

HLA Venture Dana Putra (HLAVDP)

September 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

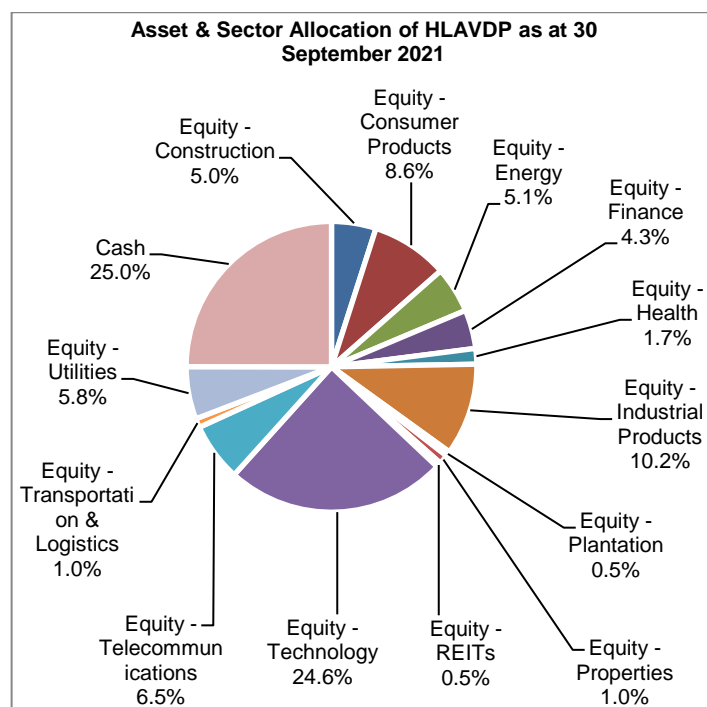
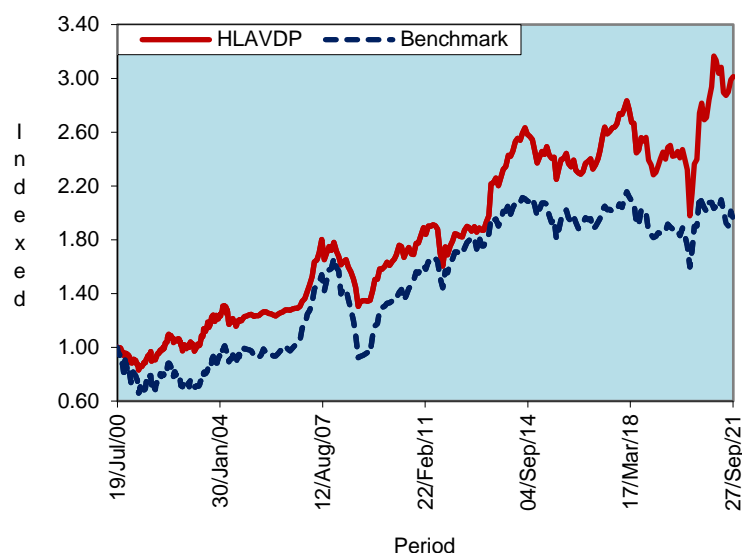
Unit Price (30/9/2021)	: RM3.0145
Fund Size (30/9/2021)	: RM144.5 mil
Fund Management Fee (effective as at 01/01/2019)	: 1.34% p.a. (capped at 1.40%)
Fund Manager	: Hong Leong Assurance Berhad
Fund Category	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency 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 30 Sept 2021

	%
1. INARI	5.3
2. UWC	4.5
3. MYEG	3.8
4. MRDIY	3.8
5. TENAGA	3.7
Total Top 5	21.1

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	2.65%	0.85%	11.95%	17.72%	26.54%	87.82%	201.45%
Benchmark*	-6.08%	-3.07%	-4.20%	-2.52%	0.09%	35.42%	95.16%
Relative	8.73%	3.92%	16.16%	20.24%	26.45%	52.40%	106.29%

Source: Bloomberg

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

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Market Review, Outlook & Strategy

In August, Asia continued to underperform the developed markets in the US and Europe. The selloff in Chinese stocks continued to deepen with the MSCI China dipping by >7% in mid-August. This was following the Chinese government's new economic agenda to focus on strengthening its regulatory grip over key sectors such as technology and healthcare. President Xi Jinping's rhetoric about "common prosperity" further reinforced the Communist Party's commitment to close the widening wealth gap among the population which soured market sentiment further. Globally, while key economic indicators are still holding, there are now downside risks with the recent surge in the Delta variant. The recent full FDA approval for the Pfizer-BioNTech Covid-19 vaccine raised hopes of the pace of vaccination being increased further. Fed Chair Powell's recent Jackson Hole speech also did not deliver any taper surprises where he acknowledged that tapering conditions (including progress toward full employment) could be met by the end of this year and the pace of any tapering is likely to be slow. He also indicated that if the Fed were to reduce asset purchases, it would not necessarily signal short-term interest rate hikes were in the pipeline.

On the domestic front, August was another eventful month. We saw the resignation of Tan Sri Mahiaddin Yassin and the appointment of Dato' Sri Ismail Sabri as the 9th Prime Minister of Malaysia after securing 114 Parliamentary seats with a leaner new cabinet. These developments have alleviated some of the political uncertainties in the near term. The pace of vaccination continued to see positive trajectory with close to 50% of the total population having been fully vaccinated. This brings Malaysia closer to achieving its 80% nationwide herd immunity target by early December. The Health Ministry also announced that Covid-19 will be treated as an endemic and that the country will move away from the current total containment measures, paving the way for more economic sectors to be reopened. BNM has revised their 2021 GDP forecast from 6.5-7.5% to 3-4% after taking into account the earlier restrictions.

The average daily trading volumes and values continued to fall mom to their lowest levels since Apr 2020. Average daily trading volumes fell 17% mom to 4.2b units while average daily trading values fell 11% mom to RM2.7b in Aug. Foreign investors turned net buyers of RM1b of Malaysian equities in Aug 2021 after close to 24 consecutive months of net selling. Local institutional investors, on the other hand, were the largest net sellers in August to the tune of RM1.5b. The best performing sectors in August were the plantation and transport sectors, while the worst performing sectors were the healthcare and REITs. For the month, FBMKLCI outperformed the broader market with a gain of 7.1% mom to 1,601.38pts. The FBM Shariah was up by 5.8% mom, FBMSC appreciated by 3.4% mom and FBM Emas increased by 6% mom.

On the regional front, market participants will be monitoring the spread of the Delta variant and the roll-out of the Covid-19 vaccination and distribution programmes. Investors will also continue to follow closely the progress of re-opening in the US and Europe as well as the outcome of the US Federal Reserve's Federal Open Market Committee meetings on 21-22 Sep. Domestically, key events taking place include the Monetary Policy Committee meeting on 9th September (market participants are not expecting any changes to the Overnight Policy Rate), vote of confidence for the Prime Minister when Parliament reconvenes on 13th September and the tabling of the 12th Malaysia Plan on the 27th September. 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Benchmark	2.4%	11.9%	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%
HLAVDP - Gross	-3.1%	10.0%	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%
HLAVDP - Net	-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

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Basis of Unit Valuation

1. 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.
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.