

HLA Venture Dana Putra (HLAVDP)

Nov 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.

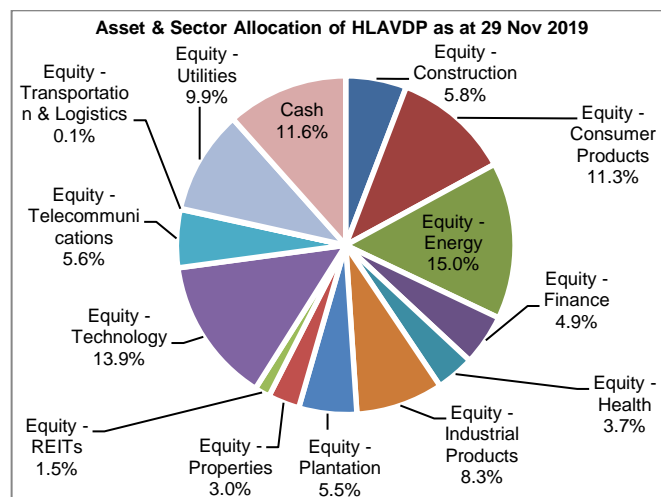
4. Target Market

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

Fund Details

Unit Price (29/11/2019)	: RM2.4095
Fund Size (29/11/2019)	: RM80.5mil
Fund Management Fee (effective as at 01/04/2019)	: 1.40% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM Emas Shariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

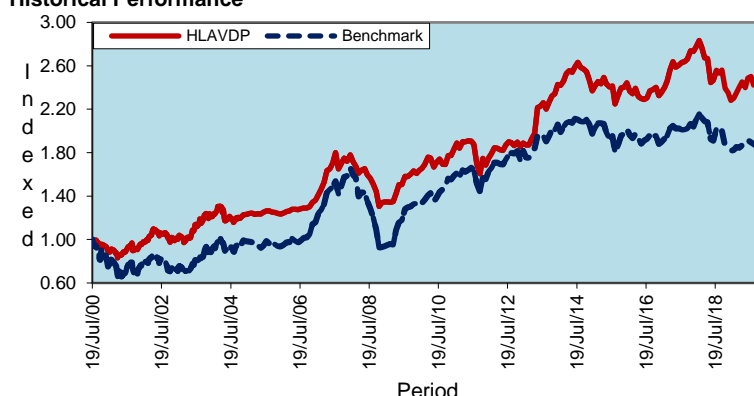
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%) of the initial asset allocation.



Top 5 Holdings for HLA VDP as at 29 Nov 2019

	%
1. TENAGA	7.6
2. YINSON	6.8
3. QL	5.4
4. MYEG	4.9
5. BIMB	4.2
Total Top 5	29.0

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLA VDP	5.57%	-1.87%	2.27%	3.58%	-2.30%	49.81%	140.95%
Benchmark*	0.77%	-2.01%	-0.35%	-2.59%	-11.07%	37.63%	83.06%
Relative	4.81%	0.14%	2.62%	6.17%	8.77%	12.18%	57.89%

Source: Bloomberg

Market Review, Outlook & Strategy

During the month, sentiment in regional markets improved with the S&P 500 and Nasdaq hitting new highs amid renewed optimism for potential progress in the US-China trade dispute. US President Trump mentioned that both the US and China were another step closer to a deal after a phone conversation took place between the lead trade negotiator and vice premier Liu He and White House officials. This was despite the US Congress passing a bill aimed at supporting pro-democracy protesters in Hong Kong and President Trump signing the bill into law. Healthy corporate earnings on Wall Street also helped buoy the market, indicating that the country's economy remains strong. Adding to the positive sentiment was the move by China's central bank to cut the key loan rate, which pushed the yuan higher. Christine Lagarde's first major speech as President of the European Central Bank (ECB) also confirmed ECB's ongoing accommodative stance and she also indicated that a strategic review of the ECB's monetary policy framework to tackle "side effect" concerns will begin soon. Over in the UK, polls suggest that PM Boris Johnson is on course to win a comfortable majority in parliament in the upcoming general election which would help to get the Brexit bill passed.

On the domestic front, however, sentiment continued to be weak. The third quarter reporting season continued to disappoint with most index heavyweights reporting lacklustre results. Tenaga was sold off on the last day of the month after it announced that it had received Notices of Additional Tax Assessments totalling RM4b for Year of Assessments (YA) 2015-2017. 3Q19's GDP of +4.4% yoy was announced, moderating from +4.9% in 2Q19. Bank Negara Malaysia (BNM) maintained its full year forecast of 4.3-4.8% GDP growth for 2019 and said that the economy will remain "resilient" this year and next and that monetary policy will remain accommodative and supportive of economic activities. Market is expecting another round of rate cuts in early 2020. Petronas also recently released its 3Q19 report card where 3Q net profit halved to RM7bn due to lower oil prices, weak downstream and 11% QoQ decline in entitled volume to 1.50m boepd (due to drop in oil production). For the sector valuation to sustain at high levels, the next Petronas Activity Outlook will be important to ascertain whether maintenance activities will remain in high demand and whether the outlook for 2020 would be better for greenfield projects

For the month, the KLCI performed in line with the broader market. FBM KLCI declined by 2.3% mom to 1,562 pts. The FBM Small Cap was down by 2.4% mom to 13,355 pts. FBM Emas Shariah also declined by 2.0% mom to 11,593 pts and FBM Emas decreased by 1.9% mom to 11,093 pts.

Going into December, we anticipate more activities in the market as funds start to re-position for the new year as well as potential window dressing activities towards the year end. All eyes will continue to be on the potential outcome of the US-China phase 1 deal. Volatility will continue to persist; as such we maintain our defensive stance favouring dividend yielding stocks trading at palatable valuations with earnings certainty. As for sector exposure, we continue to like technology, selective oil & gas and plantations.

HLA Venture Dana Putra (HLAVDP)

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.