# HLA Venture Dana Putra (HLAVDP)

**August 2022**

**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.

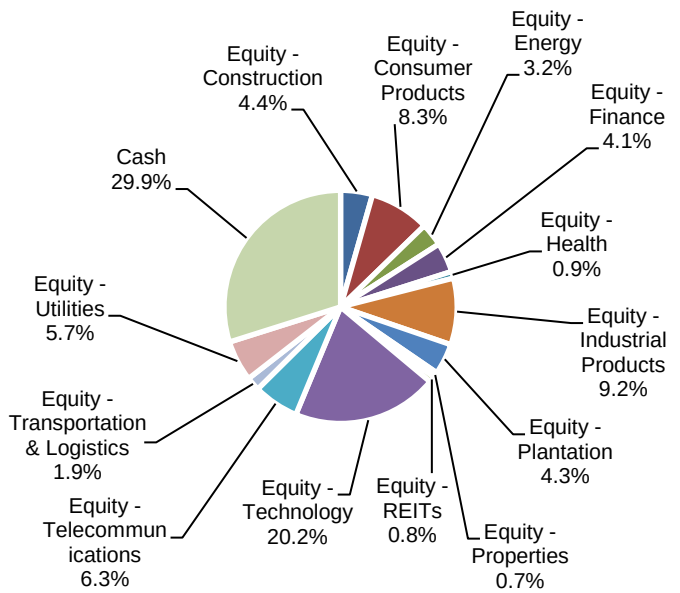
**Fund Details**

| | |
|---|---|
| **Unit Price (30/8/2022)** | : RM2.6295 |
| **Fund Size (30/8/2022)** | : RM144.3 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.*

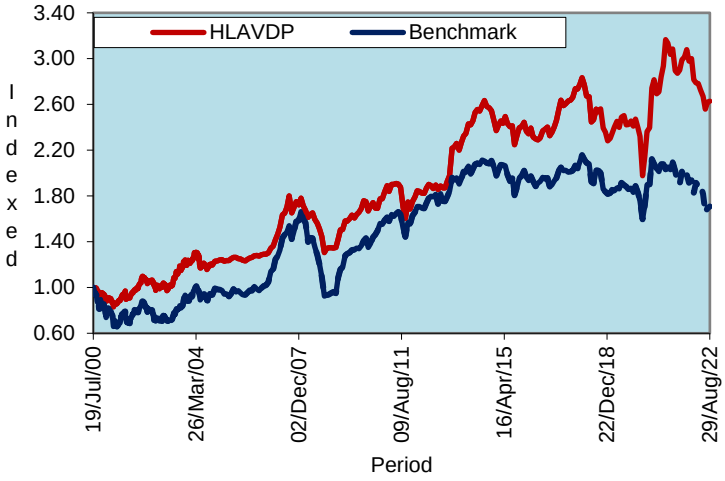
*Although the funds invest in Shariah-approved securities, the Investment-Linked Insurance plan that utilizes these funds is not classified as a Shariah-compliant product.*

**Asset & Sector Allocation of HLAVDP as at 30 Aug 2022**




| Top 5 Holdings for HLAVDP as at 30 Aug 2022 | | % |
|---|---|---|
| 1. | INARI | 4.3 |
| 2. | TM | 3.9 |
| 3. | SIMEPLT | 3.6 |
| 4. | TENAGA | 3.5 |
| 5. | MYEG | 3.4 |
| | Total Top 5 | 18.7 |

**Historical Performance**




| | YTD | 1 month | 1 year | 3 years | 5 years | 10 years | Since Inception |
|---|---|---|---|---|---|---|---|
| HLAVDP | -12.33% | 0.41% | -12.03% | 8.58% | -0.28% | 39.10% | 162.95% |
| Benchmark* | -11.82% | 0.73% | -15.19% | -9.22% | -15.18% | -4.96% | 70.76% |
| Relative | -0.51% | -0.32% | 3.16% | 17.80% | 14.90% | 44.06% | 92.19% |

Source: Bloomberg

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


**Hong Leong Assurance Berhad** 198201014849 (94613-X)
Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.
**Telephone** 03-7650 1818 **Fascimile** 03-7650 1991
**Customer Service Hotline** 03-7650 1288 Customer **Service Hotfax** 03-7650 1299

# HLA Venture Dana Putra (HLAVDP)

**Market Review, Outlook & Strategy**

The rebound in global equities and most risk assets fizzled out in August. This was following the Fed Chair's speech at the 2022 Jackson Hole Economic Symposium where he signalled "higher interest rates for longer" and the need for restrictive monetary policy to restore price stability as well as cautioning against any premature loosening of monetary conditions, with important emphasis on the experience of the 1970s and 1980s. The Fed also indicated the willingness to accept negative growth and labour market consequences in order to restore price stability. These reverberated across markets, supporting the US$ strength and pushing up sovereign bond yields. Rising recession concerns have also overshadowed China's announcement of an additional RMB1 trillion stimulus package to help boost the economy. The stimulus will be targeting investments in new energy projects, high-speed rail and water tunnels. Commodity prices continued to retrace as China's bumpy recovery added to worries that aggressive tightening by central banks to rein in inflation are denting demand. On a positive note, China and the US have reached a landmark audit inspection agreement which will allow the US Public Company Accounting Oversight Board inspectors to travel to Hong Kong or China for inspection of Chinese companies listed in New York.

Domestically, we saw the release of a relatively good set of economic data. A strong 2Q22 GDP print of +8.9% yoy was led by recovery in both the manufacturing and services segments as well as the low base effect from Jun 21. Unemployment rate also improved further to 3.8%, the lowest since the Covid-19 pandemic outbreak two years ago. However, inflationary pressures are also broadening with July's CPI picking up to +4.4% yoy. The broad trend is reflective in the 2Q22 results where most companies reported results that met expectations; topline growth appeared to be robust on the back of economic reopening activities but bottomline was constrained by higher input costs (materials and wages), supply disruption and labour shortages. Towards month-end, Petronas announced an additional RM25b dividend payment to the government, bringing total dividend paid out to RM50b for 2022.

Average daily trading value increased to RM1.7b in August from RM1.3b in July. Retailers turned net buyers +RM100m while local institutions turned net sellers -RM2.3b, Foreign institutions remained net buyers with +RM2b. Retailers and local institutions accounted for 26% and 37% of the value traded with foreign institutions contributing the balance 24%. The FBMKLCI continued to outperform the broader market with a +1.3% mom gain to 1,512.05 pts. The FBM Shariah, FBM Emas and FBMSC increased by +0.7% mom, +0.9% mom and +0.5% mom respectively.

Macroeconomic risks remain centred on monetary policy trajectory coupled with an evolving geopolitical environment that will affect investors' risk appetite. In the near term, investors are likely to remain cautious as 1) inflation remains elevated despite some relief from the easing of commodity prices and supply chain bottlenecks and 2) the Fed is unlikely to pivot despite signs of deterioration in economic growth. China will also be hosting the 20th Chinese Communist Party (CPC) Central Committee meeting on 16th October and investors may remain sidelined until then for better clarity of the development plans for China over the next 5 years as well as the new leadership. Domestically, Budget 2023 was brought forward to 7th October, potentially paving the way for GE15 by end-2022. Political uncertainty could be a near term overhang for the market. We remain defensive, investing in both value and growth. Sectors that we continue to favour include interest rate hike beneficiaries (banks), selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

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

| Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| Benchmark | 11.9% | 13.3% | -4.2% | 2.4% | -6.1% | 10.7% | -13.5% | 3.9% | 10.1% | -6.8% |
| HLAVDP- Gross | 10.0% | 32.6% | -1.1% | 4.9% | -2.4% | 20.8% | -17.8% | 10.5% | 22.0% | 3.9% |
| HLAVDP - Net | 7.8% | 28.6% | -2.4% | 3.1% | -3.6% | 17.7% | -17.7% | 8.3% | 18.9% | 2.1% |

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:

a) having a flexible tactical asset allocation
b) investing in a wide range of companies across different sectors
c) setting prudent investment limits on various exposures
d) taking into account the liquidity factor in selecting securities
e) engaging in the hedging of foreign currency exposure where appropriate

# HLA Venture Dana Putra (HLAVDP)

**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.