

HLA Venture Dana Putra (HLAVDP)

Nov 2018

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.

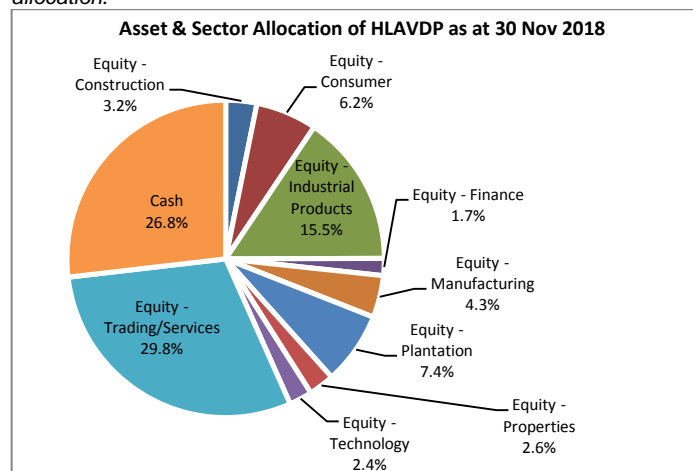
4. Target Market

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

Fund Details

Unit Price (30/11/2018)	: RM2.3561
Fund Size (30/11/2018)	: RM67.8mil
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	: Equity
Fund Inception	: 19 Jul 2000
Benchmark	: FBM EmasShariah Index (KL Shariah Index)
Frequency of Unit Valuation	: Daily

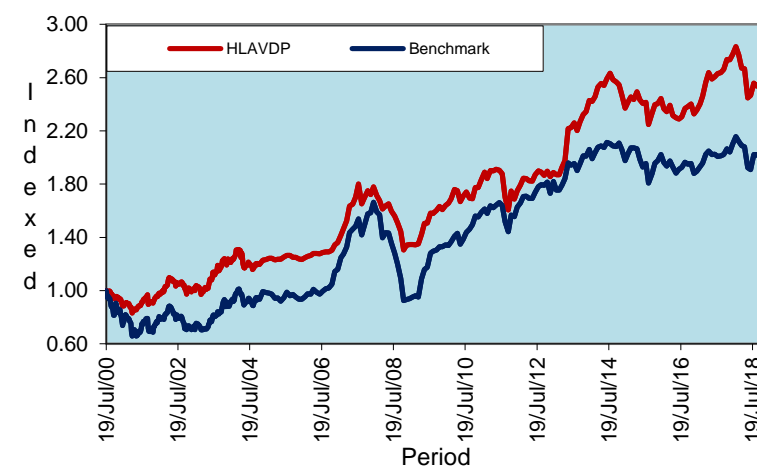
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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



Top 5 Holdings for HLAVDP as at 30 Nov 2018

	%
1. TENAGA	8.5
2. QL	6.2
3. DIALOG	4.3
4. INARI	4.3
5. YINSON	4.2
Total Top 5	27.6

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-15.05%	-1.52%	-13.80%	-1.96%	0.50%	75.78%	135.61%
Benchmark*	-12.55%	-1.18%	-9.96%	-6.98%	-8.64%	97.16%	83.71%
Relative	-2.50%	-0.35%	-3.84%	5.02%	9.15%	-21.39%	51.90%

Source: Bloomberg

Market Review, Outlook & Strategy

Regional markets continue to be volatile with conflicting developments on the trade war front. While US President Trump was initially contemplating implementing tariffs on the remaining US\$275b of Chinese imports to the US by December; he subsequently indicated his willingness to negotiate with China on the US-China trade tariffs the following day. The US Mid-Term Elections also saw Democrats winning the majority in the House of Representatives while the Republicans expanded its majority in the Senate. This may result in fiscal decisions being more contentious going forward with a number of decisions needed to be made to avoid a partial government shutdown; to increase the debt ceiling and to lift the cap on discretionary spending until year 2020. The recent comments in the FOMC Meeting Minutes by US Fed Chairman Jerome Powell also set a dovish tone on the economy. He earlier characterised interest rates as being "a long way from neutral" but recently tempered the tone to indicate that rates "remain below the broad range of estimates of the level that would be neutral for the economy".

As for the local market, Budget 2019 was still an expansionary one that tried to strike a balance between fiscal management and national debt rationalisation, as well as the promotion of nation building and the rakyat's wellbeing. GDP growth in 2018 and 2019 is forecasted at 4.8% and 4.9% respectively while the budget deficit will widen to 3.7% of GDP in 2018 and come off to 3.4% of GDP in 2019. Among the unexpected announcements were the introduction of additional fees for gaming licenses and higher casino duties, imposition of sugar tax, Real Property Gains Tax for properties held > 5 years, new departure levy on travellers and a more defined petrol subsidy. The 3Q18 quarter results season was also a disappointment with notable earnings downgrades across major sectors such as utilities, plantation, construction and property.

Crude oil prices took a plunge (-22% mom) to US\$50.72/barrel when the US offered waivers to eight of Iran's top importers of crude following sanctions on the Middle East nation. The Ringgit held steady against the US\$ ending the month at RM4.1842/ US\$.

For the month, FBM KLCI ended the month lower by 1.7% mom to 1,679.86 pts. It underperformed FTSE Emas Shariah which declined by 1.2% mom and FTSE Emas which was down by 1.4% mom. The FTSE Small Cap index continued to see pressure with a 4.4% mom decline in November.

Going forward, investors will be following closely the developments at the G20 meeting and also the OPEC meeting in early December. Trade tensions between the US and China has been temporarily halted for 90 days pending discussions, but the main issues may remain unresolved. The 3Q18 corporate earnings disappointment is also likely to continue into 4Q18. As such, with no strong growth catalysts for the domestic market, we expect the local bourse to take its cue from regional developments and remain volatile. We retain our defensive strategy, staying invested in high dividend yielding blue chip stocks with certainty of earnings.

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HLA Venture Dana Putra (HLAVDP)

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

Year	2013	2014	2015	2016	2017
Benchmark	13.3%	-4.2%	2.4%	-6.1%	10.7%
HLAVDP- Gross	32.6%	-1.1%	4.9%	-2.4%	20.8%
HLAVDP - Net	28.6%	-2.4%	3.1%	-3.6%	17.7%

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 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.