

HLA Venture Dana Putra (HLAVDP)

Aug 2017

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 focuses on Syariah-approved securities and money market instruments. This is a balanced fund with a medium risk profile.

3. Asset Allocation

The fund will invest up to 90% but not less than 40% of its NAV in equities.

4. Target Market

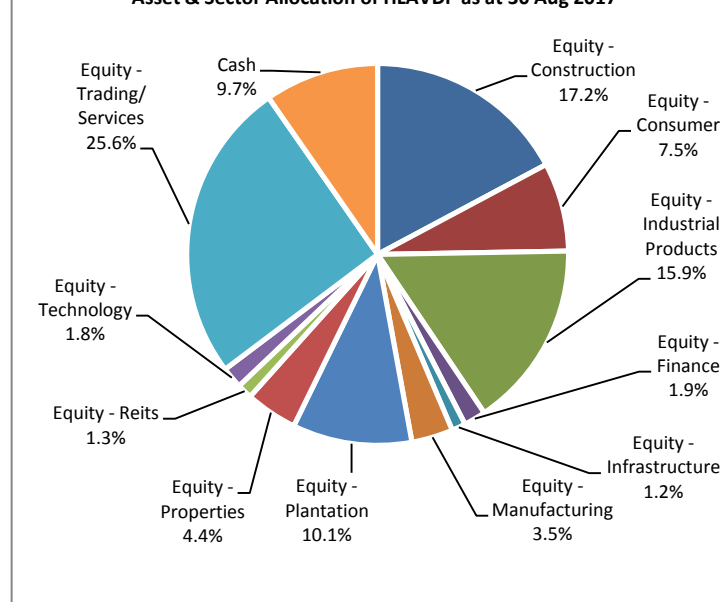
This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (30/8/2017)	: RM2.6369
Fund Size (30/8/2017)	: RM70.6mil
Fund Management Fee (effective as at 01/09/2016)	: 1.40% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Balanced
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.

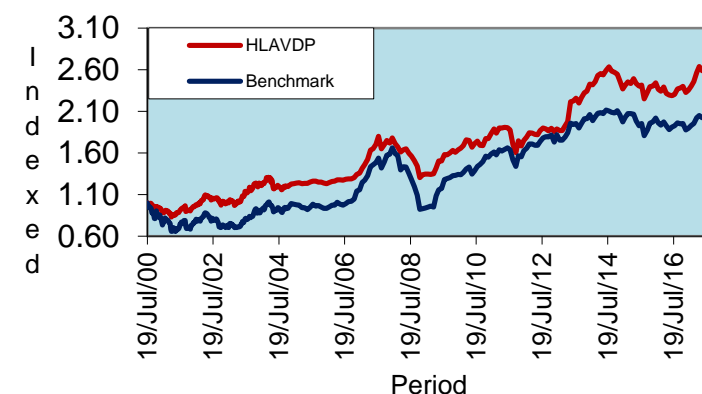
Asset & Sector Allocation of HLAVDP as at 30 Aug 2017



Top 10 Holdings for HLAVDP as at 30 Aug 2017

	%
1. TENAGA	7.8
2. SIME	5.0
3. QL	4.1
4. KERJAYA	3.8
5. INARI	3.5
6. DIGI	3.3
7. ADVCON	3.2
8. IOICORP	3.0
9. YINSON	2.9
10. GAMUDA	2.8
Total Top 10	39.4

Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVDP	0.21%	11.94%	11.30%	39.50%	59.70%	163.69%
Benchmark	0.25%	6.11%	2.56%	12.05%	41.91%	101.32%
Relative	-0.04%	5.82%	8.74%	27.44%	17.79%	62.37%

Market Review, Outlook & Strategy

Geopolitical tension dominated headlines in August after North Korea fired another intercontinental ballistic missile over Japan, negatively impacting investor sentiment across the region. However, sentiment subsequently recovered on growth optimism as European economic confidence climbed to the highest level in a decade. Meanwhile, Fed Chair Janet Yellen and ECB President Mario Draghi did not mention the decision to end current monetary stimulus post their Jackson Hole meeting which also boosted market optimism.

However, domestically it was another flattish month as the KLCI traded within the narrow range of 1,761 to 1,777 points. This was on the back of the corporate results reporting season which was rather subdued with disappointments coming from "one-off" factors (restructuring costs and tax) and "seasonal effects". However, the silver lining is that companies are cautiously optimistic on the outlook for 2H17 given that the macro picture appears to remain relatively robust with Malaysia delivering another quarter of stronger than expected GDP growth of 5.8% for 2Q17. This was higher than the 5.6% reported in 1Q17. Other key notable events during the month were the launch of the RM55b East Coast Rail Link (ECRL) and the failed proposed merger plan between RHB and AMMB.

As such for the month, the KLCI inched up 0.7% or 13.3pts to close at 1,773pts, helped by window dressing activities on selected stocks. The broader market underperformed the KLCI, with the FBM Emas rising by only 0.5% mom to 12,610pts. The FBM Small cap index underperformed the KLCI, falling 3.1% to 16,747pts. Average daily value traded on Bursa in Aug declined 5% mom to RM1.94bn.

In terms of investment strategy, we think the following themes would remain in vogue; (i) infrastructure/construction, (ii) electrical and electronic (E&E) & technology plays and (iii) corporate deals (M&A and capital management) and (iv) tourism – with the 2Q18 opening of Genting Malaysia's 21st Century Fox theme park.

In the meantime, a more defensive strategy is advocated considering escalating geopolitical risks. In addition, the month of September has a number of events that warrant attention including monetary policy meetings in the EU/US and the German federal elections. However, we are looking for dips to add equity weighting as our long term positive view remains intact especially since there finally is synchronization of global growth.

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Actual Annual Investment Returns for the Past Five (5) Calendar Years

Year	2012	2013	2014	2015	2016
Benchmark	11.9%	13.3%	-4.2%	2.4%	-6.1%
HLAVDP- Gross	10.0%	32.6%	-1.1%	4.9%	-2.4%
HLAVDP - Net	7.8%	28.6%	-2.4%	3.1%	-3.6%

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past five (5) 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 detailed explanation of the risk 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.