

HLA Venture Dana Putra (HLAVDP)

July 2024

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

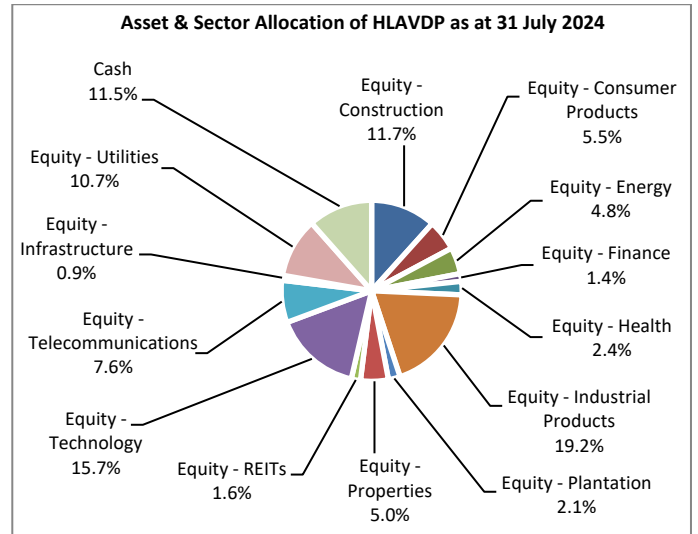
This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (31/7/2024)	: RM3.3783
Fund Size (31/7/2024)	: RM228.2 mil
Fund Management Fee (effective as at 01/01/2019)	: 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 three (3) months 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.

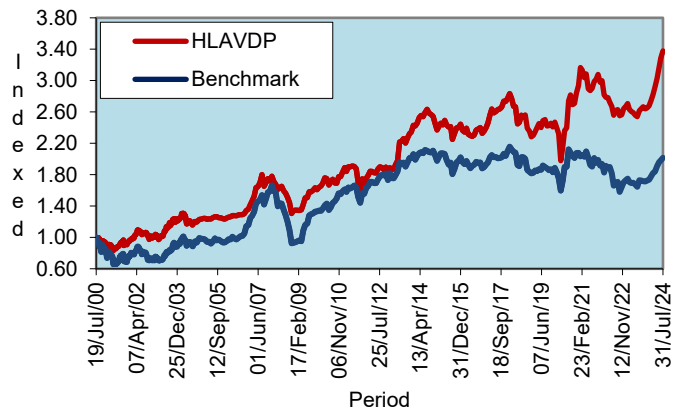
Although the funds invest in Syariah-approved securities, the Investment-Linked Insurance plan that utilizes these funds is not classified as a Syariah-compliant product.



Top 5 Holdings for HLAVDP as at 31 July 2024

Rank	Company Name	Percentage
1.	Tenaga	8.7%
2.	Sunway	3.7%
3.	Gamuda	3.6%
4.	CDB	3.6%
5.	Frontkn	3.6%
Total Top 5		23.1%

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	26.13%	2.81%	29.20%	16.49%	35.03%	28.29%	237.83%
Benchmark*	16.14%	1.67%	16.52%	5.92%	6.33%	-4.23%	101.54%
Relative	9.98%	1.14%	12.68%	10.57%	28.70%	32.52%	136.29%

Source: Bloomberg

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

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Market Review, Outlook & Strategy

July was not a great month for markets especially for developed markets. A confluence of negative factors, namely, Bank of Japan's rate hike, the U.S. Fed's unchanged position on interest rates, intensifying tensions between Israel-Hamas and the ongoing uncertainty on US Elections, affected market sentiment negatively. In addition, weak economic data coming out of the US changed the rhetoric from a soft-landing to one that is recessionary. With that, the market was concerned that the Fed could be too late in its rate cuts and may derail growth prospects for the US and global markets as a whole. As a result, we saw flows into value and gold whilst commodities underperformed. For the month, the S&P 500 managed to eke out a positive return of 1.1% mom whilst Nasdaq was down 1.6% mom. Back in Asia, HK/China was one of the worst performing markets for the month down 2.1% mom as the Third Plenum lacked any sizeable stimulus that the market was hoping for and its 2Q24 GDP missed expectations, coming in at 4.7%.

Domestically, the KLCI together with most ASEAN markets, registered a positive month in July, increasing 2.2% mom as Malaysia saw net foreign inflows to the tune of RM1.3bil on the prospects of an impending Fed rate cut in September. For the month, the best performance was FBM100 Index, which rose 2.6% mom. In terms of sectors, the construction sector continued to be the best performer year-to-date amid the data center awards and news flow. The laggard for the month was the healthcare sector following worries on the oversupply situation within the glove sector that could last longer than initially expected. The top three biggest gainers in KLCI month-to-date were Sunway, CIMB and MrDIY.

Trading activities wise, July saw its average daily trading value coming off to RM3.5b from RM4.0b a month ago, although Ringgit strengthened to RM4.59/USD at the end of the month. The lower trading value was probably due to local institutional investor taking a more cautious view being the biggest net sellers for the month. Malaysia also saw relatively muted news flow with notable events being BNM maintaining OPR at 3%, data centre news flow and Third-Party Access announcement on its launching in Sept. In July, the other Malaysian benchmarks, namely, FBM Emas, FBM Shariah and FBM Small Cap saw gains of 2.5% mom, 1.7% mom and 0.6% mom respectively.

Globally, investors will continue to watch the latest developments on potential Israel-Hamas escalation, US elections, global geopolitical risks, global inflation trends and global growth projections to determine the next direction for equity markets. In Malaysia, the market will closely watch for the next 11th Malaysia-Singapore Leader's Retreat (Sep 24) and Budget 2025 (Oct 24). Policy wise, market participants will closely monitor the petrol subsidy reforms. Going forward, we aim to employ a barbell strategy tilted towards yielders/value. Sectors that we favour include financials (banks), utilities, REITs, commodities and technology.

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

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Benchmark	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%	-6.8%	-10.8%	0.5%
HLAVDP- Gross	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%	3.9%	-10.7%	1.9%
HLAVDP - Net	-2.4%	3.1%	-3.6%	17.7%	-17.7%	8.3%	18.9%	2.1%	-11.0%	0.4%

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:

- having a flexible tactical asset allocation
- investing in a wide range of companies across different sectors
- setting prudent investment limits on various exposures
- taking into account the liquidity factor in selecting securities
- 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.