

HLA Venture Dana Putra (HLAVDP)

Mar 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

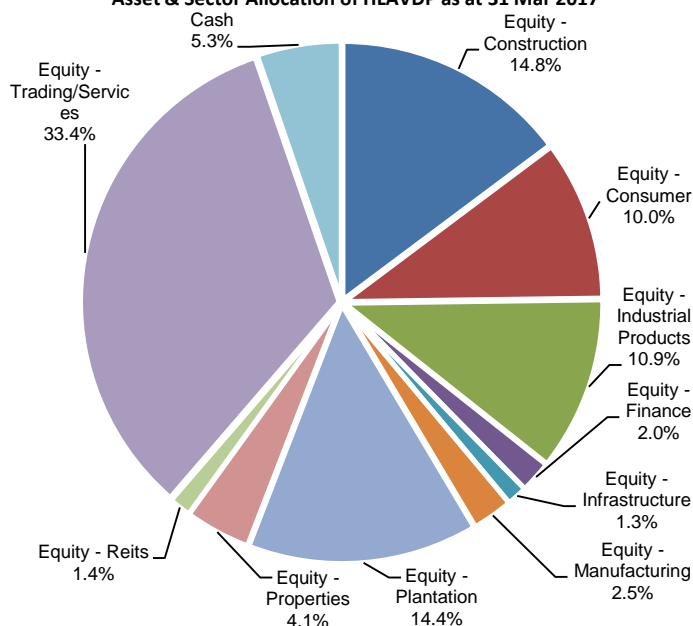
This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (31/3/2017)	: RM2.5641
Fund Size (31/3/2017)	: RM66.8mil
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	: 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.

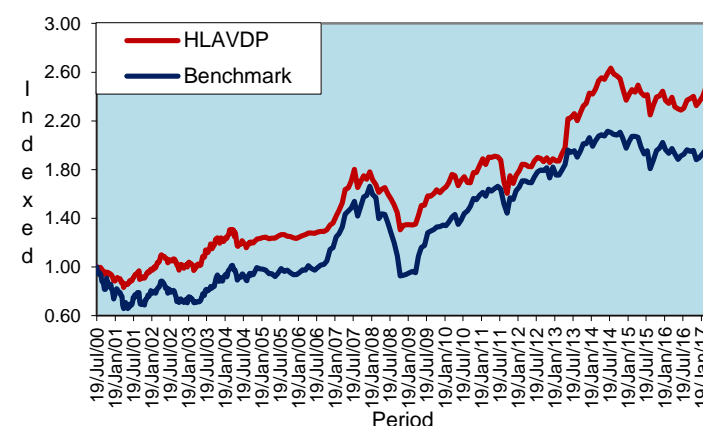
Asset & Sector Allocation of HLAVDP as at 31 Mar 2017



Top 10 Holdings for HLAVDP as at 31 Mar 2017

	%
1. TENAGA	7.9
2. SIME	5.4
3. QL	4.1
4. DIGI	3.7
5. IOICORP	3.3
6. GAMUDA	2.9
7. YINSON	2.8
8. INARI	2.5
9. DIALOG	2.4
10. KLK	2.3
Total Top 10	37.3

Historical Performance



	1 month	YTD	1 year	5 years	10 years	Since Inception
HLAVDP	4.25%	8.85%	7.15%	39.33%	68.17%	156.41%
Benchmark	3.42%	6.63%	2.50%	18.45%	52.49%	102.31%
Relative	0.83%	2.21%	4.65%	20.88%	15.68%	54.10%

Market Review, Outlook & Strategy

During the month, Asian markets saw steadier performance as emerging markets benefited from capital inflows. Further signs of recovery in China, the world's second-largest economy, also boosted investor risk taking appetite. In the US, however, investors were seen rushing to safe haven assets such as gold and government bonds amid worries that President Trump will not be able to live up to his promises of large-scale relief on tax and regulations, with nervousness deepening ahead of a key healthcare vote. Meanwhile in the latest March policy meeting, the Federal Reserve hiked rates by 25 bps and kept their dovish tone where they guided for two more rate hikes this year. Over in Europe, UK Prime Minister Theresa May has formally served notice that the UK will leave the European Union bloc.

As for the local market, strong foreign inflows seeking value buys with interest in the second and lower liners, property and technology stocks, propelled the major indices upwards. Despite comments that Opec may further extend its deal to cut global production beyond 1H17, crude oil prices weakened during the month over concerns on the resurgence in US shale oil production and a further increase in stockpiles. The Ringgit made minimal movement against the US\$ during the month ending at RM4.4255/US\$ despite the strong foreign inflows. The highlight of the month was the announcement of the Digital Free Trade Zone by the Prime Minister during Jack Ma's visit to KL. Bank Negara kept the Overnight Policy Rate unchanged while inflation was higher at 4.5% in February due to higher fuel prices.

For the month, the KLCI gained 2.7% mom to close at 1,740pts. The broader market outperformed, with the FBM Emas gaining 3.4% mom to 12,361pts. Small caps also outperformed the KLCI with the FBM Small cap index jumping 8.3% mom to 17,080pts. Average daily value traded on Bursa in March increased 21% mom to RM3.05b.

Following two months of strong rallies, the local bourse may see some consolidation. However, we expect rotational interest among the small to mid-cap names to continue as some of these companies have the potential to chart exponential earnings growth. Nonetheless, volatility arising from global markets will continue to dictate the movement of the local market at some point when local euphoria fades. The strategy remains to take advantage of any market dips to buy on weakness. We remain invested in the following themes: 1) construction, 2) tourism, 3) financials, 4) asset reflation and 5) GLC reform plays. We have also started to nibble on some property related names in anticipation of some policy relaxation measures or at least a bottoming as the sector is still trading at compelling valuations.

HLA Venture Dana Putra (HLAVDP)

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.