retailers turned net buyers +RM0.4b. Foreign, local institutions and retailers accounted for 24.9%, 36.2% and 26.7% respectively of value traded. The best-performing sectoral indices in Feb 23 were construction and property whilst the worst three performing sectors were industrials, technology and energy. In February, the FBMSC fell the most by -4.5% m-o-m. The FBM KLCI, FBM Shariah and FBM Emas reported negative returns of -2.1% m-o-m, -2.5% m-o-m and -2.2% m-o-m respectively.

Globally, investors will continue to monitor US bond yield movements where the 10-Year had recently breached the 4% resistance, global monetary policies as well as any potential indications of a recession. The upcoming FOMC session will also be closely followed to better gauge the Fed Fund rate outlook. China will also be kicking off its annual National People's Congress in March where 2023 economic growth target could be set and more measures aimed at boosting consumption could be unveiled. Domestically, key major event will be the MPC meeting following BNM's decision to pause its rate hike in the previous meeting. On politics, the outcome of UMNO's party polls will also be closely followed. We remain defensive, investing in value, growth and dividend-yielding names. Sectors that we continue to favour include selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks). We are neutral on interest rate hike beneficiaries (banks) given the peak in inflation.

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

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Benchmark	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%	-6.8%	-10.8%
HLAVDP- Gross	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%	3.9%	-10.7%
HLAVDP - Net	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%	2.1%	-11.0%

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

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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.