HLA Venture Dana Putra (HLAVDP)

June 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

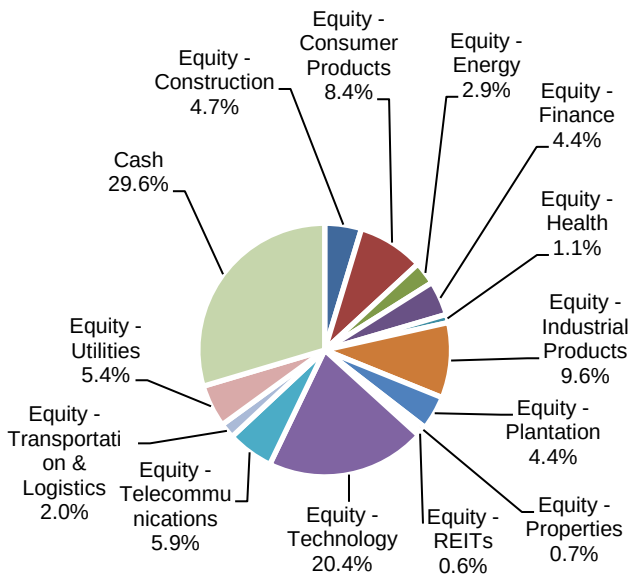
This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (30/6/2022)	: RM2.5576
Fund Size (30/6/2022)	: RM138.5 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

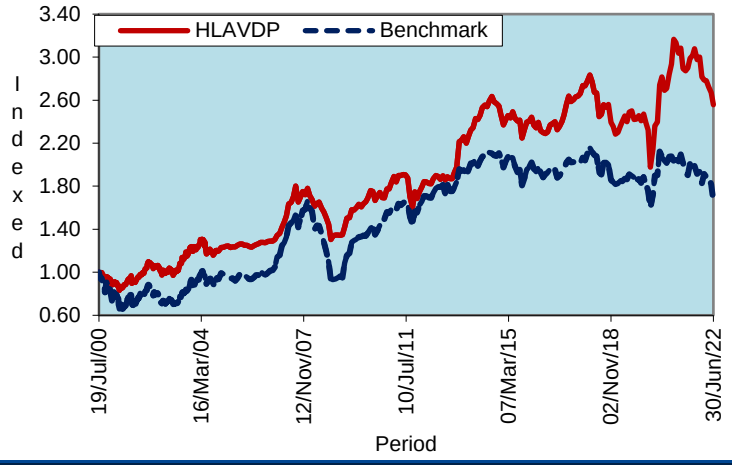
The Company reserves the right to change the cap of Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice. The Fund Management Fee will be reviewed monthly and will be revised if the previous month end actual asset allocation deviates by more than ten percent (10%)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

Asset & Sector Allocation of HLAVDP as at 30 June 2022



Top 5 Holdings for HLAVDP as at 30 June 2022		%
1.	INARI	4.4
2.	MYEG	3.9
3.	SIMEPLT	3.7
4.	TM	3.6
5.	TENAGA	3.2
	Total Top 5	18.8

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	-14.73%	-4.18%	-10.94%	2.78%	-1.87%	36.78%	155.76%
Benchmark*	-14.34%	-8.74%	-13.75%	-13.43%	-18.08%	-4.54%	65.87%
Relative	-0.38%	4.55%	2.80%	16.21%	16.21%	41.31%	89.89%

Source: Bloomberg

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

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Market Review, Outlook & Strategy

Global equities declined during the month due to inflation and recessionary fears. In June, the FOMC hiked rates by 75bps and the Fed Chair reiterated that commitment to reigning in inflation was "unconditional". During the Fed Chair's testimony to the congress, he acknowledged that a recession was possible and achieving a soft landing would be very challenging. Commodities were not spared from the correction as prices from oil to copper and wheat weakened, pricing in the probability of a recession. Whereas over in China, the sentiment was more positive on the back of easing Covid restrictions as well as more signals on possible reduction in US tariffs over China goods. In a keynote speech to the BRICs Business Forum, the Chinese President also reiterated the commitment to achieve 2022 economic targets as well as mentioned the support for internet/ platform companies.

Domestically, Malaysia was not spared from inflationary pressures due to supply chain disruptions, labour shortages and the impact of the war in Ukraine. In its effort to help temper the effects of rising prices, the government made the decision to keep Peninsular Malaysia's electricity tariff rates unchanged for 2H22 and reinstated the ceiling price for chicken at RM9.40 per kg (from an earlier decision to remove the ceiling price of RM8.90 per kg). Due to the unanticipated subsidies for fuel, chicken and eggs and cooking oil as well as flood relief, Malaysia is expected to spend around RM77b in subsidies and cash aid for 2022. Plantation stocks corrected during the month following the collapse in CPO prices, breaching the RM5k/MT level following Indonesia's removal of the ban on palm oil exports. Notable corporate developments include the greenlight given by MCMC to the merger of Celcom and Digi's operations which will create the leading telco provider in Malaysia. The Ringgit weakened further against the US$ to end the month at 4.4085 from 4.3770 at the start of the month.

Average daily trading value increased to RM2.59b in June from May's RM2.4b. Retailers remained net buyers with +RM0.6b and local institutions turned net buyers with +RM0.7b. Foreign institutions turned net sellers with -RM1.3b. Retailers and local institutions accounted for 23.6% and 35.4% of value traded. Foreign institutions accounted for 29.2% of value traded. The four indices continued its downtrend in June. The FBMKLCI, FBM Shariah, FBM Emas and FBMSC declined by 8%, 8.7%, 7.6% and 8.8% mom respectively.

Going into July, market is expecting another round of 75 bps hike by the Fed. But there are also some expectations of the Fed scaling back the additional tightening from December onwards and some probability of rate cuts in 2023. As for China, investors will continue to monitor closely the progress of its reopening and potentially any further easing to both its monetary and fiscal measures. For Malaysia, the Ministry of Finance will be tabling the Fiscal Responsibility Act during the upcoming Parliament session scheduled to start on 18th July. This bill will help to boost tax collection by broadening the tax base which is crucial to replenish the nation's coffers to finance the nation's development and longer-term reform plans. Malaysia can also finally progress with the 5G deployment as the telco players have finally reached an agreement with state-owned Digital Nasional Bhd (DNB) before the due date on 30 Jun 22. Malaysia's Communications and Multimedia Minister said an announcement of the deal will be made known at the early part of July, removing the overhang for the sector. We remain defensive and will maintain our barbell strategy by investing in both the value and growth sectors. 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

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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.