

# HLA Venture Dana Putra (HLAVDP)

Feb 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

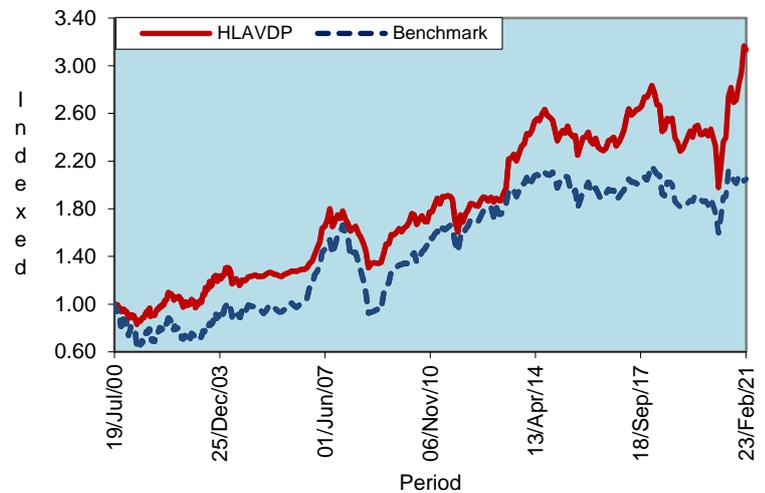
This fund is suitable for investors who are willing to take moderate risk.

## Fund Details

|  |  |
|--|--|
| Unit Price (26/2/2021)                           | : RM3.1341                                 |
| Fund Size (26/2/2021)                            | : RM134.8 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.

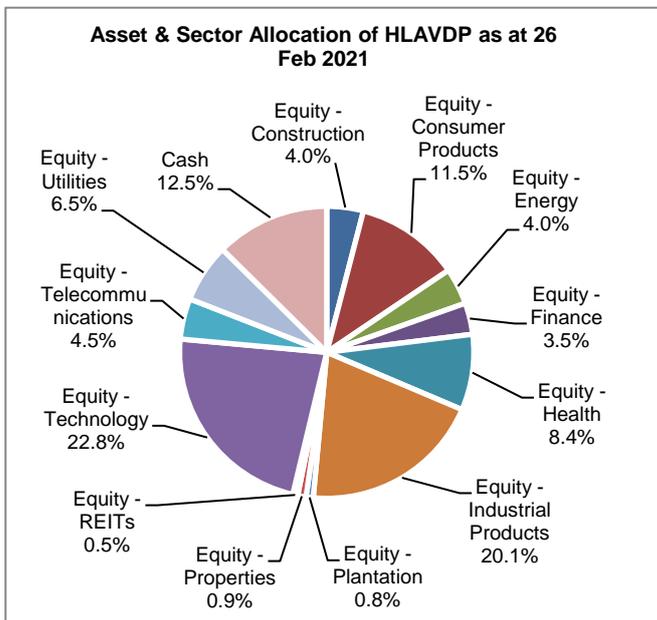
## Historical Performance



|            | YTD    | 1 month | 1 year | 3 years | 5 years | 10 years | Since Inception |
|------------|--------|---------|--------|---------|---------|----------|-----------------|
| HLAVDP     | 6.72%  | -1.01%  | 35.04% | 13.11%  | 33.77%  | 70.30%   | 213.41%         |
| Benchmark* | -1.37% | 0.84%   | 16.71% | -3.34%  | 5.96%   | 29.77%   | 104.96%         |
| Relative   | 8.09%  | -1.85%  | 18.33% | 16.45%  | 27.81%  | 40.53%   | 108.45%         |

\*Source: Bloomberg

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



| Top 5 Holdings for HLAVDP as at 26 Feb 2021 | %    |
|---|------|
| 1. SCIB                                     | 6.2  |
| 2. TOPGLOV                                  | 5.5  |
| 3. MYEG                                     | 4.7  |
| 4. UWC                                      | 4.7  |
| 5. TENAGA                                   | 4.1  |
| Total Top 5                                 | 25.2 |

## HLA Venture Dana Putra (HLAVDP)

### Market Review, Outlook & Strategy

Global equities ended the month higher even though it was well off the intra-month highs, on concerns over rising bond yields. The US 10-year Treasury bond yield jumped +32bps to 1.4%, driven by expectations of stronger economic recovery as the vaccination program gained traction in the US and globally. Macroeconomic data in the US was strong during the month with falling initial jobless claims as well as robust US manufacturing and services PMI numbers. Fed Chair Powell also guided current accommodative policies will remain until the economy reaches maximum employment and inflation is likely to stay at or below its 2% target through 2023. In commodities, oil prices rose sharply during the month due to the extreme weather in Texas. Growth in new Covid-19 cases is showing some signs of plateauing in the US at around 70k/day; while some regions witnessed a sudden surge. On the brighter side, the two-dose vaccine developed by Pfizer and BioNTech appears to be quite effective based on the inoculation experience in Israel while J&J's single-shot vaccine is the third to get US FDA approval.

Moving on to Malaysia, we received the first shipment of the Covid-19 vaccine on 21st February and the government also brought forward the vaccination programme to 24th February instead of the originally scheduled date of 26th February. This led to rotation back into the recovery names such as Genting, the brewers and some mall Reits. The PM also launched The MyDigital initiative and blueprint (Malaysia's digital transformation programme) during the last week of February. In the blueprint, a government special purpose vehicle will invest RM15b to roll out 5G in stages from end-21, ahead of Jendela's earlier target. Malaysia's 4Q20 GDP came in weak at -3% yoy, bringing full year 2020 GDP -5.6% (lower than BNM's floor of -5.5%).

For the month of February, retailers were net buyers at +RM2.0bn (USD493m) whilst local institutions were net sellers at RM1.7bn (USD420m). Foreign institutions remained net sellers at RM0.9bn (USD222m). Retailers and local institutions participation accounted for 36.5% and 27.3% of the value traded, with foreign institutions the remaining 15.9%. The FBM KLCI continued to underperform the broader market with a mom performance of +0.7% in February. FBM Shariah, Emas and Small Cap indices were up by +0.8% mom, +2.2% mom and +7.9% mom respectively.

Despite the recent market weakness, we do not expect rising bond yields to halt the equity market's strong performance, provided it is a gradual increase and is driven by improved economic outlook rather than hawkish central bank policy. Markets will also be following closely the approval of US' fiscal package potentially worth around US\$1.9trillion in March. Investors will also be looking out for the upcoming OPEC meeting in March and China's annual parliamentary meeting on 5th March onwards where China is expected to announce its key goals for 2021 and the next five-year economic development plan. Locally, the Monetary Policy Committee meeting will be held on 4th of March where consensus is currently divided on a 25bps cut. We will continue to be invested in both Covid-19 and recovery beneficiaries, skewing more towards the recovery theme.

Given how the local govvnies have been following suit the increase in UST yields, expectations or sentiments pertaining to the US economic recovery warrants attention. Chief among factors influencing such sentiments will be the Senate voting on Biden's USD1.9 trillion USD stimulus early March. Domestically, all eyes will be on the MPC sitting scheduled on 4th March. Going forward, pace of economic recovery would rely on among others, the timeline and efficacy of the recent vaccine rollout which took place at the end of February. The heavy supply pipeline in March for both govvnies and govt-guaranteed papers are expected to keep bond yields elevated. In view of the above, we remain defensive on our portfolio construction.

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

| Year                 | 2011  | 2012  | 2013  | 2014  | 2015 | 2016  | 2017  | 2018   | 2019  | 2020  |
|----------------------|-------|-------|-------|-------|------|-------|-------|--------|-------|-------|
| <b>Benchmark</b>     | 2.4%  | 11.9% | 13.3% | -4.2% | 2.4% | -6.1% | 10.7% | -13.5% | 3.9%  | 10.1% |
| <b>HLAVDP- Gross</b> | -3.1% | 10.0% | 32.6% | -1.1% | 4.9% | -2.4% | 20.8% | -17.8% | 10.5% | 22.0% |
| <b>HLAVDP - Net</b>  | -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

### 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.

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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.