

HLA Venture Dana Putra (HLAVDP)

October 2021

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

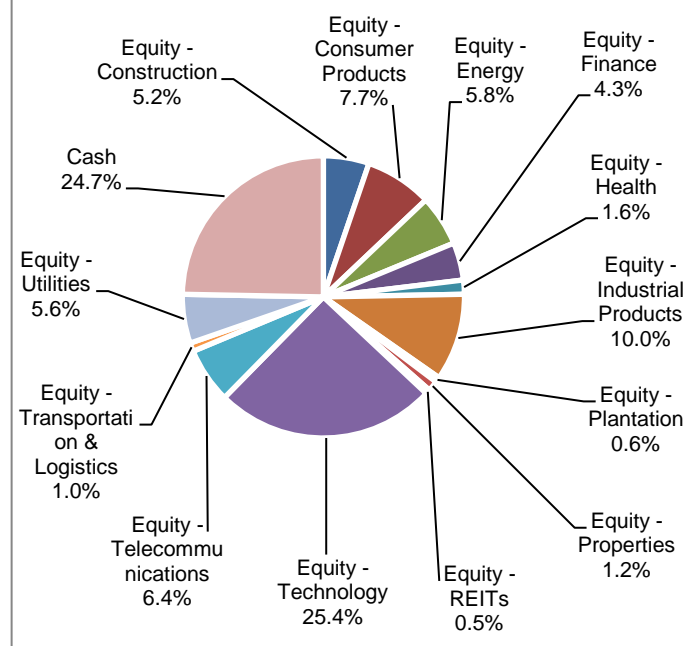
This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (29/10/2021)	: RM3.0773
Fund Size (29/10/2021)	: RM148.5 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.

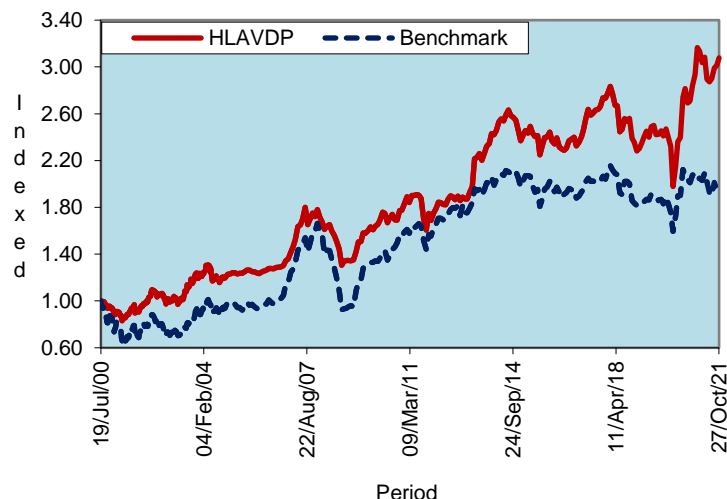
Asset & Sector Allocation of HLAVDP as at 29 October 2021



Top 5 Holdings for HLAVDP as at 29 Oct 2021

	%
1. INARI	5.4
2. UWC	4.5
3. MYEG	4.2
4. TM	3.6
5. TENAGA	3.6
Total Top 5	21.2

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	4.78%	2.08%	13.59%	28.62%	28.19%	76.06%	207.73%
Benchmark*	-4.31%	1.88%	-1.18%	6.96%	1.68%	26.87%	98.84%
Relative	9.10%	0.20%	14.76%	21.66%	26.51%	49.19%	108.89%

Source: Bloomberg

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

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Market Review, Outlook & Strategy

Developed markets trended higher on the back of a strong third quarter reporting season despite global supply chain concerns. Sentiment in the US was also lifted when President Joe Biden announced a framework for the US\$1.75 trillion spending deal which is expected to be easier to pass. New spending bills should help accelerate economic momentum and lend further support to equities despite tapering jitters. China's Evergrande which successfully delivered its interest payment and avoided a debt default helped stem market edginess. While global commodity prices remain elevated, it had retraced from the peak following China's plans to intervene in the high coal prices. During the month we saw further deterioration in US China relations ahead of President Biden and Xi Jinping's virtual meet later this year. This was following a recent hearing by US lawmakers which may lead to laws being enacted next year resulting in the delisting of Chinese companies trading in the US. The US Federal Communications Commission has also voted to revoke licenses held by China Telecom and pledged more steps to purge the US market of Chinese tech firms in the name of national security.

As for the domestic market, it was a relatively good month where economic reopening continued to gain momentum. Further easing of movement restrictions on the back of the improving Covid-19 situation and a stable political situation lent support to the overall market recovery. Vaccination rates continued to inch up, with close to 95% of adult population in Malaysia having completed their vaccination as at end October 2021. The financial services sector recovered in October when the overhang from the three months interest waiver for low-income borrowers was removed following imposition of stringent criteria to qualify for the interest waiver. The property sector also saw strong momentum in October following expectations of strong new sales as the economy reopens. On the economic front, Malaysia's CPI increased by 2.2% yoy in September led by a rise in the transport component.

Average daily trading value declined to RM2.9b in October from September's RM3.1b. Retailers were net buyers +RM0.3b whilst local institutions stayed net sellers -RM1.9b. Foreigners remained net buyers +RM1.6b. Retailers and local institutions accounted for 32.9% and 28.4% of value traded. Foreign institutions accounted for 20.9% of value traded. The FBM KLCI closed the month higher at 1,562 points (+1.6% mom) where all sectors were broadly higher led by energy, property and plantation while healthcare (gloves) led losers. FBM Shariah and FBMEas were up by 1.9% mom and 2.2% mom respectively. FBMSC was the strongest performing index with a +7% gain mom.

Markets are likely to remain volatile in the near term with much focus on the upcoming Fed meeting for any signs of taper announcement. As for the local market, the introduction of a higher tax rate of 33% for company profits that exceeded RM100m and a higher stamp duty rate on trades for the Malaysia market in Budget 2022 have dampened sentiment as it will lead to downward EPS revision in 2022. Investors will also be watching out for Bank Negara Malaysia's upcoming OPR guidance. We maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

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

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Benchmark	2.4%	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%
HLAVDP- Gross	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%
HLAVDP - Net	-4.5%	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%

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.