

HLA Venture Dana Putra (HLAVDP)

Apr 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

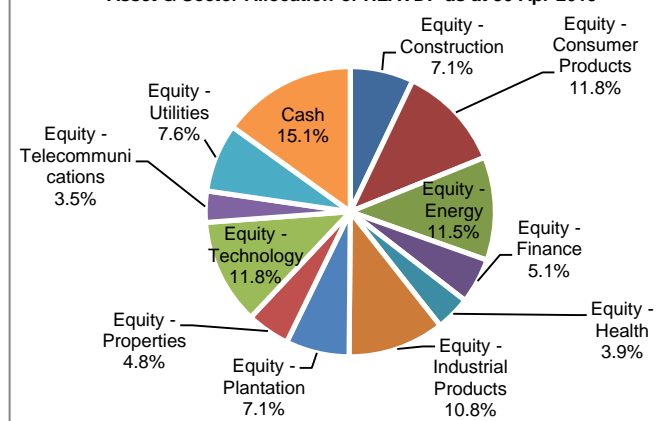
This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (30/4/2019)	: RM2.4526
Fund Size (30/4/2019)	: RM74.8mil
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.

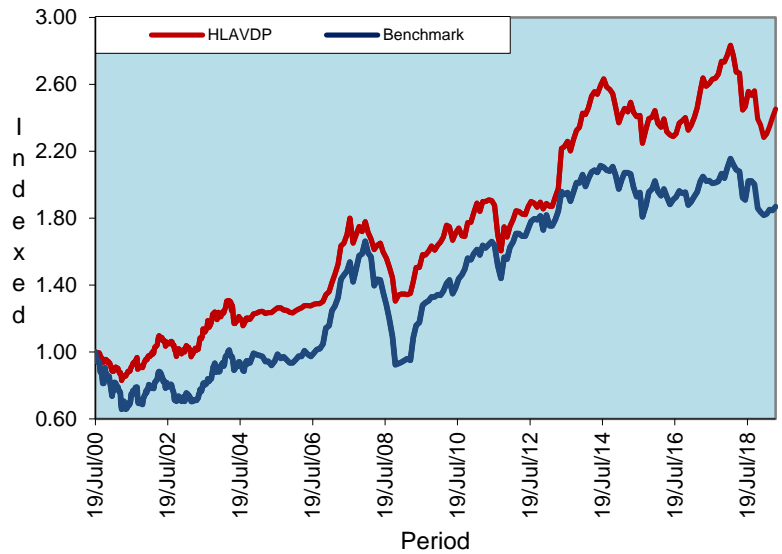
Asset & Sector Allocation of HLAVDP as at 30 Apr 2019



Top 5 Holdings for HLAVDP as at 30 Apr 2019

	%
1. TENAGA	6.6
2. MYEG	5.5
3. QL	5.4
4. YINSON	5.4
5. BIMB	5.1
Total Top 5	28.0

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	7.46%	2.17%	-8.03%	5.91%	-4.01%	72.50%	145.26%
Benchmark*	2.89%	1.27%	-10.12%	-3.05%	-10.42%	71.88%	86.92%
Relative	4.57%	0.90%	2.09%	8.95%	6.41%	0.62%	58.34%

Source: Bloomberg

Market Review, Outlook & Strategy

Regionally, sentiment improved on the back of more optimistic prospects for a US-China trade resolution. The US corporate earnings season started off on a strong note too with the likes of Amazon, Twitter, Facebook and Microsoft delivering good results. Economic data released from both the US and China was not as bad as feared, further shoring up investors' confidence. US 1Q19 GDP came in at an annualised rate of 3.2% despite the partial government shutdown. China's PMI data also remained above 50 with much stimulus support from the government. However, oil price came off by close to 4% from the high of US\$66 during the month when the US President told OPEC to take measures to lower fuel costs.

Domestically, we saw the revival of 2 mega projects during the month which are the East Coast Rail Link and the Bandar Malaysia project just before the 2nd Belt and Road Forum. China reciprocated with a commitment to purchase a minimum of 1.9m tonnes of CPO over 5 years valued at RM4.5b. The relationship between Malaysia and China seems to be warming up as a result of these announcements. However, local investors' sentiment turned cautious driven by concerns over potential Ringgit weakness due to Malaysia at risk of being removed from FTSE Russell's World Government Bond Index with "market accessibility" being the main issue due to the currency convertibility enforced by Bank Negara via its Exchange Control Measures and the clamping down of the Non-Deliverable Forward (NDF) market as well as expectations of a cut to the overnight policy rate. In April, the local market saw net foreign outflows to the tune of RM1.5b.

The FBM KLCI declined marginally by 0.1% mom to close at 1,642.29 pts. It continued to underperform the broader market. FBM Emas was up by 0.9% to 11,652.84 pts, FBM Shariah strengthened by 1.3% to 11,837.05 pts and FBM Small Cap was the best performing index recording a gain of 7.2% mom to close at 13,621.11 pts in April.

Going forward, investors will continue to follow closely the outcome of the US-China trade resolution which could be struck as early as in May. Domestically, investors will be watching out for key events such as the upcoming Monetary Policy Committee meeting where economists are split whether Bank Negara will be cutting the Overnight Policy Rate; the release of the 1Q19 GDP figure and also the upcoming results season for the period Jan-Mar. As market volatility continues to persist, we will still be adopting a defensive strategy, favoring dividend yielding stocks at decent valuations as well as stocks that have been oversold with potential for earnings turnaround.

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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.