

HLA Venture Dana Putra (HLAVDP)

February 2022

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

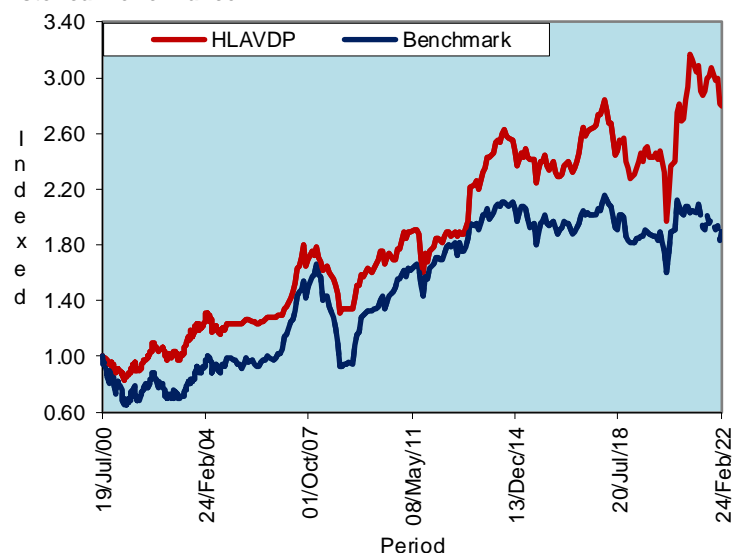
Unit Price (28/2/2022)	: RM2.8163
Fund Size (28/2/2022)	: RM139.0 mil
Fund Management Fee (effective as at 01/01/2019)	: 1.34% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency 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.

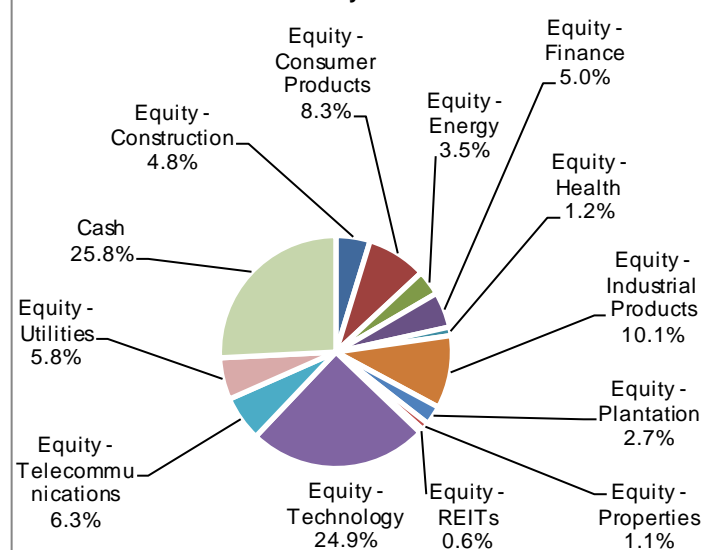
Top 5 Holdings for HLAVDP as at 28 Feb 2022

	%
1. INARI	5.3
2. MYEG	4.2
3. TENAGA	3.7
4. BIMB	3.5
5. TM	3.4
Total Top 5	20.1

Historical Performance



Asset & Sector Allocation of HLAVDP as at 28 February 2022



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-7.07%	-1.03%	-11.07%	18.69%	13.32%	51.16%	178.73%
Benchmark*	-1.19%	4.74%	-6.64%	3.29%	-2.18%	12.05%	91.35%
Relative	-5.88%	-5.77%	-4.43%	15.41%	15.50%	39.11%	87.38%

Source: Bloomberg

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

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Market Review, Outlook & Strategy

February was a rough month as investors continued to risk-off with the global monetary policy normalization theme becoming more entrenched. This was on the back of the hawkish tilt by both the BOE and ECB as well as the strong economic data released in the US. Sentiment took a turn for the worse when Russia launched a large-scale invasion of Ukraine on 24th February. As a result, global financial markets tumbled and gold rallied past the psychological level of US\$1,900/oz as investors rushed into safe haven assets. Prices of global commodities spiked as Russia is a major producer of oil while Ukraine is a major exporter of soft commodities. Crude oil breached US\$100/ barrel and CPO went to a record high of RM6,700/tonne and may stay at such elevated levels with the ongoing invasion. The Western allies condemned the invasion and fought back by placing sanctions on certain Russian banks' access to the SWIFT international payments system and announced plans to implement restrictions on the Russian central bank's international reserves.

Back to Malaysia, February was the results reporting season for the October to December quarter. It was generally a good quarter with early evidence of economic recovery. Sectors with earnings that surprised on the upside were plantation, energy, banks, consumer and property. These were the same sectors that outperformed the broader market whilst the technology and healthcare sectors continued to underperform. On the political front, all eyes will be on the outcome of the upcoming Johor state election which will be held on 12 March 22. On key economic indicators, 2021 GDP growth came in at 3.1% (4Q21 +3.6%) and headline inflation increased to 3.2% in 4Q21 vs 2.2% in 3Q21, mainly driven by the normalisation in electricity prices. The government has maintained 2022 GDP growth target to range between 5.5-6.5% as the economy recovers to pre-pandemic levels.

The average daily trading value in February improved again on a mom basis to RM2.8b vs Jan's RM2.1b. Retailers turned small net buyers +RM0.1b whilst local institutions stayed net sellers -RM2.7b. Foreign institutions stayed net buyers +RM2.8b. Retailers and local institutions were 27.4% and 34.2% respectively of value traded. Foreign institutions accounted for 22.7% of value traded. The FBM KLCI outperformed the broader market with a +6.4% return to close at 1,608.28 pts. FBM Shariah, FBM Small Cap and FBM Emas also posted positive returns in February. FBM Shariah increased by 4.7% mom, FBM Small Cap was higher by 5.3% and FBM Emas was up by 5.1%.

Market volatility will continue as the environment remains challenging on the back of rising rates, slowing growth and elevated prices of global commodities. These factors have raised concerns over the possibility of stagflation. Investors will also be following closely the latest developments of the Russia-Ukraine war. The FOMC on the other hand is expected to start the rate hike cycle with a 25-50bps hike during the March meeting. As for China, there will be the upcoming "two sessions" where investors will be focusing on China's GDP targets, policy outlook and hints of tech-sector regulations. In Malaysia, with the ongoing Parliament sitting, there could be potentially more newsflow on the reopening of international borders to vaccinated travellers. Bank Negara Malaysia will be publishing its annual report in March and should be releasing its growth forecast then. Investors will also be keen to know the winners for the digital banking licenses. 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Benchmark	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%	-6.8%
HLAVDP- Gross	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%	3.9%
HLAVDP - Net	7.8%	28.6%	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%	2.1%

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.

- 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.
- 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.
- 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.
- 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

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.

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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.