

HLA Venture Dana Putra (HLAVDP)

July 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

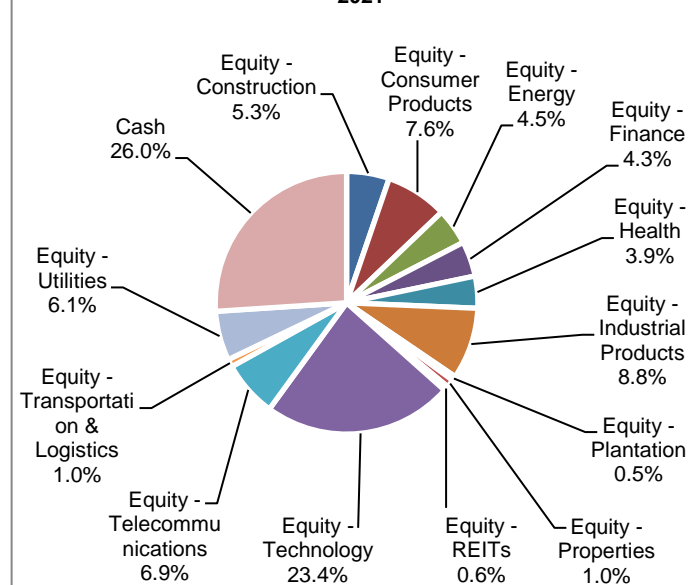
This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (30/7/2021)	: RM2.9000
Fund Size (30/7/2021)	: RM136.8 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.

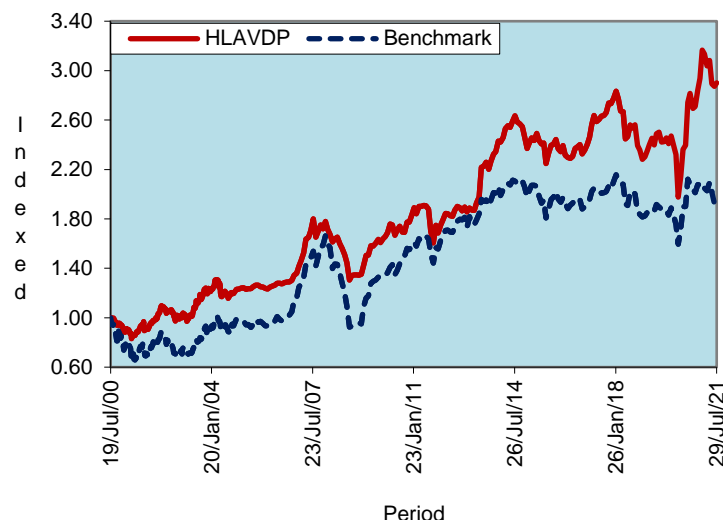
Asset & Sector Allocation of HLAVDP as at 30 July 2021



Top 5 Holdings for HLAVDP as at 30 July 2021

	%
1. INARI	5.0
2. UWC	4.6
3. TM	4.0
4. TENAGA	3.9
5. MYEG	3.6
Total Top 5	21.2

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-1.25%	0.98%	5.76%	13.38%	25.80%	54.52%	190.00%
Benchmark*	-8.44%	-1.06%	-10.35%	-5.95%	-1.23%	16.13%	90.27%
Relative	7.18%	2.04%	16.11%	19.32%	27.03%	38.39%	99.73%

*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 July, developed markets in the US and Europe continued to outperform Asia which was dragged by China due to the onslaught of regulatory actions which hammered stocks in the education, property and technology sectors. The primary goals of the regulatory actions are to limit the widening of economic and social inequalities and also to slow the falling birth rate by lowering the principal costs associated with having children. China officials reiterated that the ongoing regulatory tightening of the education and internet sectors benefit the long-term development of the country and that China remains committed to opening up its capital markets. Elsewhere, developed markets remained fairly resilient with the pace of reopening as well as optimism over strong earnings. The FOMC meeting saw the Fed setting up the tone for a likely tapering end 2021 or early 2022 as it acknowledged that "the economy has made progress toward" its goals and would assess the progress at "coming meetings".

Domestically a five-day special sitting of Parliament commenced but it was abruptly cut short and suspended until further notice on the back of a supposed Delta variant that was being detected within the "Parliament cluster". We also saw a deepening of the political crisis when the Yang di-Pertuan Agong reprimanded the government for not heeding his advice and revoking the Emergency Ordinances (EO) without a debate in Parliament. However, some positive takeaways from the sessions are where most states are expected to have at least 60% of their adult population inoculated by end-September and can then move on to the final phase of the country's Covid-19 exit strategy as early as October. Some timeline of key events unveiled include the 12th Malaysia Plan (2021-2026) to be tabled on 20th September while Budget 2022 will be tabled on 29th October. Malaysia's daily new Covid-19 cases numbers continued to surge to a new record high of 17,786 on 31st Jul from 6,988 on 1st Jul.

The average daily value traded on Bursa fell 10% mom and 45% yoy in July to RM3.1b. Local retail participants' share of average daily trading value rose 2ppt mom to 40% in July but the net buys in July fell to RM804m (Jun: +RM1.7b). Local institutional investors turned net buyers of RM120m in July while foreign institutions' net selling rose to RM1.3b in July. For the month, FBKLCI was down by 2.5% mom to 1,494.6 pts. The FBM Shariah declined by 1.1% mom, FBKSC was flat mom and FBM Emas was lower by 1.6% mom.

Going forward, market participants will be following closely economic data releases in the US to determine whether growth has peaked in 1H and also the developments regarding the Delta or subsequent variants towards the sustainability of US' reopening. Domestically, key events taking place in August include the 2Q21 results season, the release of 2Q21 GDP figures, political developments and the new dates for the resumption of Parliament sitting and the expiry of the short-selling ban on intraday short selling on 29 Aug 21. We maintain our barbell strategy of investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/ technology names.

Fears of transitory inflation and slower pace of growth began to unwind reflation trades with Central Bank also pushing back the tapering talk currently. The pace of growth and recovery seems to be at a slower pace than expected since more developing nations continue to see a surge in Covid-19 cases as new virus variants has spread swiftly and infected deeply into the community. To this front, policy makers worldwide will be more inclined to keep rates on hold, looking to balance the increasing risks to inflation with downside risks to growth. The accommodative policies should bode well for UST as a safe haven asset.

Government bond market in Malaysia is expected to react in a cautious mood amidst the political noises with the ongoing special parliament sittings. The reopening of the parliament with the unexpected announcement on the emergency proclamation and ordinances being revoked took everyone by surprise. Close attention will be paid on the political development and the Malaysia Budget 2022 which will be unveiled on Oct 29. The budget will focus on three key areas, namely agenda to drive economic recovery, rebuild country's resilience and catalysing reforms.

With the profound political risks and concerns over future fiscal policy constraints, we are cautious and would stay defensive in near term while looking for more clarity to reposition the fund.

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.

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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

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.