

HLA Dana Makmur (HLADM)

June 2024

Fund Features

1. Investment Objective

The objective of the fund is to provide consistent capital growth over the medium to long term by investing strictly in Shariah-compliant securities.

2. Investment Strategy & Approach

HLADM will principally feed into third party collective investment schemes (CIS) that meet the fund's objective. HLADM may also invest directly in a diversified portfolio of domestic and foreign assets including Shariah-compliant equities, Islamic money market instruments and sukuk or any other Shariah-compliant financial instruments that offer potential capital appreciation.

At inception, the fund will invest by feeding into Hong Leong Dana Makmur ("Target Fund"), with the option to increase the number of funds to a Fund-of-Fund structure or replace the Target Fund in future.

3. Asset Allocation

The Target Fund will invest a minimum of 70% of its NAV into Shariah-compliant equities. The balance of its NAV will be invested in Islamic money market instruments and sukuk.

4. Target Market

This fund is suitable for investors who have a medium-to-long term investment horizon, are sensitive to Shariah requirements and seek to achieve capital growth through a diversified portfolio of Shariah-compliant investments.

Fund Details

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|------------------------------------|---|
| Unit Price (01/06/2024) | : RM 1.00 |
| Fund Size (01/06/2024) | : N/A |
| Fund Management Fee | : 1.50% |
| Fund Manager | : Hong Leong Assurance Berhad |
| Fund Inception | : 1 June 2024 |
| Benchmark | : FTSE Bursa Malaysia EMAS Shariah Index |
| Frequency of Unit Valuation | : Daily |

Fund management charge of underlying Collective Investment Scheme(s) is part of Fund Management Fee as stated in table above. There are no additional charges being charged to the Policy Owner. The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.

Asset & Sector Allocation of HLADM as at 01 June 2024

N/A

Top 5 Holdings for HLADM as at 01 June 2024

N/A

Historical Performance

N/A

Market Review, Outlook & Strategy

N/A

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Actual Annual Investment Returns for the Past 1 Calendar Year

N/A

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 all the potential risks associated to this fund.

1. Macroeconomic Risk

Macroeconomic risk refers to the risk of volatility in macroeconomic factors, which may affect investments, assets, portfolios, and the intrinsic value of HLADM over time.

2. Market Risk

Market risk refers to the risk of financial loss arising from exposure to adverse changes in values of financial instruments caused by changes in market prices or rates. It is primarily exposed to the following risk components:

- a. Interest Rate Risk refers to the volatility in interest rates, resulting in differences in pricing or tenure of investments, assets and liabilities.
- b. Equity Risk refers to the risk of loss due to adverse movement in the prices of equities arising from equity positions.
- c. Foreign Currency Risk refers to the risk arising from adverse movement in exchange rates on foreign currency positions.

3. Sovereign Risk

Sovereign risk refers to the risk of loss arising when a government is unable to meet its loan/financing/debt obligations or reneges on the same it guarantees.

4. Liquidity Risk

Liquidity risk refers to the risk occurs in thinly traded or illiquid securities. Should HLADM need to sell at a relatively large amount of such securities, such action itself may significantly depress the selling price.

5. Counterparty Credit Risk

Counterparty credit risk refers to the risk due to the issuer of a security failing to make timely payments of interest or principal repayment on the maturity date. The default may lead to a fall in the value of HLADM.

6. Credit Concentration Risk

Credit concentration risk refers to any single exposure or group of exposures with the potential to produce losses that are substantial enough to threaten HLADM's financial condition. It may arise in the form of single name concentration, industry/sector concentration, country concentration or product/asset class concentration, etc.

7. Target Fund(s) Risk

HLADM mainly invests into Islamic CIS which is being managed by the Target Fund Manager. The CIS or Target Fund(s) is carefully selected to ensure that the objectives of said CIS are appropriately aligned with the HLADM. However, the HLADM does not have control over the management of the CIS. In the event of any mishandling of the CIS, the adverse effect on the CIS will inevitably affect HLADM. In such instance, the HLADM may replace the CIS with another CIS which is more appropriate or invest directly in a diversified portfolio in order to meet the objective of the fund. Please also refer to the Target Fund(s) prospectus for more detailed and comprehensive information on Target Fund(s) specific risks.

8. Particular Security Risk

The price of each unit of security is influenced by the performance of the individual company in which the Target Fund have invested in. The performance of each security is dependent on factors which include but are not limited to the management quality of the particular company, its growth potential, changes in consumer tastes and preferences, and conditions specific to the industry of the security.

9. Shariah Status Reclassification Risk

Shariah-compliant equity securities in the portfolio of the Target Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission, the Shariah adviser or the Shariah Supervisory Boards of relevant Islamic indices. If this occurs, the Target Fund Manager will take the necessary steps to dispose of such securities

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.

Target Fund Details

Hong Leong Dana Makmur Fund is an Equity fund managed by Hong Leong Asset Management. The past performance of this fund is as follows:

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| This section shows the Table for Actual Annual Investment Returns for the Past Ten (10) Calendar Years |
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Source: Hong Leong Asset Management

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.

$$\frac{\text{Unit Price}_t - \text{Unit Price}_{t-1}}{\text{Unit Price}_{t-1}}$$

For the underlying Target Fund, past performance is calculated after adjusting for distribution and/or additional units, if any.

Others

HLA Dana Makmur is managed by 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 becomes 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 serve as a guide to the Policy Owner to making an informed decision. This document shall not be construed as professional advice on investment choices.