

HLA Venture Dana Putra (HLAVDP)

May 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

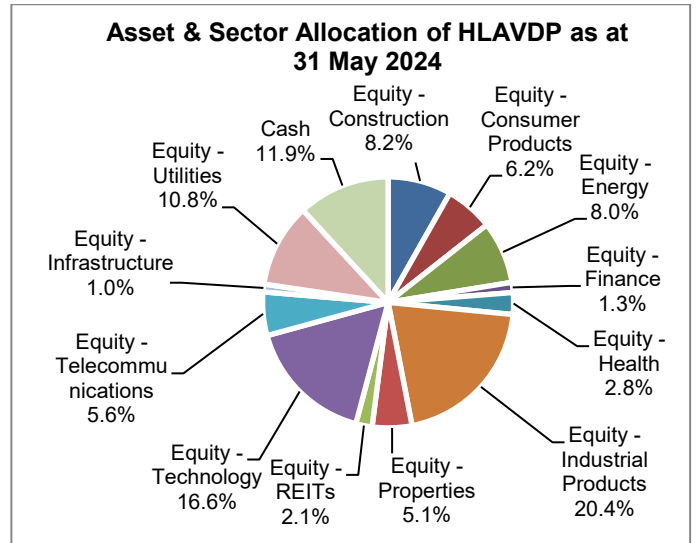
This fund is suitable for investors who are willing to take moderate risk.

Fund Details

Unit Price (31/5/2024)	: RM3.1646
Fund Size (31/5/2024)	: RM214.4 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.

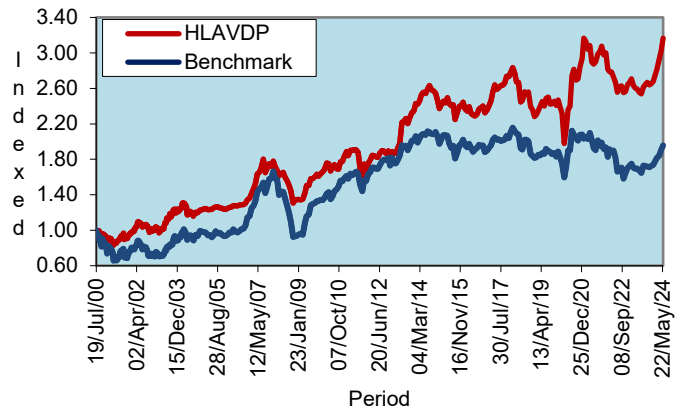
Although the funds invest in Syariah-approved securities, the Investment-Linked Insurance plan that utilizes these funds is not classified as a Syariah-compliant product.



Top 5 Holdings for HLAVDP as at 31 May 2024

Rank	Company Name	Percentage
1.	Tenaga	8.6
2.	Pmetal	3.9
3.	Frontkn	3.8
4.	Notion	3.6
5.	Dialog	3.3
Total Top 5		23.1

Historical Performance



	YTD	1 month	1 year	3 years	5 years	10 years	Since Inception
HLAVDP	18.15%	4.49%	23.76%	9.33%	31.87%	24.58%	216.46%
Benchmark*	12.77%	2.54%	16.84%	-2.98%	5.06%	-5.66%	95.69%
Relative	5.37%	1.96%	6.92%	12.31%	26.82%	30.24%	120.77%

Source: Bloomberg

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

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Market Review, Outlook & Strategy

May was a month of 1Q24 corporate earnings release in the U.S., where 78% of S&P 500 companies reported positive EPS surprises and the S&P 500 universe registered a 6% blended earnings growth yoy. However, all eyes were on Nvidia's result release that once again beat consensus earnings and drove AI-related names higher. Macro wise, US 1Q24 GDP growth print came in at 1.3% whilst April's core CPE inflation indicator remained relatively stable at 2.8% which kept expectations the same for a single rate cut in 2024. Against this backdrop, the S&P 500 and MSCI ACWI index inched higher 4.8% mom and 3.8% mom respectively during the month as good corporate earnings delivery supported the re-rating of share prices. In HK/China, the Hang Seng Index was up 1.8% mom but to a lesser extent as the noise on convertible bond issuances capped market upside with investors weighing the pros and cons of such issuances that offers low coupon rates but equity dilution after a few years upon conversion.

Domestically, the KLCI regained its momentum upwards in May, increasing by 1.3% mom as the market was well supported by the return of foreign investors who net bought RM2.3 bil worth of shares. For the month, we saw investor moving down the value chain towards small caps where FBM Small Caps Index was the best performer rising 4.07% mom. In terms of sectors, the technology sector did well on the back of strong numbers delivered by Nvidia and TSMC amid the AI boom. Apart from that, much of the news surrounded data centers that saw more money flowing into the construction and property sectors. The laggard for the month was the plantation sector as most of the companies delivered weaker than expected earnings. The top three biggest gainers in KLCI were Mr DIY, YTL Corp and Tenaga.

Trading activities wise, it continued to hold up pretty well in May with average daily trading value coming in at RM3.95b as compared to RM2.90b a month ago. Malaysia witnessed several notable events, including the announcement of Special Economic Zones in Johor (i.e. Iskandar, Pengerang), data center investments by Microsoft (USD2.2b) and Google (RM4.9b), as well as the announcement of a RM25b National Semiconductor Strategy. We also witnessed quite a lot of mergers and acquisitions announcements with some of the key ones being MAHB privatization, YTL-Ranhill and GHJ Systems. Other than that, BNM held the OPR stable at 3.0% which was in line with expectations. In May, the other Malaysian benchmarks, namely, FBM100, FBM Shariah and FBM Small Cap also gained 2.3% mom, 2.5% mom and 2.4% mom respectively.

Globally, investors will continue to watch the latest developments in 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 construction project awards, 11th Malaysia-Singapore Leader's Retreat (Sep 24) and Budget 2025 (Oct 24). Policy wise, market participants will closely monitor the fleet card pilot program for diesel subsidies and government's decision on mechanisms to stabilize sugar supply and pricing expected in 2Q24. While sentiment remains positive overall, our strategy remains defensively tilted towards dividend-yielding names. Sectors that we favour include financials (banks), transport, tourism, construction, and commodities (Metals/Oil & Gas).

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

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Benchmark	13.3%	-4.2%	2.4%	-6.1%	10.7%	-13.5%	3.9%	10.1%	-6.8%	-10.8%	0.46%
HLAVDP-Gross	32.6%	-1.1%	4.9%	-2.4%	20.8%	-17.8%	10.5%	22.0%	3.9%	-10.7%	1.9%
HLAVDP - Net	28.6%	-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.