

Monthly Fund Fact Sheet — January 2018



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HLA Venture Growth Fund (HLAVGF)

Jan 2018

Fund Features

1. Investment Objective

The objective of the fund is to achieve higher returns than the general stock market by investing into growth stocks which potentially generate more superior returns.

2. Investment Strategy & Approach

This fund focuses on growth stocks listed in Bursa Malaysia and/or in any foreign stock exchanges that provide potentially higher capital gains.

3. Asset Allocation

The fund may invest up to 95% of its NAV in equities.

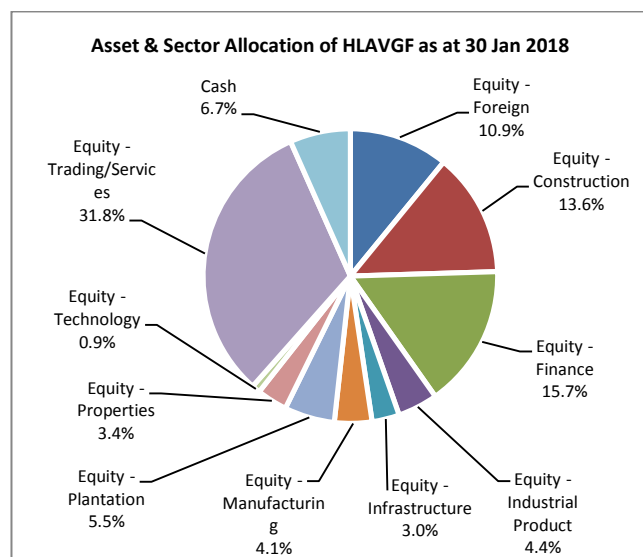
4. Target Market

This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

| | |
|--|--|
| Unit Price (30/1/2018) | :RM2.4787 |
| Fund Size (30/1/2018) | :RM446.0mil |
| Fund Management Fee (effective as at 01/11/2016) | : 1.45% p.a. (capped at 1.50%) |
| Fund Manager | :Hong Leong Assurance Berhad |
| Fund Category | :Equity |
| Fund Inception | :19 Jan 2000 |
| Benchmark | :FTSE Bursa Malaysia KLCI Index (FBM KLCI) |
| 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.



Top 10 Holdings for HLAVGF as at 30 Jan 2018

| | % |
|---------------------|-------------|
| 1. MAYBANK | 8.0 |
| 2. CIMB | 7.8 |
| 3. TENAGA | 7.7 |
| 4. DIALOG | 4.7 |
| 5. INARI | 4.1 |
| 6. AXIATA | 4.0 |
| 7. TENCENT | 3.6 |
| 8. YINSON | 3.5 |
| 9. EFORCE | 3.0 |
| 10. MYEG | 2.8 |
| Total Top 10 | 49.2 |

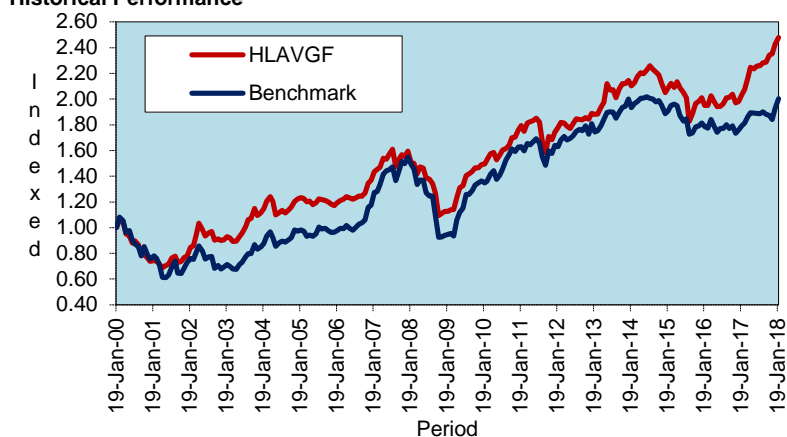
Hong Leong Assurance Berhad (94613-X)

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Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299

Historical Performance



| | 1 month | YTD | 1 year | 5 years | 10 years | Since Inception |
|-----------|---------|--------|--------|---------|----------|-----------------|
| HLAVGF | 2.18% | 2.18% | 21.98% | 31.81% | 64.61% | 147.87% |
| Benchmark | 3.99% | 3.99% | 11.79% | 14.81% | 34.12% | 100.19% |
| Relative | -1.81% | -1.81% | 10.19% | 17.00% | 30.49% | 47.68% |

Market Review, Outlook & Strategy

Regional markets started 2018 on a positive note underpinned by optimism of synchronised global growth. China provided a further confidence booster when manufacturing data showed expansion. Oil prices also started 2018 on a bullish note, touching a high of US\$66.24/barrel as the effect of falling oil inventories and prospects of increased consumption by growing economies offset the resumption of production at the North Sea and Libyan pipelines. However, when the reality of a US government shutdown became apparent by the middle of the month, investors did initially feel slightly jittery. President Trump's announcement of import tariffs on solar panels and washing machines also added to the nervousness. The pessimism was eventually short-lived when the US government shutdown only lasted for three days, followed by rising optimism over US corporate earnings.

The local market also started the year on a strong note in tandem with regional peers. Foreign investors remained net buyers in January with strong net inflow of RM3.4b. Key notable event was the first Monetary Policy Committee (MPC) meeting for 2018 where Bank Negara raised the overnight policy rate (OPR) by 25 basis points to 3.25% from 3%. This was the first rate hike since 10 July 2014 and the decision to normalize the OPR was not a surprise given earlier indications from the MPC statement in Nov 17. Ringgit strengthened to a high of RM3.8705/US\$ aided by improved sentiment in the local equities market and rising crude oil prices.

During the month, the KLCI gained 4% mom or 71.8pts to close at 1,868pts. This represents the highest closing since September 2014. The KLCI outperformed the broader market and small caps. However, it underperformed the MSCI Asia Pacific ex-Japan Index (MXASJ), which gained 6.7% mom.

As we move into February, all eyes will be on the upcoming corporate results season while investors will continue to look out for hints on when the 14th Malaysian General Elections will be held. Meanwhile, regional markets recently saw a pullback sparked by positive data points leading to concerns of additional rate hikes by the US Fed as there was better than expected job creation, low unemployment levels and higher US wage growth in January. However, there was no change to the US Fed's earlier guidance of a gradual increase in federal funds rate and target range at 1.25-1.5%. We continue to advocate accumulating good quality stocks on pullbacks and remain positive on the 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

HLA Venture Growth Fund (HLAVGF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark | 10.5% | -5.7% | -3.9% | -3.0% | 9.5% |
| HLAVGF- Gross | 16.3% | -3.2% | -0.6% | -0.1% | 26.0% |
| HLAVGF - Net | 13.6% | -4.4% | -1.9% | -1.5% | 22.5% |

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 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.

5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

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 Growth Fund 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.

HLA Venture Blue Chip Fund (HLAVBCF)

Jan 2018

Fund Features

1. Investment Objective

The objective of the fund is to achieve returns comparable to the general stock market by taking average risks, with focus on well-capitalised and financially sound "blue chip" stocks to achieve a balance of capital gains and dividend income.

2. Investment Strategy & Approach

This fund provides participation in the stock market without taking excessive risk by focusing on fundamentally strong "blue chip" stocks listed in Bursa Malaysia and/or in any foreign stock exchanges. This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

3. Asset Allocation

The fund may invest up to 95% of its NAV in equities.

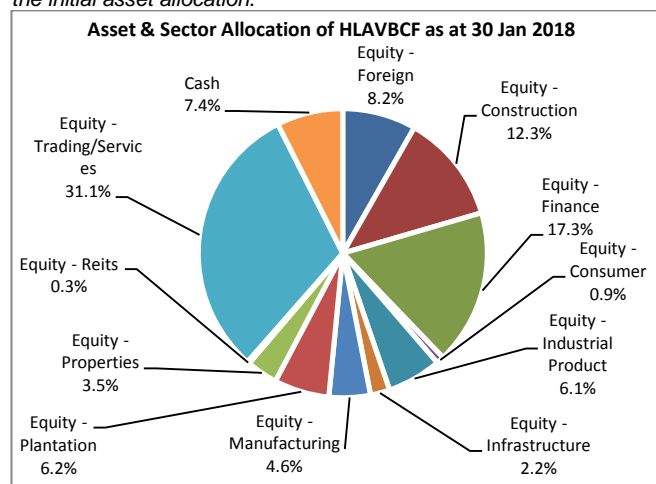
4. Target Market

This fund is suitable for investors with moderate risk tolerance and expects returns that are comparable to the market as represented by the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI).

Fund Details

| | |
|--|---|
| Unit Price (30/1/2018) | : RM2.7914 |
| Fund Size (30/1/2018) | : RM238.0mil |
| Fund Management Fee (effective as at 01/04/2017) | : 1.48% p.a. (capped at 1.50%) |
| Fund Manager | : Hong Leong Assurance Berhad |
| Fund Category | : Equity |
| Fund Inception | : 19 Jan 2000 |
| Benchmark | : FTSE Bursa Malaysia KLCI Index (FBM KLCI) |
| 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.



Top 10 Holdings for HLAVBCF as at 30 Jan 2018

| | % |
|---------------------|-------------|
| 1. MAYBANK | 7.9 |
| 2. CIMB | 7.4 |
| 3. TENAGA | 6.8 |
| 4. YINSON | 6.5 |
| 5. INARI | 4.6 |
| 6. AXIATA | 3.9 |
| 7. VS | 3.5 |
| 8. TENCENT | 3.1 |
| 9. MRCB | 2.9 |
| 10. DIGI | 2.6 |
| Total Top 10 | 49.2 |

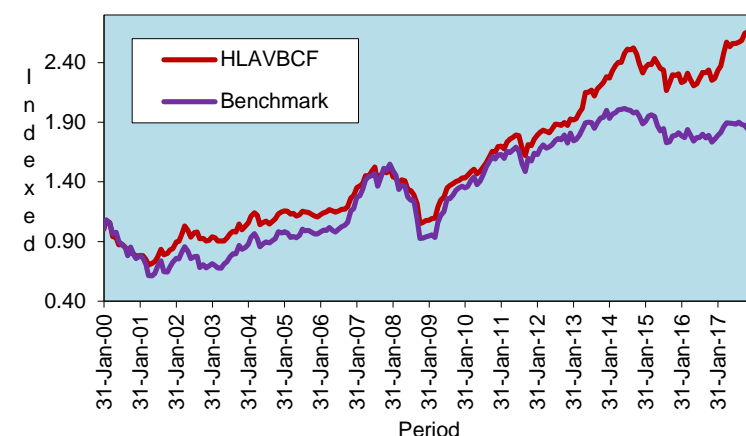
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Historical Performance



| | 1 month | YTD | 1 year | 5 years | 10 years | Since Inception |
|-----------|---------|--------|--------|---------|----------|-----------------|
| HLAVBCF | 2.25% | 2.25% | 19.46% | 45.42% | 93.63% | 179.14% |
| Benchmark | 3.99% | 3.99% | 11.79% | 14.81% | 34.12% | 100.19% |
| Relative | -1.75% | -1.75% | 7.67% | 30.61% | 59.52% | 78.95% |

Market Review, Outlook & Strategy

Regional markets started 2018 on a positive note underpinned by optimism of synchronised global growth. China provided a further confidence booster when manufacturing data showed expansion. Oil prices also started 2018 on a bullish note, touching a high of US\$66.24/barrel as the effect of falling oil inventories and prospects of increased consumption by growing economies offset the resumption of production at the North Sea and Libyan pipelines. However, when the reality of a US government shutdown became apparent by the middle of the month, investors did initially feel slightly jittery. President Trump's announcement of import tariffs on solar panels and washing machines also added to the nervousness. The pessimism was eventually short-lived when the US government shutdown only lasted for three days, followed by rising optimism over US corporate earnings.

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During the month, the KLCI gained 4% mom or 71.8pts to close at 1,868pts. This represents the highest closing since September 2014. The KLCI outperformed the broader market and small caps. However, it underperformed the MSCI Asia Pacific ex-Japan Index (MXASJ), which gained 6.7% mom.

As we move into February, all eyes will be on the upcoming corporate results season while investors will continue to look out for hints on when the 14th Malaysian General Elections will be held. Meanwhile, regional markets recently saw a pullback sparked by positive data points leading to concerns of additional rate hikes by the US Fed as there was better than expected job creation, low unemployment levels and higher US wage growth in January. However, there was no change to the US Fed's earlier guidance of a gradual increase in federal funds rate and target range at 1.25-1.5%. We continue to advocate accumulating good quality stocks on pullbacks and remain positive on the 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

HLA Venture Blue Chip Fund (HLAVBCF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark | 10.5% | -5.7% | -3.9% | -3.0% | 9.5% |
| HLAVBF- Gross | 21.4% | 3.2% | 1.1% | -0.1% | 23.6% |
| HLAVBF - Net | 18.3% | 1.5% | -0.4% | -1.6% | 20.3% |

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 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

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5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on 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.
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 - 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.

HLA Venture Blue Chip Fund (HLAVBCF)

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 Blue Chip Fund 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.

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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.

HLA Venture Dana Putra (HLAVDP)

Jan 2018

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.

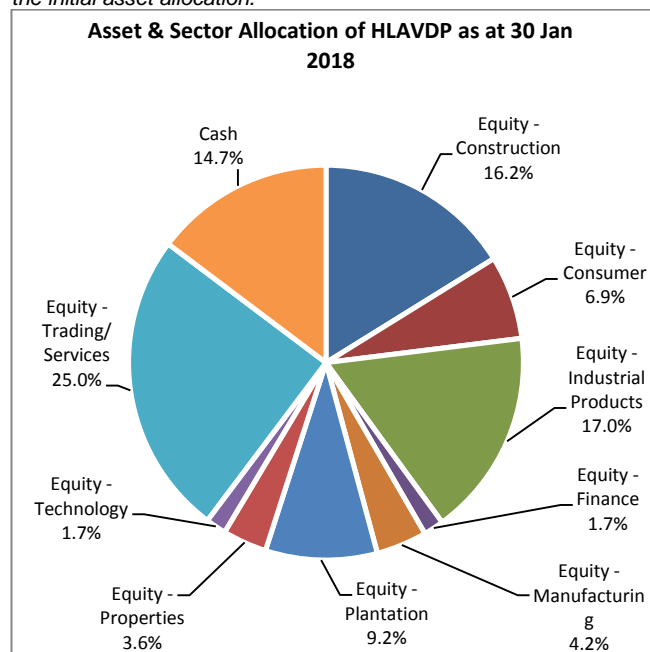
4. Target Market

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

Fund Details

| | |
|--|--|
| Unit Price (30/1/2018) | : RM2.8331 |
| Fund Size (30/1/2018) | : RM77.4mil |
| 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.

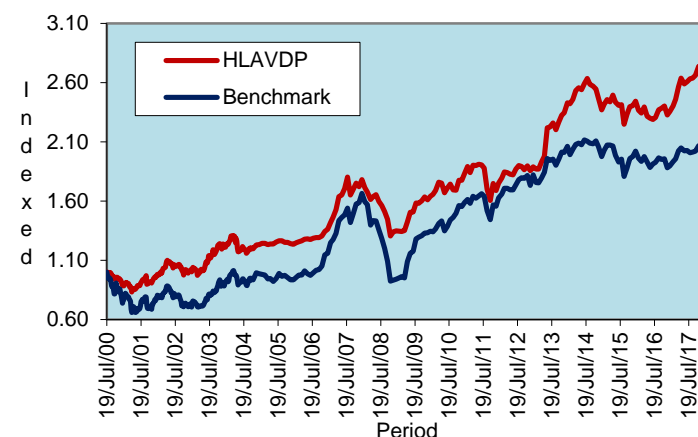


Top 10 Holdings for HLAVDP as at 30 Jan 2018

| | % |
|------------|-----|
| 1. TENAGA | 7.8 |
| 2. INARI | 4.2 |
| 3. VS | 3.9 |
| 4. KERJAYA | 3.9 |
| 5. QL | 3.7 |
| 6. AXIATA | 3.6 |
| 7. YINSON | 3.1 |

| | |
|---------------------|-------------|
| 8. DIALOG | 3.1 |
| 9. MRCB | 2.9 |
| 10. IOICORP | 2.8 |
| Total Top 10 | 39.0 |

Historical Performance



| | 1 month | YTD | 1 year | 5 years | 10 years | Since Inception |
|-----------|---------|--------|--------|---------|----------|-----------------|
| HLAVDP | 2.15% | 2.15% | 17.92% | 51.48% | 65.34% | 183.31% |
| Benchmark | 2.67% | 2.67% | 11.70% | 22.90% | 35.44% | 115.68% |
| Relative | -0.52% | -0.52% | 6.22% | 28.58% | 29.90% | 67.63% |

Market Review, Outlook & Strategy

Regional markets started 2018 on a positive note underpinned by optimism of synchronised global growth. China provided a further confidence booster when manufacturing data showed expansion. Oil prices also started 2018 on a bullish note, touching a high of US\$66.24/barrel as the effect of falling oil inventories and prospects of increased consumption by growing economies offset the resumption of production at the North Sea and Libyan pipelines. However, when the reality of a US government shutdown became apparent by the middle of the month, investors did initially feel slightly jittery. President Trump's announcement of import tariffs on solar panels and washing machines also added to the nervousness. The pessimism was eventually short-lived when the US government shutdown only lasted for three days, followed by rising optimism over US corporate earnings.

The local market also started the year on a strong note in tandem with regional peers. Foreign investors remained net buyers in January with strong net inflow of RM3.4b. Key notable event was the first Monetary Policy Committee (MPC) meeting for 2018 where Bank Negara raised the overnight policy rate (OPR) by 25 basis points to 3.25% from 3%. This was the first rate hike since 10 July 2014 and the decision to normalize the OPR was not a surprise given earlier indications from the MPC statement in Nov 17. Ringgit strengthened to a high of RM3.8705/US\$ aided by improved sentiment in the local equities market and rising crude oil prices.

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As we move into February, all eyes will be on the upcoming corporate results season while investors will continue to look out for hints on when the 14th Malaysian General Elections will be held. Meanwhile, regional markets recently saw a pullback sparked by positive data points leading to concerns of additional rate hikes by the US Fed as there was better than expected job creation, low unemployment levels and higher US wage growth in January. However, there was no change to the US Fed's earlier guidance of a gradual increase in federal funds rate and target range at 1.25-1.5%. We continue to advocate accumulating good quality stocks on pullbacks and remain positive on the 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

Hong Leong Assurance Berhad (94613-X)

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HLA Venture Dana Putra (HLAVDP)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|-------|-------|------|-------|-------|
| Benchmark | 13.3% | -4.2% | 2.4% | -6.1% | 10.7% |
| HLAVDP- Gross | 32.6% | -1.1% | 4.9% | -2.4% | 20.8% |
| HLAVDP - Net | 28.6% | -2.4% | 3.1% | -3.6% | 17.7% |

Net returns are adjusted for tax and fund management fees.

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- 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.

HLA Venture Flexi Fund (HLAVFF)

Jan 2018

Fund Features

1. Investment Objective

The objective of the fund is to provide investors the opportunity to enjoy medium to long-term capital appreciation from the prevailing sectorial and investment themes in Malaysian equities market.

2. Investment Strategy & Approach

The fund would be actively managed, rotating between sectors deemed to benefit the most at any given point in time, and would comprise several Core Sectors and Trading / Rotational Sectors which would vary depending on prevailing market conditions. The strategy will be to identify the themes in its early phase to capitalize on its growth. This fund is suitable for aggressive investors who are willing to take higher risk and wish to seek higher returns from a diversified portfolio with thematic investment opportunities.

3. Asset Allocation

The fund will invest a minimum of 30% and up to 95% of its NAV in equities.

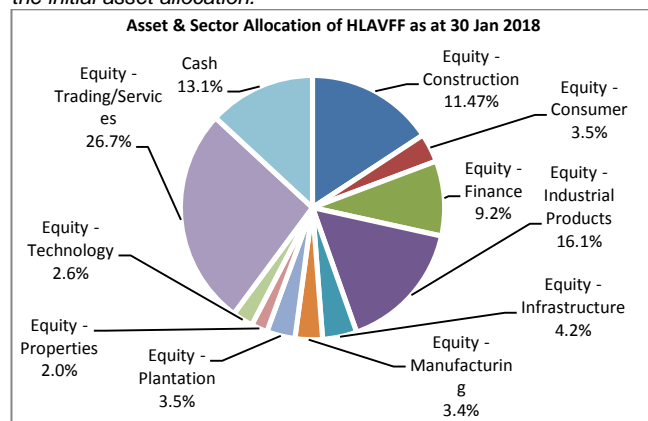
4. Target Market

This fund is suitable for aggressive investors who are willing to take higher risk and wish to seek higher returns from a diversified portfolio with thematic investment opportunities.

Fund Details

| | |
|---|---|
| Unit Price (30/1/2018) | : RM1.1269 |
| Fund Size (30/1/2018) | : RM50.7mil |
| Fund Management Fee (effective as at 01/09/2016) | : 1.45% p.a. (capped at 1.48%) |
| Fund Manager | : Hong Leong Assurance Berhad |
| Fund Category | : Equity |
| Fund Inception | : 06 April 2009 |
| Benchmark | : FTSE Bursa Malaysia KLCI Index (FBM KLCI) |
| 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.



Top 10 Holdings for HLAVFF as at 30 Jan 2018

| | | % |
|---------------------|---------|-------------|
| 1. | MAYBANK | 4.8 |
| 2. | TENAGA | 4.6 |
| 3. | CIMB | 4.4 |
| 4. | VS | 4.2 |
| 5. | EFORCE | 4.2 |
| 6. | INARI | 3.4 |
| 7. | AXIATA | 3.3 |
| 8. | YINSON | 2.9 |
| 9. | JHM | 2.5 |
| 10. | GAMUDA | 2.4 |
| Total Top 10 | | 36.7 |

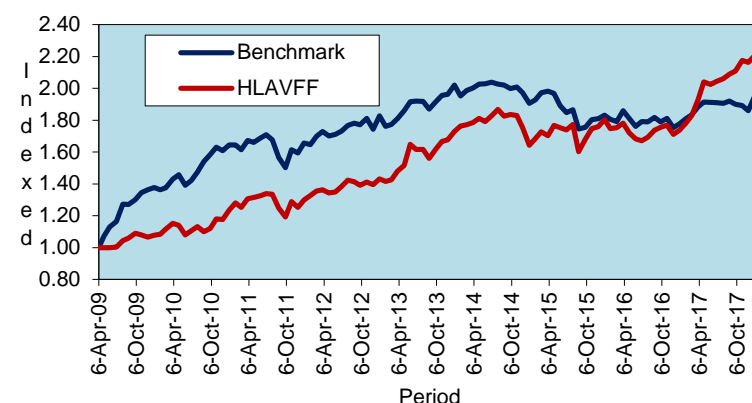
Hong Leong Assurance Berhad (94613-X)

Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

Telephone 03-7650 1818 Facsimile 03-7650 1991

Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299

Historical Performance



| | 1 month | YTD | 1 year | 3 years | 5 years | Since Inception |
|-----------|---------|--------|--------|---------|---------|-----------------|
| HLAVFF | 2.33% | 2.33% | 26.49% | 33.82% | 59.23% | 125.38% |
| Benchmark | 3.99% | 3.99% | 11.79% | 4.90% | 14.81% | 102.28% |
| Relative | -1.66% | -1.66% | 14.70% | 28.92% | 44.42% | 23.10% |

Market Review, Outlook & Strategy

Regional markets started 2018 on a positive note underpinned by optimism of synchronised global growth. China provided a further confidence booster when manufacturing data showed expansion. Oil prices also started 2018 on a bullish note, touching a high of US\$66.24/barrel as the effect of falling oil inventories and prospects of increased consumption by growing economies offset the resumption of production at the North Sea and Libyan pipelines. However, when the reality of a US government shutdown became apparent by the middle of the month, investors did initially feel slightly jittery. President Trump's announcement of import tariffs on solar panels and washing machines also added to the nervousness. The pessimism was eventually short-lived when the US government shutdown only lasted for three days, followed by rising optimism over US corporate earnings.

The local market also started the year on a strong note in tandem with regional peers. Foreign investors remained net buyers in January with strong net inflow of RM3.4b. Key notable event was the first Monetary Policy Committee (MPC) meeting for 2018 where Bank Negara raised the overnight policy rate (OPR) by 25 basis points to 3.25% from 3%. This was the first rate hike since 10 July 2014 and the decision to normalize the OPR was not a surprise given earlier indications from the MPC statement in Nov 17. Ringgit strengthened to a high of RM3.8705/US\$ aided by improved sentiment in the local equities market and rising crude oil prices.

During the month, the KLCI gained 4% mom or 71.8pts to close at 1,868pts. This represents the highest closing since September 2014. The KLCI outperformed the broader market and small caps. However, it underperformed the MSCI Asia Pacific ex-Japan Index (MXASJ), which gained 6.7% mom.

As we move into February, all eyes will be on the upcoming corporate results season while investors will continue to look out for hints on when the 14th Malaysian General Elections will be held. Meanwhile, regional markets recently saw a pullback sparked by positive data points leading to concerns of additional rate hikes by the US Fed as there was better than expected job creation, low unemployment levels and higher US wage growth in January. However, there was no change to the US Fed's earlier guidance of a gradual increase in federal funds rate and target range at 1.25-1.5%. We continue to advocate accumulating good quality stocks on pullbacks and remain positive on the 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

HLA Venture Flexi Fund (HLAVFF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark | 10.5% | -5.7% | -3.9% | -3.0% | 9.5% |
| HLAVFF- Gross | 24.1% | -3.9% | 12.2% | -2.4% | 30.6% |
| HLAVFF - Net | 20.8% | -5.0% | 9.8% | -3.7% | 26.7% |

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 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.

5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on 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 Flexi Fund 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.

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Disclaimer:

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HLA Value Fund (HLVF)

Jan 2018

Fund Features

1. Investment Objective

The objective of the fund is to achieve large capital gains by investing in companies that are well-managed and financially stable which are undervalued or at deep discount to their net tangible asset values.

2. Investment Strategy & Approach

The strategy is to provide investors an access into a diversified portfolio of value stocks listed on Bursa Malaysia and/or in any foreign stock exchanges that offer potential capital appreciation. The fund may feed into collective investment schemes that meet the fund's objective. At inception, the fund will invest by feeding into Hong Leong Penny Stock Fund ('Target Fund') with the option to increase the number of funds or replace the Target Fund in future. The Target Fund will invest with a value investment strategy across equity securities of all market capitalization level of companies operating in Malaysia. Generally, companies that have valuations at a discount to the market and/or its sector peers are selected. Additionally, the Target Fund may also invest in stocks with market capitalization of up to RM1 billion that are not well covered by equity research houses and stockbrokers.

3. Plough Back Mechanism

In the event that the net fund performance is below 5% per annum based on the performance assessment on the last business day of September of each year, an amount equivalent to 0.5% per annum of the fund's Net Asset Value (NAV) will be ploughed back to the fund in four equal weekly payments. The first payment will be due on the first business day of October of each year.

4. Asset Allocation

The indicative asset allocation for Hong Leong Penny Stock Fund ('Target Fund') is to invest a minimum of 70% of its NAV in equities and maximum 30% of its NAV in fixed income securities. Generally, HLA Value Fund may invest up to 95% of its NAV in equities.

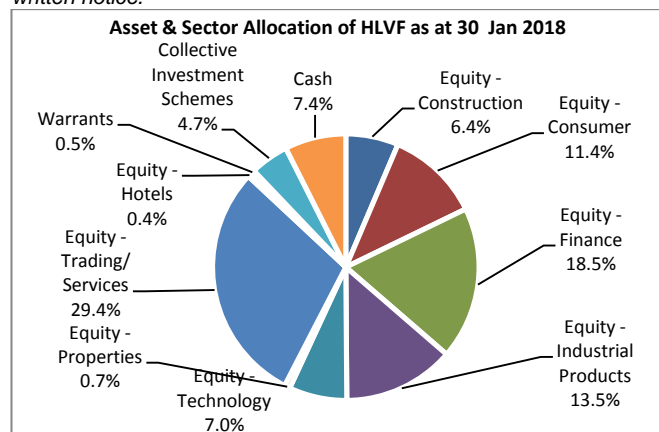
5. Target Market

This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

Fund Details

| | |
|--|-------------------------------|
| Unit Price (30/1/2018) | : RM 1.2395 |
| Fund Size (30/1/2018) | : RM 77.2mil |
| Fund Management Fee (effective as at 01/10/2015) | : 1.45% p.a. |
| Fund Manager | : Hong Leong Assurance Berhad |
| Fund Category | : Equity |
| Fund Inception | : 01 October 2015 |
| Benchmark | : FTSE Bursa Malaysia EMAS |
| Frequency of Unit Valuation | : Daily |

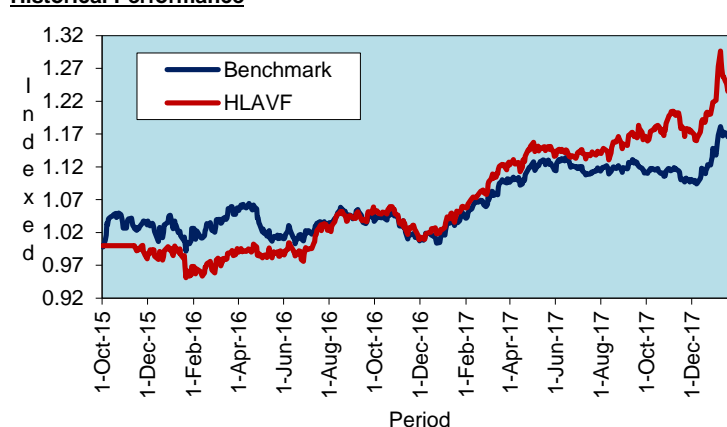
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.



Top 10 Holdings for HLVF as at 30 Jan 2018

| | % |
|--------------------------------------|-------------|
| 1. PUBLIC BANK BERHAD | 8.6 |
| 2. TOP GLOVE | 7.6 |
| 3. TENAGA NASIONAL BERHAD | 7.5 |
| 4. MY EG SERVICES BERHAD | 6.1 |
| 5. FRASER & NEAVE HOLDINGS BERHAD | 5.9 |
| 6. GENTING MALAYSIA BERHAD | 5.7 |
| 7. SKP RESOURCES BERHAD | 5.6 |
| 8. GLOBETRONICS TECHNOLOGY BERHAD | 5.5 |
| 9. HONG LEONG MONEY MARKET FUND | 4.7 |
| 10. UMW OIL & GAS CORPORATION BERHAD | 4.5 |
| Total Top 10 | 61.7 |

Historical Performance



| | 1 month | 6 months | YTD | Since Inception | 1 year | 2 years |
|-----------|---------|----------|--------|-----------------|--------|---------|
| HLVF | 1.72% | 8.52% | 1.72% | 23.95% | 17.22% | 28.01% |
| Benchmark | 3.32% | 6.53% | 3.32% | 18.62% | 13.89% | 15.60% |
| Relative | -1.59% | 1.99% | -1.59% | 5.33% | 3.33% | 12.41% |

Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI rose 4.0% to close at 1,869 points. The broader market underperformed as the FTSE BM EMAS Index rose 3.3% to close at 13,372 points. Small caps underperformed as the FTSE BM Small Cap Index rose 2.7% to close at 13,658 points.

The financial sector was one of the main driver of the KLCI performance during the month as Bank Negara Malaysia raised the policy rate by 25 basis points.

On the corporate front, CIMB Group Holdings Berhad proposed to divest 20% of its stake in CIMB-Principal Asset Management to Principal International Asia Limited and 10% of its stake in CIMB Principal Islamic Asset Management Sendirian Berhad to Principal Financial Services Inc. The electrified double tracking project between Gemas and Johor Bahru, which was awarded to CRCC-CREC-CCCC Consortium Sendirian Berhad, is scheduled to begin by end of January.

The Fund will continue to identify companies that are potential winners in growing industries helped by capable management.

Hong Leong Assurance Berhad (94613-X)

Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

Telephone 03-7650 1818 Facsimile 03-7650 1991

Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299

HLA Value Fund (HLVF)

Actual Annual Investment Returns for the Past Three (3) Calendar Years

| Year | 2015 | 2016 | 2017 |
|-------------|-------|-------|-------|
| Benchmark | 4.6% | -2.8% | 12.9% |
| HLVF- Gross | -0.1% | 4.7% | 22.2% |
| HLVF - Net | -0.4% | 2.8% | 19.0% |

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past three (3) 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.

The fund was only launched on 1 October 2015. The actual investment returns are calculated based on unit price from 1 October 2015 to 31 December 2015.

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.

5. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

6. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

7. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on 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.

Target Fund Details

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

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|-------|------|-------|------|-------|
| Performance | 19.6% | 1.1% | 18.8% | 3.1% | 21.7% |

Source: Hong Leong Asset Management

HLA Value Fund (HLVF)

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 Value Fund 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 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.

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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.

Hong Leong SMART Invest Fund (HLSIF)

Jan 2018

Fund Features

1. Investment Objective

The primary objective of the fund is to achieve large capital gains by investing in companies that are well-managed and financially stable which are undervalued or at deep discount to their net tangible asset values.

2. Investment Strategy & Approach

The strategy is to provide investors an access into a diversified portfolio of value stocks listed on Bursa Malaysia and/or in any foreign stock exchanges that offer potential capital appreciation. The fund will principally feed into collective investment schemes that meet the fund's objective. At inception, the fund will invest by feeding into Hong Leong Penny Stock Fund ('Target Fund') with the option to increase the number of funds or replace the Target Fund in future. The Target Fund will invest with a value investment strategy across equity securities of all market capitalization level of companies operating in Malaysia. Generally, companies that have valuations at a discount to the market and/or its sector peers are selected. Additionally, the Target Fund may also invest in stocks with market capitalization of up to RM1 billion that are not well covered by equity research houses and stockbrokers.

3. Asset Allocation

The indicative asset allocation for Hong Leong Penny Stock Fund ('Target Fund') is to invest a minimum of 70% of its NAV in equities and maximum 30% of its NAV in fixed income securities. Generally, Hong Leong SMART Invest Fund may invest up to 95% of its NAV in equities.

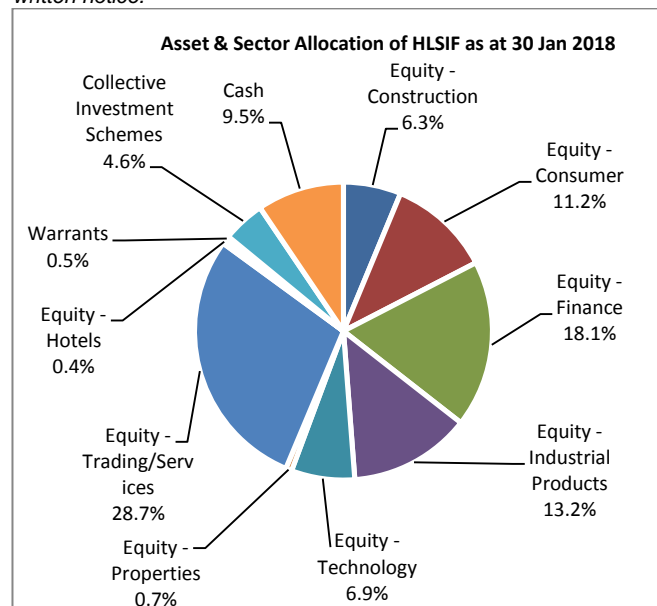
4. Target Market

This fund is suitable for investors who have a higher than average risk tolerance level, medium-term investment horizon, and are able to accept the anticipated higher volatility of the fund.

Fund Details

| | |
|--|-------------------------------|
| Unit Price (30/1/2018) | : RM 1.0394 |
| Fund Size (30/1/2018) | : RM 27.7mil |
| Fund Management Fee (effective as at 23/11/2017) | : 1.50% p.a. |
| Fund Manager | : Hong Leong Assurance Berhad |
| Fund Category | : Equity |
| Fund Inception | : 23 November 2017 |
| Benchmark | : FTSE Bursa Malaysia EMAS |
| Frequency of Unit Valuation | : Daily |

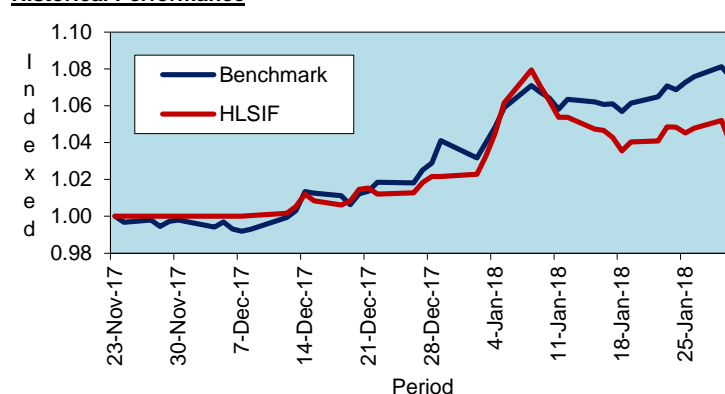
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.



Top 10 Holdings for HLSIF as at 30 Jan 2018

| | % |
|--------------------------------------|-------------|
| 1. PUBLIC BANK BERHAD | 8.4 |
| 2. TOP GLOVE | 7.4 |
| 3. TENAGA NASIONAL BERHAD | 7.3 |
| 4. MY EG SERVICES BERHAD | 6.0 |
| 5. FRASER & NEAVE HOLDINGS BERHAD | 5.8 |
| 6. GENTING MALAYSIA BERHAD | 5.6 |
| 7. SKP RESOURCES BHD | 5.5 |
| 8. GLOBETRONICS TECHNOLOGY BERHAD | 5.3 |
| 9. HONG LEONG MONEY MARKET FUND | 4.6 |
| 10. UMW OIL & GAS CORPORATION BERHAD | 4.4 |
| Total Top 10 | 60.3 |

Historical Performance



| | 1 month | 6 months | YTD | Since Inception | 1 year | 2 years |
|-----------|---------|----------|--------|-----------------|--------|---------|
| HLSIF | 1.74% | - | 1.74% | 3.94% | - | - |
| Benchmark | 3.32% | - | 3.32% | 7.56% | - | - |
| Relative | -1.57% | - | -1.57% | -3.62% | - | - |

Market Review, Outlook & Strategy

During the month, the FTSE BM KLCI rose 4.0% to close at 1,869 points. The broader market underperformed as the FTSE BM EMAS Index rose 3.3% to close at 13,372 points. Small caps underperformed as the FTSE BM Small Cap Index rose 2.7% to close at 13,658 points.

The financial sector was one of the main driver of the KLCI performance during the month as Bank Negara Malaysia raised the policy rate by 25 basis points.

On the corporate front, CIMB Group Holdings Berhad proposed to divest 20% of its stake in CIMB-Principal Asset Management to Principal International Asia Limited and 10% of its stake in CIMB Principal Islamic Asset Management Sendirian Berhad to Principal Financial Services Inc. The electrified double tracking project between Gemas and Johor Bahru, which was awarded to CRCC-CREC-CCCC Consortium Sendirian Berhad, is scheduled to begin by end of January.

The Fund will continue to identify companies that are potential winners in growing industries helped by capable management.

Hong Leong Assurance Berhad (94613-X)

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Hong Leong SMART Invest Fund (HLSIF)

Actual Annual Investment Returns for the Past One (1) Calendar Year

| Year | 2017 |
|--------------|-------|
| Benchmark | 12.9% |
| HLSIF- Gross | 2.5% |
| HLSIF - Net | 2.2% |

Net returns are adjusted for tax and fund management fees.

Those are the actual returns in the past one (1) year, 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.

The fund was only launched on 23 November 2017. The actual investment returns are calculated based on unit price from 23 November 2017 to 31 December 2017.

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.

5. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

If the fund invests in Foreign Asset, the fund will be exposed to the following risks:

6. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

7. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on 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.

Target Fund Details

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

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|-------|------|-------|------|-------|
| Performance | 19.6% | 1.1% | 18.8% | 3.1% | 21.7% |

Source: Hong Leong Asset Management

Hong Leong SMART Invest Fund (HLSIF)

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

Hong Leong SMART Invest Fund 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 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.

Hong Leong Smart Growth Fund (HLSGF)

Jan 2018

Fund Features

1. Investment Objective

The primary objective of the fund is to provide investors with steady long-term capital growth at moderate risk.

2. Investment Strategy & Approach

The strategy is to provide investors an access into a diversified portfolio of growth stocks listed on Bursa Malaysia and/or in any foreign stock exchanges that offer potential capital appreciation at moderate risk. The fund may feed into collective investment schemes that meet the fund's objective. At inception, HLSGF will invest by feeding into Kenanga Growth Fund ("Target Fund") with the option to increase the number of funds or replace the Target Fund in future. The Target Fund's assets are actively invested in a diversified portfolio of Malaysian equity and equity-related securities of companies with sustainable business model that is trading at a discount to its intrinsic value.

3. Asset Allocation

Under normal market conditions, the Target Fund's equity exposure is expected to range from 75% to 95% of the Target Fund's NAV with the balance in money market instruments, fixed deposits and/or cash.

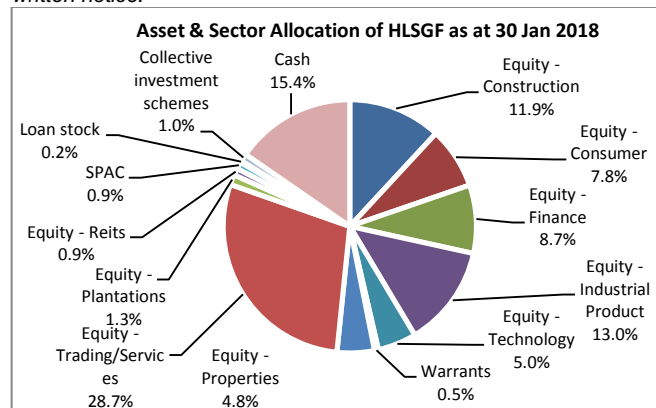
4. Target Market

This fund is suitable for investors who have long term investment time horizon and have a moderate risk profile with tolerance for short-term periods of volatility.

Fund Details

| | |
|------------------------------------|---|
| Unit Price (30/1/2018) | : RM2.0458 |
| Fund Size (30/1/2018) | : RM280.6mil |
| Fund Management Fee | : 1.50% p.a. |
| Fund Manager | : Hong Leong Assurance Berhad |
| Fund Category | : Equity |
| Fund Inception | : 01 Oct 2012 |
| Benchmark | : FTSE Bursa Malaysia KLCI Index (FBM KLCI) |
| Frequency of Unit Valuation | : Daily |

The Company reserves the right to change the Fund Management Fee (%p.a) by giving the Policy Owner ninety (90) days prior written notice.



Top 10 Holdings for HLSGF as at 30 Jan 2018

| | % |
|---|-------------|
| 1. TENAGA NASIONAL BHD | 3.5 |
| 2. YINSON HOLDINGS BHD | 2.9 |
| 3. GLOBETRONICS TECHNOLOGY BHD | 2.8 |
| 4. LBS BINA GROUP BHD | 2.8 |
| 5. GABUNGAN AQRS BHD | 2.8 |
| 6. DIALOG GROUP BHD | 2.5 |
| 7. PRESS METAL ALUMINIUM HOLDING BERHAD | 2.4 |
| 8. MALAYAN BANKING BERHAD | 2.4 |
| 9. SIME DARBY BERHAD | 2.2 |
| 10. INARI AMERTRON BHD | 2.2 |
| Total Top 10 | 26.5 |

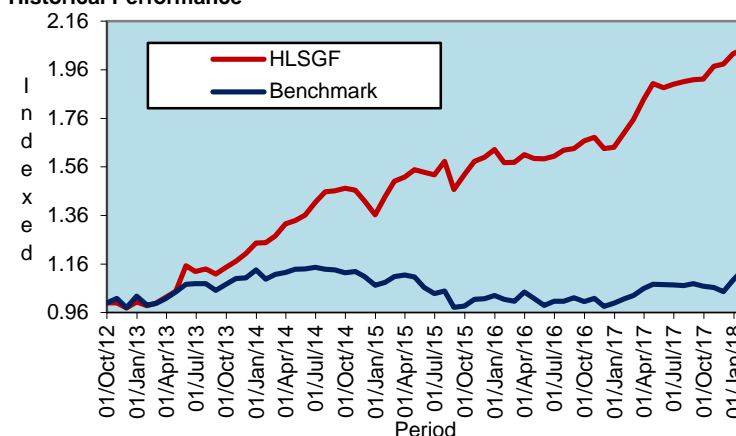
Hong Leong Assurance Berhad (94613-X)

Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

Telephone 03-7650 1818 Facsimile 03-7650 1991

Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299

Historical Performance



| | 1 month | YTD | 1 Year | 3 Years | 5 Years | Since Inception |
|-----------|---------|--------|--------|---------|---------|-----------------|
| HLSGF | 1.01% | 1.01% | 20.19% | 42.36% | 107.09% | 104.58% |
| Benchmark | 3.99% | 3.99% | 11.79% | 4.90% | 14.81% | 13.71% |
| Relative | -2.98% | -2.98% | 8.40% | 37.45% | 92.28% | 90.87% |

Market Review, Outlook & Strategy relevant to Target Fund

Fed started to double the pace of its balance sheet reduction from USD10b to USD20b and will increase it by USD10b every three months. Meanwhile, ECB's plan is to reduce asset purchases from EUR60b to EUR30b until at least September. Bank of Japan reduced purchase of 10 to 25-year bonds and 25 to 40-year bonds by JPY10b each. China's December data were broadly within expectations but 4Q17 GDP growth was higher than expected and brought 2017 GDP growth to 6.9%, the first pick-up since 2010. After the US Government shutdown ended, President Trump slapped steep tariffs of 20-50% on imported washing machines and solar panels. Korea stock exchange announced KRX300 Index to be launched on Feb 5, another bright spot for small-mid caps.

MSCI Asia Pacific ex-Japan posted the best monthly return since March 2016, gained 7.5% and outperformed MSCI World's 1%. Leaders were HSCEI (+15.7%), Hang Seng (+9.8%) and SHCOMP (+8.9%). Upward revision on global growth forecast, USD weakness and increasing commodities prices presented an upbeat sentiment. Financials re-rated on better macroeconomic backdrop, Internet sector recovered after remaining subdued for the previous two months as investors rotated into value stocks but Technology hardware was still plagued by smartphone shipment concern.

Brent and WTI crude oil were up 3% and 7% respectively due to strong demand in extremely cold winter. MYR, THB and RMB top the list of best-performing currencies, while PHP, KRW and HKD among the worst performers.

On the domestic front, FBMKLCI closed 4% higher driven by financials that rallied on 25bps OPR hike by Bank Negara and the outperformance of PNB-related companies. Net inflows expanded by another RM3.4b in January after total inflows of RM10.8b in 2017, and international reserves continued to grow to USD103b as at Jan 22. Other key news include the tender submission for MRT Circle Line by three Malaysian consortiums and a Chinese joint-venture.

Market Outlook & Fund Strategy

Sentiment turned negative stepping into February with all markets reversing their earlier gains and Malaysia was no exception. We believe fundamentals have not changed materially to warrant a trend reversal, although equities valuations have admittedly turned overly expensive for certain markets, rendering this correction somewhat timely. Specifically for Malaysia, our positive view is supported by the strong economic growth, improving corporate earnings, whilst the appreciating MYR is supportive of fund flows. Post-election, we anticipate the return of foreign flows and certain themes like rising FDI, China's Belt Road Initiatives, railway construction awards, GLC transformation should become more discerning in 2H, providing the positive backdrop.

Hong Leong Smart Growth Fund (HLSGF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|-------|-------|-------|-------|-------|
| Benchmark | 10.5% | -5.7% | -3.9% | -3.0% | 9.5% |
| HLSGF - Gross | 27.8% | 11.8% | 23.1% | 2.3% | 27.1% |
| HLSGF - Net | 24.1% | 9.3% | 19.8% | 0.6% | 23.5% |

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.

The fund was only launched on 1 October 2012. The actual investment returns are calculated based on unit price from 1 October 2012 to 31 December 2012.

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.

5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

7. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

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.

Target Fund Details

Kenanga Growth Fund is an Equity fund managed by Kenanga Investors Berhad. The past performance of this fund is as follows:

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|-------|------|-------|-------|-------|
| Performance | 26.4% | 9.3% | 20.9% | -0.1% | 25.8% |

Hong Leong Smart Growth Fund (HLSGF)

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

Hong Leong Smart Growth Fund 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.

HLA Venture Global Fund (HLAVGLF)

Jan 2018

Fund Features

1. Investment Objective

The objective of the fund is provide investors with steady growth and consistency in income return over a medium to long term investment horizons by investing into global equities.

2. Investment Strategy & Approach

This fund will initially invest in, but not limited to Hong Leong Asia-Pacific Dividend Fund and Hong Leong Strategic Fund that uses equity, fixed income and money market instruments as their underlying assets. This fund will seek to diversify its investment geographically and by asset classes i.e. global equity of companies involved in the extraction, processing, transportation and distribution of natural resources, high dividend yield equities in Asia Pacific region (excluding Japan), global equities and/or local equities.

3. Asset Allocation

The fund will invest up to 95% of its NAV into selected unit trust funds.

4. Target Market

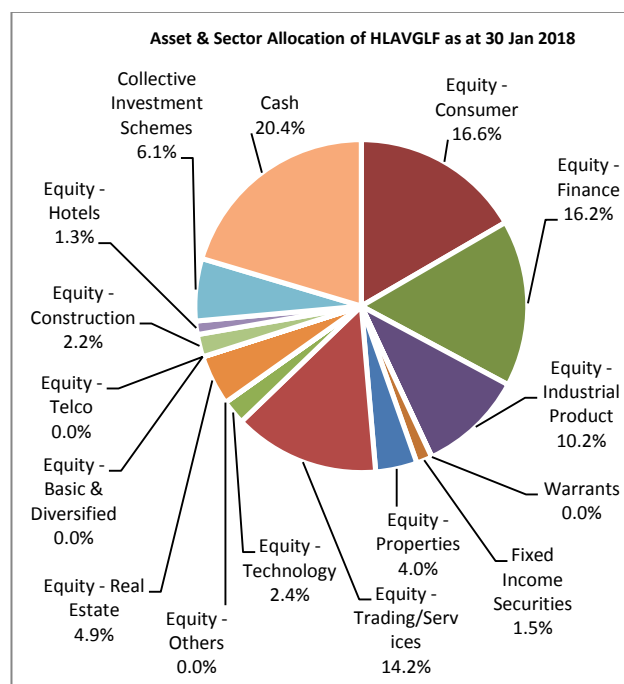
This fund is suitable for investors with moderate to high-risk appetite with a medium to long-term investment horizon.

Fund Details

| | |
|-----------------------------|--|
| Unit Price (30/1/2018) | :RM1.3917 |
| Fund Size (30/1/2018) | :RM29.8mil |
| Fund Management Fee | :1.29% p.a. |
| Fund Manager | :Hong Leong Assurance Berhad |
| Fund Category | :Equity |
| Fund Inception | : 02 April 2007 |
| Benchmark | :MSCI AC Asia Pacific ex Japan + MSCI ACWI Index + RAM Quantshop MGS ALL |
| Frequency of Unit Valuation | :Daily |

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 Allocation for HLAVGLF as at 30 Jan 2018 | % |
|--|--------------|
| Hong Leong Asia-Pacific Dividend Fund | 56.4 |
| Hong Leong Strategic Fund | 42.1 |
| Cash | 1.5 |
| Total | 100.0 |



Top 10 Holdings for HLAVGLF as at 30 Jan 2018 %

Hong Leong Assurance Berhad (94613-X)

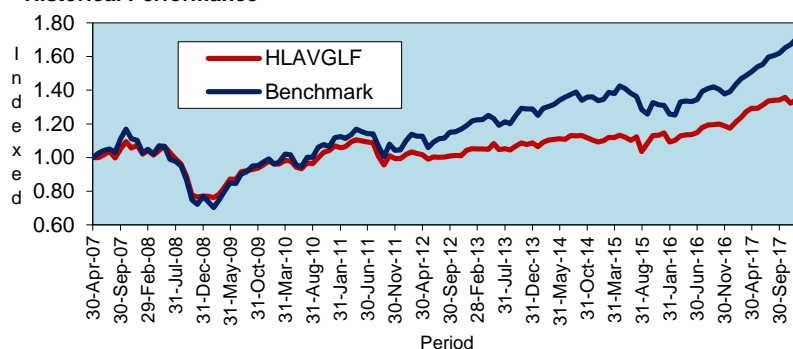
Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

Telephone 03-7650 1818 Facsimile 03-7650 1991

Customer Service Hotline 03-7650 1288 Customer Service Hotfax 03-7650 1299

| | | |
|---------------------|---|-------------|
| 1. | Hong Leong Islamic Institutional Income Management Fund II GII Murabahah – 2025 | 6.0 |
| 2. | Tenaga Nasional | 3.4 |
| 3. | RHB Bank Berhad | 2.9 |
| 4. | Top Glove | 2.5 |
| 5. | SKP Resources | 2.4 |
| 6. | Malayan Banking Berhad | 2.2 |
| 7. | BAIC Motor Corporation Ltd - H | 2.0 |
| 8. | CK Asset Holdings Ltd | 2.0 |
| 9. | Dali Foods Group Company Ltd | 2.0 |
| 10. | Malayan Flour Mills Bhd | 1.9 |
| Total Top 10 | | 27.3 |

Historical Performance



| | 1 month | YTD | 1year | 5 years | 10 years | Since Inception |
|-----------|---------|--------|--------|---------|----------|-----------------|
| HLAVGLF | 3.78% | 3.78% | 15.04% | 32.15% | 36.49% | 39.17% |
| Benchmark | 4.23% | 4.23% | 23.54% | 45.46% | 72.25% | 77.22% |
| Relative | -0.45% | -0.45% | -8.50% | -13.30% | -35.75% | -38.05% |

Market Review, Outlook & Strategy relevant to Target Fund

Equity Review

Global- The US market continued with its ascent. The strong positive momentum was largely driven by growing confidence in the economic outlook. Europe markets also performed well given the strong economic backdrop and recovery in earnings expectations. The Dow Jones Industrial Average Index rose 5.8% and the broader S&P 500 Index rose 5.6%. The Euro Stoxx Index rose 3.0% and the FTSE 100 Index declined 2.0%.

Asia Pac- Regional markets rose strongly on the back of US Dollar (USD) weakening, strong economic outlook and rising commodity prices. Hong Kong and India posted the largest gains during the month while Australia and Japan were laggards. The Malaysia Ringgit and Thai Baht were the best performing currencies during the month.

Malaysia- The local market rallied in line with regional peers due to a surge in foreign inflows. The FTSE BM KLCI rose 4.0% to close at 1,869 points. The broader market underperformed as the FTSE BM EMAS Index rose 3.3% to close at 13,372 points. Small Caps underperformed as the FTSE BM Small Cap Index rose 2.7% to close at 17,085 points.

Outlook & Strategy

Global- The broad macroeconomic picture for the US remained strong. Manufacturing activity remained robust. Jobs report was stellar while unemployment rate remained at 4.1%. In Europe, most investors are wary of the Italian election on 4 March 2018. However, most populist parties have toned down their populist and protectionist stance and the result is unlikely to rattle investors. Central bankers in the US and Europe are keeping an eye on inflation and expect inflation to pick up towards their 2% targets.

Asia Pac- China's economy grew in line with expectations in the fourth quarter of 2017. The tertiary sector grew at a faster pace than the secondary sector, suggesting that the China economic rebalancing is well underway. Japan machinery orders continue to be strong, suggesting rising manufacturing activity. In Indonesia, rising import of consumer goods seem to suggest that domestic demand is stabilizing. For our investment portfolios, we look to increase exposure in countries or sectors that will benefit from improving economic growth.

Malaysia- We expect investors' focus to be on the upcoming February results season and political news with regards to the upcoming general elections to be held this year. We maintain our preference for blue-chip stocks that are trading at attractive levels, selected construction and consumer stocks that may benefit from government pump-priming.

Fixed Income Review and Outlook

Despite the hawkish tone in January's Federal Open Market Committee (FOMC) statement, the US Fed decided to keep rate unchanged in view of current and expected labor market conditions and inflation. Policy makers are now expecting a hike in March along with majority of the investors. Local sovereign bond started the year with strong demands but closed weaker at month end taking the lead from the higher US treasuries yields. The first auction, the 20-year Malaysian Government Securities (MGS) recorded a moderate bid-to-cover of 1.90 times. The subsequent auctions, the 5-year Government Investment Issue (GII) and 15-year MGS received strong bids with higher bid-to-cover of 2.58 times and 2.47 times respectively. In the primary corporate bond space, Danga Capital Berhad issued RM1.5 billion of the 15-year sukuk.

Locally, Bank Negara Malaysia's 25 basis points (bps) hike in the Overnight Policy Rate (OPR) on 25 January 2018 came as expected, citing strong growth fundamentals and robust domestic demand. The hike was seen as normalization and a pre-emptive move to prevent the build-up of risks that could arise from low interest rates for a prolonged period of time. The central bank also signaled that any future policy decisions will be data dependent i.e. the balance of risks for growth and inflation. We expect the OPR to hold at 3.25% for the next 9 months. We look to remain defensive in the sovereign bond market but may add on any market dip. We are constructive in the corporate bond space.

HLA Venture Global Fund (HLAVGLF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------|------|------|-------|------|-------|
| Benchmark | 8.3% | 3.9% | -2.2% | 6.2% | 22.3% |
| HLAVGLF- Gross | 6.0% | 1.9% | 6.7% | 4.2% | 16.7% |
| HLAVGLF - Net | 4.2% | 0.5% | 4.9% | 2.6% | 14.1% |

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 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.

5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

7. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

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 us 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.

HLA Venture Global Fund (HLAVGLF)

Target Fund Details

1. Hong Leong Asia-Pacific Dividend Fund is an Equity fund managed by HLAM. The past performance of this fund is as follows:

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|-------|-------|------|------|-------|
| Performance | -4.8% | -1.0% | 6.5% | 1.8% | 19.2% |

2. Hong Leong Strategic Fund is a Mixed Assets fund managed by HLAM. The past performance of this fund is as follows:

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|-------|-------|------|------|-------|
| Performance | 14.5% | -0.7% | 4.3% | 4.8% | 10.9% |

Source: Hong Leong Asset Management Berhad (HLAM)

Note: Hong Leong Global Resources Income Fund has been liquidated on 17 April 2014.

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 funds, past performance is calculated after adjusting for distribution and/or additional units, if any.

Others

HLA Venture Global Fund 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.

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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.

HLA Venture Managed Fund (HLAVMF)

Jan 2018

Fund Features

1. Investment Objective

The objective of the fund is aim to provide investors with prospects for long-term capital appreciation through diversification in various capital instruments including equity, government securities, private debt securities, money market instruments and foreign assets as well as derivatives. This fund aims to outperform the benchmark comprising of FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) and Maybank 12-month fixed deposit rate in a ratio of 50:50.

2. Investment Strategy & Approach

This fund will participate in both fixed income and equity markets as well as benchmarked against the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) and Maybank 12-month fixed deposit rate in equal proportion. This fund is suitable for investors who are willing to take moderate risk.

3. Asset Allocation

The fund will invest up to a maximum 50% of its NAV in equities.

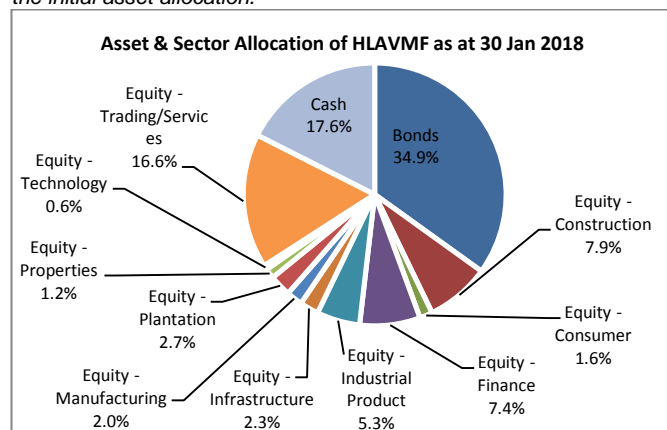
4. Target Market

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

Fund Details

| | |
|---|--|
| Unit Price (30/1/2018) | :RM2.2515 |
| Fund Size (30/1/2018) | :RM237.7mil |
| Fund Management Fee (effective as at 01/03/2017) | : 1.23% p.a. (capped at 1.25%) |
| Fund Manager | :Hong Leong Assurance Berhad |
| Fund Category | :Managed |
| Fund Inception | :07 April 2004 |
| Benchmark | :50% FTSE Bursa Malaysia KLCI Index (FBM KLCI)&50% 12-month Fixed Deposit Interest Rates |
| 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.



Top 10 Holdings for HLAVMF as at 30 Jan 2018

| | | % |
|--|----|-------------|
| 1. TENAGA | EQ | 5.3 |
| 2. MAYBANK | EQ | 4.0 |
| 3. CIMB | EQ | 3.4 |
| 4. MALAYAN BANKING BERHAD 2 6.30% 25/9/2018 | FI | 3.2 |
| 5. ALLIANCE BANK MALAYSIA BHD 5.65% 18/12/2020 | FI | 3.0 |
| 6. MALAYSIA AIRPORTS HOLDINGS 5.75% 13/12/2024 | FI | 3.0 |
| 7. AXIATA | EQ | 2.3 |
| 8. EFORCE | EQ | 2.3 |
| 9. VS | EQ | 2.3 |
| 10. BGSM MANAGEMENT SDN BHD 2 5.25% 24/12/2020 | FI | 2.2 |
| Total Top 10 | | 31.0 |

FI : Fixed Income
EQ : Equities

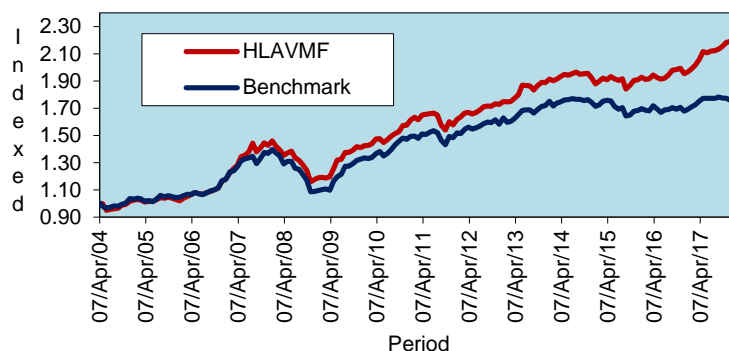
Hong Leong Assurance Berhad (94613-X)

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Historical Performance



| | 1 month | YTD | 1 year | 5 years | 10 years | Since Inception |
|-----------|---------|--------|--------|---------|----------|-----------------|
| HLAVMF | 1.33% | 1.33% | 12.99% | 28.81% | 58.59% | 125.15% |
| Benchmark | 2.38% | 2.38% | 7.91% | 15.74% | 34.85% | 83.84% |
| Relative | -1.05% | -1.05% | 5.08% | 13.07% | 23.74% | 41.31% |

Market Review, Outlook & Strategy - Equities Market

Regional markets started 2018 on a positive note underpinned by optimism of synchronised global growth. China provided a further confidence booster when manufacturing data showed expansion. Oil prices also started 2018 on a bullish note, touching a high of US\$66.24/barrel as the effect of falling oil inventories and prospects of increased consumption by growing economies offset the resumption of production at the North Sea and Libyan pipelines. However, when the reality of a US government shutdown became apparent by the middle of the month, investors did initially feel slightly jittery. President Trump's announcement of import tariffs on solar panels and washing machines also added to the nervousness. The pessimism was eventually short-lived when the US government shutdown only lasted for three days, followed by rising optimism over US corporate earnings.

The local market also started the year on a strong note in tandem with regional peers. Foreign investors remained net buyers in January with strong net inflow of RM3.4b. Key notable event was the first Monetary Policy Committee (MPC) meeting for 2018 where Bank Negara raised the overnight policy rate (OPR) by 25 basis points to 3.25% from 3%. This was the first rate hike since 10 July 2014 and the decision to normalize the OPR was not a surprise given earlier indications from the MPC statement in Nov 17. Ringgit strengthened to a high of RM3.8705/US\$ aided by improved sentiment in the local equities market and rising crude oil prices.

During the month, the KLCI gained 4% mom or 71.8pts to close at 1,868pts. This represents the highest closing since September 2014. The KLCI outperformed the broader market and small caps. However, it underperformed the MSCI Asia Pacific ex-Japan Index (MXASJ), which gained 6.7% mom.

As we move into February, all eyes will be on the upcoming corporate results season while investors will continue to look out for hints on when the 14th Malaysian General Elections will be held. Meanwhile, regional markets recently saw a pullback sparked by positive data points leading to concerns of additional rate hikes by the US Fed as there was better than expected job creation, low unemployment levels and higher US wage growth in January. However, there was no change to the US Fed's earlier guidance of a gradual increase in federal funds rate and target range at 1.25-1.5%. We continue to advocate accumulating good quality stocks on pullbacks and remain positive on the 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

Market Review, Outlook & Strategy - Fixed Income Market

For the month of January, the local govies (GG) market began the year with a short moment of divergence from US Treasuries (UST). UST was on a rising trend with the prediction of Fed's raising rates at a faster pace while local govies rallied on the back of a strong Ringgit. Both foreign offshore and local players were active in the first half of the month when USD/MYR was close to breaching USD/RM4.00 but sentiment, however, faded closer towards the MPC meeting. The market's view on OPR was mixed with most investors preferring to stay sidelined. Thus, yields were on an uptrend due to thin liquidity.

As guided earlier, at the first policy rate meeting of the year, Bank Negara Malaysia raised the OPR by 25bps to 3.25%, the first rate hike since July 2014. In the latest policy statement, a more neutral tone was observed and market expects no further OPR hikes in 2018. This is since MPC's intention was to normalize the degree of monetary accommodation and as a preemptive strike to prevent the build-up of risks that could arise from a prolonged period of low interest rates. With this, volume started to improve with some repositioning of portfolios. Nevertheless, it was short-lived due to the rapid rise in UST yields. Overall, 10 year UST's yields rose close to 30bps mom while 10 years MGS' yield only rose 6bps during the month.

In the corporate bond space, sentiment was similar to govies' whereby interest was strong at the beginning of the month and slowed down towards the MPC meeting. Secondary trades primarily focused on financial, power as well as selected GGs. During the month, PTPTN, Danga Capital, Segi Astana, Sinar Kamiri and Syarikat Air Johor Corporation tapped the market.

The Fed's monetary policy stance will continue to be one of the major determinants of the local bond sentiment. Thus, we will continue to observe the UST movement to gauge sentiment on local govies. Currently, market is bearish towards UST's as predictions on the number of potential rate hikes increases. This is despite the fact that the USD/MYR is expected to hold at below USD/MYR 4.00 with no further hikes in Malaysia, as local investors are cautious that the selloff in UST will spill over to the domestic bond market.

On corporate bonds space, many corporate issuers especially the GG's, financial/banking and infrastructure/utilities are still looking for funding. With the potential rise in MGS yields, the absolute drawdown yield of primary issuances should be attractive enough to be considered.

Thus, we will take advantage of the primary issuances that are within our investment space and pace our purchases at every level to average up the portfolio yield as it rises.

HLA Venture Managed Fund (HLAVMF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------|-------|-------|-------|-------|-------|
| Benchmark | 7.3% | -2.6% | -1.3% | -0.8% | 6.6% |
| HLAVMF - Gross | 11.4% | -0.7% | 4.3% | 3.4% | 15.4% |
| HLAVMF - Net | 9.3% | -1.9% | 2.7% | 2.0% | 12.9% |

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 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.

5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on 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 Managed Fund 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.

HLA Venture Income Fund (HLAVIF)

Jan 2018

Fund Features

1. Investment Objective

The objective of the fund is to achieve high principal security and steady income by investing in fixed-income instruments. Returns will be comparable to prevailing interest rates but correspondingly, the risks will be significantly lower than that for equities investment.

2. Investment Strategy & Approach

This fund focuses on fixed income securities and money market instruments as well as benchmarked against Maybank's 3 months fixed deposit rate. This fund is suitable for investors who have low to moderate risk profile.

3. Asset Allocation

The fund will invest up to 100% of its NAV in fixed income instruments.

4. Target Market

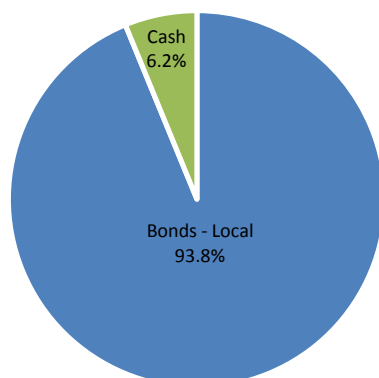
This fund is suitable for investors who have low to moderate risk profile

Fund Details

| | |
|-----------------------------|---------------------------------------|
| Unit Price (30/1/2018) | :RM2.2477 |
| Fund Size (30/1/2018) | :RM135.7mil |
| Fund Management Fee | : 0.50% p.a. |
| Fund Manager | :Hong Leong Assurance Berhad |
| Fund Category | :Bond |
| Fund Inception | :19 Jan 2000 |
| Benchmark | :3-month Fixed Deposit Interest Rates |
| Frequency of Unit Valuation | :Daily |

The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.

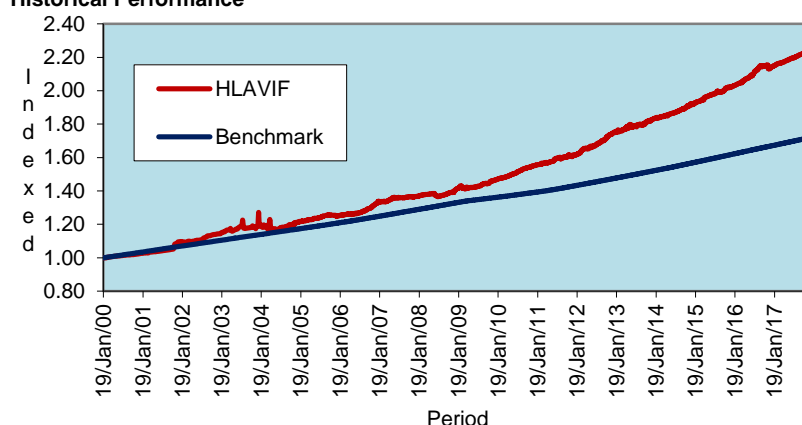
Asset Allocation of HLAVIF as at 30 Jan 2018



Top 10 Holdings for HLAVIF as at 30 Jan 2018

| | % |
|---|-------------|
| 1. MALAYSIA INVESTMENT ISSUE 1 4.72% 15/06/2033 | 7.6 |
| 2. MALAYSIA INVESTMENT ISSUE 1 3.95% 14/04/2022 | 7.5 |
| 3. MALAYAN BANKING BERHAD 2 6.30% 25/09/2018 | 6.8 |
| 4. ALLIANCE BANK MALAYSIA BHD 5.65% 18/12/2020 | 6.1 |
| 5. MALAYSIAN GOVERNMENT SECURITIES 3.84% 15/04/2033 | 5.2 |
| 6. UEM SUNRISE BHD 4.60% 13/12/2018 | 4.9 |
| 7. BGSM MANAGEMENT S/B 5.25% 24/12/2020 | 3.8 |
| 8. CIMB GROUP HOLDING 2 5.80% 25/5/2021 | 3.8 |
| 9. BERJAYA LAND BHD 4.85% 16/12/2019 | 3.8 |
| 10. HONG LEONG BANK 2 4.80% 24/06/2019 | 3.7 |
| Total Top 10 | 53.2 |

Historical Performance



| | 1 month | YTD | 1 year | 5 years | 10 years | Since Inception |
|-----------|---------|-------|--------|---------|----------|-----------------|
| HLAVIF | 0.43% | 0.43% | 4.30% | 27.42% | 63.70% | 124.77% |
| Benchmark | 0.28% | 0.28% | 3.04% | 16.71% | 33.68% | 72.66% |
| Relative | 0.15% | 0.15% | 1.25% | 10.71% | 30.02% | 52.11% |

Market Review

For the month of January, the local govies (GG) market began the year with a short moment of divergence from US Treasuries (UST). UST was on a rising trend with the prediction of Fed's raising rates at a faster pace while local govies rallied on the back of a strong Ringgit. Both foreign offshore and local players were active in the first half of the month when USD/MYR was close to breaching USD/RM4.00 but sentiment, however, faded closer towards the MPC meeting. The market's view on OPR was mixed with most investors preferring to stay sidelined. Thus, yields were on an uptrend due to thin liquidity.

As guided earlier, at the first policy rate meeting of the year, Bank Negara Malaysia raised the OPR by 25bps to 3.25%, the first rate hike since July 2014. In the latest policy statement, a more neutral tone was observed and market expects no further OPR hikes in 2018. This is since MPC's intention was to normalize the degree of monetary accommodation and as a preemptive strike to prevent the build-up of risks that could arise from a prolonged period of low interest rates. With this, volume started to improve with some repositioning of portfolios. Nevertheless, it was short-lived due to the rapid rise in UST yields. Overall, 10 year UST's yields rose close to 30bps mom while 10 years MGS' yield only rose 6bps during the month.

In the corporate bond space, sentiment was similar to govies' whereby interest was strong at the beginning of the month and slowed down towards the MPC meeting. Secondary trades primarily focused on financial, power as well as selected GGs. During the month, PTPTN, Danga Capital, Segi Astana, Sinar Kamiri and Syarikat Air Johor Corporation tapped the market.

Market Outlook & Strategy

The Fed's monetary policy stance will continue to be one of the major determinants of the local bond sentiment. Thus, we will continue to observe the UST movement to gauge sentiment on local govies. Currently, market is bearish towards UST's as predictions on the number of potential rate hikes increases. This is despite the fact that the USD/MYR is expected to hold at below USD/MYR 4.00 with no further hikes in Malaysia, as local investors are cautious that the selloff in UST will spill over to the domestic bond market.

On corporate bonds space, many corporate issuers especially the GG's, financial/banking and infrastructure/utilities are still looking for funding. With the potential rise in MGS yields, the absolute drawdown yield of primary issuances should be attractive enough to be considered.

Thus, we will take advantage of the primary issuances that are within our investment space and pace our purchases at every level to average up the portfolio yield as it rises.

HLA Venture Income Fund (HLAVIF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|------|------|------|------|------|
| Benchmark | 3.1% | 3.2% | 3.2% | 3.1% | 3.0% |
| HLAVIF- Gross | 5.4% | 5.8% | 6.5% | 6.9% | 5.3% |
| HLAVIF - Net | 4.5% | 4.8% | 5.5% | 5.8% | 4.4% |

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 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.

5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

6. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on 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 Income Fund 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.

HLA EverGreen Funds

Jan 2018

Fund Features

1. Investment Objective

The fund is designed to provide investors with principal and enhanced profit protection via a systematic investment in a globally diversified multi asset (equities, currency, rates, commodities, property, hedge fund strategies) long short strategy.

2. Investment Strategy & Approach

The main investment strategy is executed via portfolio optimization methodology. The fund is open ended with defined maturity date. The investment execution is accomplished via a Floating Rate Negotiable Instrument of Deposits ("FRNID") issued by CIMB Bank Berhad.

The FRNID is principal protected at maturity by CIMB Bank. The FRNID dynamically adjusts its exposure to the strategy, such as to reduce exposure when the strategy has negative performance and increase exposure when it has positive performance.

3. Asset Allocation

The fund will invest in a FRNID.

4. Target Market

The fund is suitable for investors who wish to engage in long-term wealth-planning, such as for children's education, retirement planning or wealth-building for future generations, whereby the investor's return on their lifetime of investments will be safely locked at fund maturity.

Fund Details

| | | | | | | | |
|------------------------------------|---|--|---|---------|---|---|------------|
| Fund Management Fee | : | HLA EverGreen 2023 Fund HLA EverGreen 2025 Fund | : | 0%*p.a. | HLA EverGreen 2028 Fund HLA EverGreen 2030 Fund HLA EverGreen 2035 Fund | : | 1.30% p.a. |
| Fund Manager | : | Hong Leong Assurance Berhad | | | | | |
| Fund Inception | : | 28 Dec 2010 | | | | | |
| Benchmark | : | 3-month Klibor + 2.65% | | | | | |
| Frequency of Unit Valuation | : | Weekly | | | | | |

The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.

**The Company shall cease to charge the Fund Management Fee for HLA EverGreen 2023 and HLA EverGreen 2025 with effective from 22 Jan 2016 and 5 July 2016 respectively.*

Other Details

| Fund Name | Unit Price (30/1/2018) | Fund Size (30/1/2018) | Fund Maturity Date | Minimum Guaranteed Unit Price at Fund Maturity (before tax) |
|-------------------------|------------------------|-----------------------|--------------------|---|
| HLA EverGreen 2023 Fund | : RM0.9804 | RM25.98 mil | 26 Dec 2023 | 1.2358 |
| HLA EverGreen 2025 Fund | : RM0.9332 | RM7.61 mil | 26 Dec 2025 | 1.2670 |
| HLA EverGreen 2028 Fund | : RM0.8869 | RM7.89 mil | 26 Dec 2028 | 1.3136 |
| HLA EverGreen 2030 Fund | : RM0.8770 | RM28.50 mil | 26 Dec 2030 | 1.3446 |
| HLA EverGreen 2035 Fund | : RM0.8821 | RM441.57 mil | 26 Dec 2035 | 1.4221 |

The Minimum Guaranteed Unit Price at Fund Maturity before tax will attract a portion of tax which has yet to be provided for. The further tax adjustment is the difference of tax payable on the capital gains of the funds determined at funds maturity and tax which has been provided for the funds through weekly unit pricing. The unit prices published weekly are on after tax basis.

Market Review (by CIMB Bank Berhad)

Max InvestSave increased by 4.22% in the reported period with seven out of eleven Underlying Assets moving in tandem with the Effective Max InvestSave Weightings. Gains were mainly due to the appreciation of American, Emerging Market, and Chinese Equities where positive weightings were held by the Effective Max InvestSave Weightings.

January 2018 marked a positive start to the year for American Equities as stocks accelerated at the beginning of the month as investors braced for the earnings season that is expected to be favourable. The S&P 500 index had 4 successive weeks of increases and grew by more than 5% for the month, making it the best January for the index since 1997. The index has avoided dropping by more than 5% from its all time high for the longest period in its history. While US stocks have continued to sustain their meteoric rise, many observers are raising concerns about the stocks being overvalued and due for a market correction. In Europe, inflation slowed down to a 1.3% rise in January, lower than the 1.4% achieved in December. Even as the economy is at its strongest in a decade, the labour market recovery might still lag behind that of the US and UK. The unemployment rate of the Eurozone stands at 8.7% and wages have not exhibited significant appreciation yet. The European Central Bank also decided to keep its benchmark rate constant during its recent meeting to continue to support the growth of the EU economy.

The Nikkei 225 increased by slightly more than 1% as the Bank of Japan grew more confident with meeting its inflation targets and ending deflation. Oil prices continued to climb as Brent crude prices approached USD70/barrel. This rise is driven by forecasts for a record run of declines in US oil stockpiles and signals from Russia and OPEC on their possible cooperation beyond the end of the year. (Source: Bloomberg)

Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index

| Fund | HLA EverGreen 2023 | HLA EverGreen 2025 | HLA EverGreen 2028 | HLA EverGreen 2030 | HLA EverGreen 2035 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Avg Exposure of Maximum Assurance FRNID to Max InvestSave PSSIA-i 30Y | 0.00% | 0.00% | 0.00% | 10.95% | 30.74% |
| Exposure of MaxInvestSave PSSIA-i 30Y to CIMB EverGreen Index | 103.53% | | | | |
| Net Exposure of HLA EverGreen Funds to CIMB EverGreen Index in Jan2018 | 0.00% | 0.00% | 0.00% | 11.34% | 31.83% |

Hong Leong Assurance Berhad (94613-X)

Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

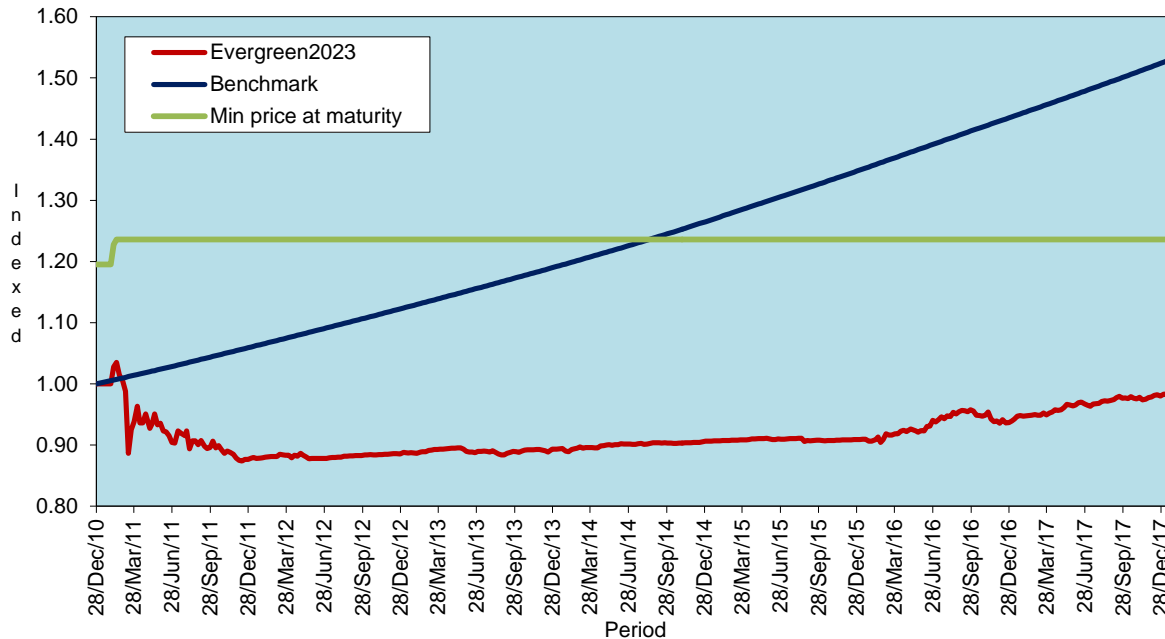
Telephone 03-7650 1818 Facsimile 03-7650 1991

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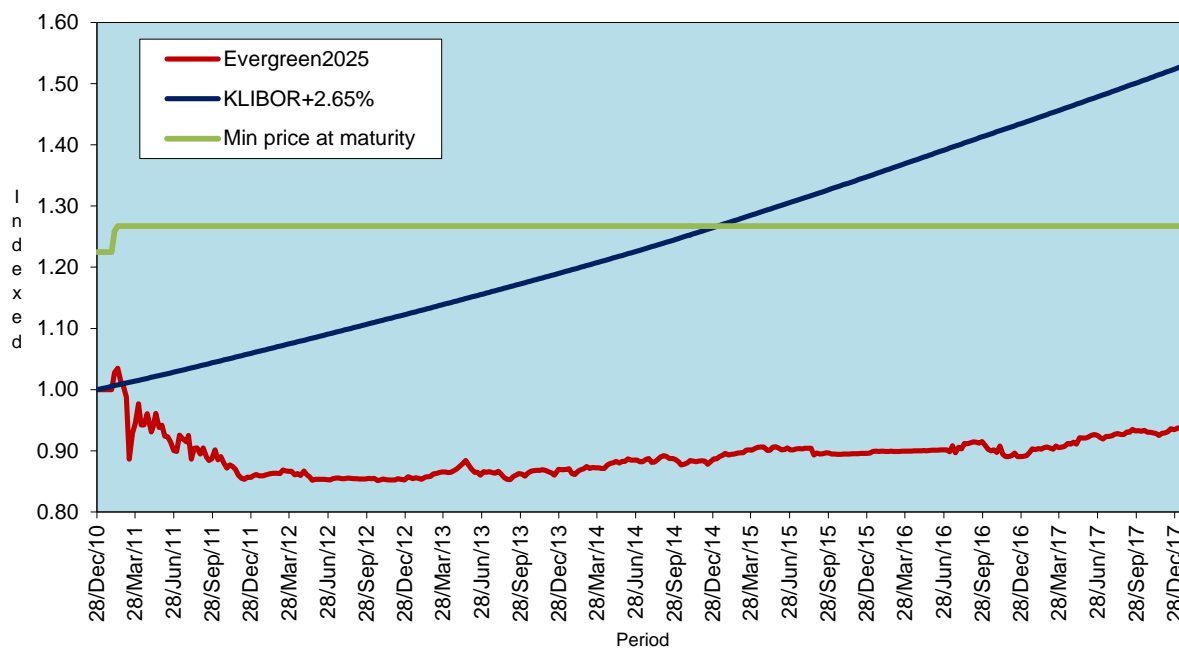
HLA EverGreen Funds

Historical Performance

| HLA EverGreen 2023 Fund | | | | | | |
|--------------------------|---------|--------------|-----------------|--------|---------|---------|
| As of 30/1/18 | 1 month | Year to-date | Since Inception | 1 Year | 3 Years | 5 Years |
| HLA EverGreen 2023 | 0.01% | 0.01% | -1.96% | 3.40% | 8.10% | 10.49% |
| KLIBOR+2.65% p.a. | 0.57% | 0.57% | 53.22% | 6.32% | 20.52% | 35.78% |
| Performance vs Benchmark | -0.56% | -0.56% | -55.18% | -2.93% | -12.42% | -25.28% |

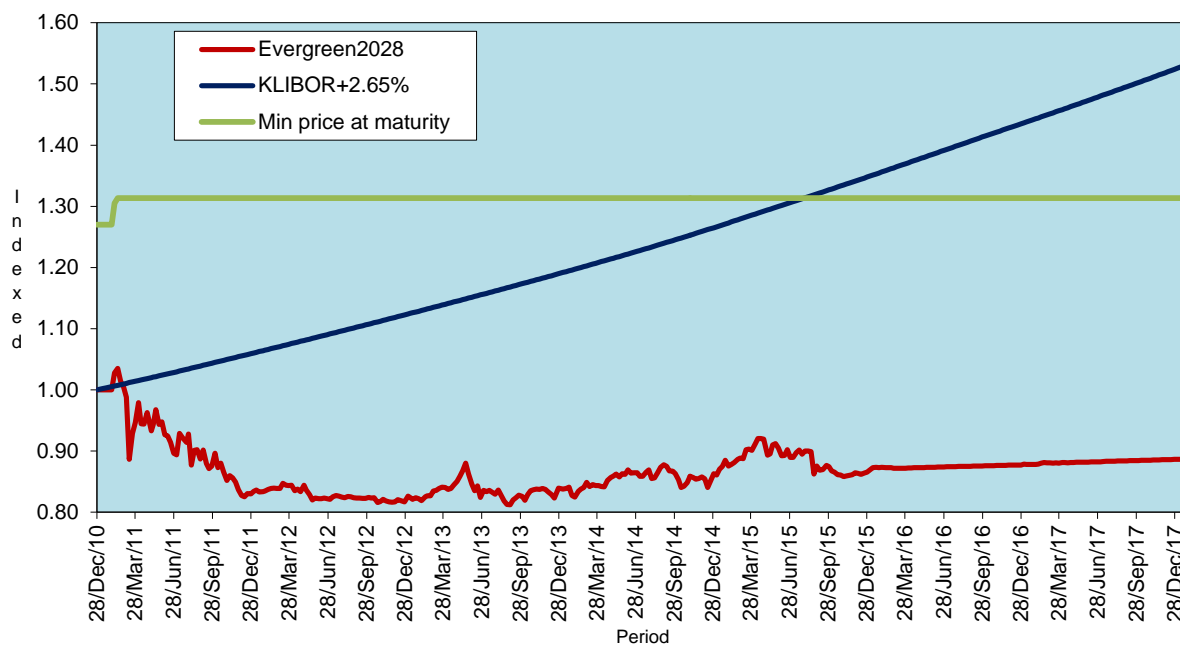


| HLA EverGreen 2025 Fund | | | | | | |
|--------------------------|---------|--------------|-----------------|--------|---------|---------|
| As of 30/1/18 | 1 month | Year to-date | Since Inception | 1 Year | 3 Years | 5 Years |
| HLA EverGreen 2025 | -0.13% | -0.13% | -6.68% | 3.31% | 4.19% | 9.15% |
| KLIBOR+2.65% p.a. | 0.57% | 0.57% | 53.22% | 6.32% | 20.52% | 35.78% |
| Performance vs Benchmark | -0.70% | -0.70% | -59.90% | -3.01% | -16.34% | -26.63% |

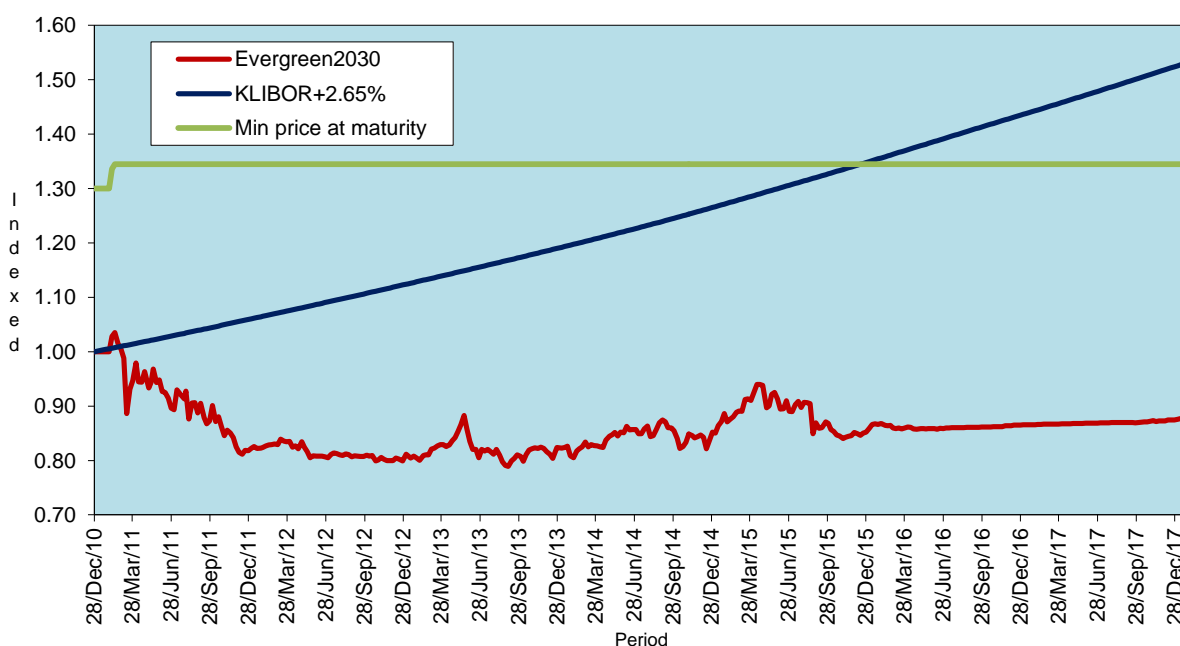


HLA EverGreen Funds

| HLA EverGreen 2028 Fund | | | | | | |
|--------------------------|---------|--------------|-----------------|--------|---------|---------|
| As of 30/1/18 | 1 month | Year to-date | Since Inception | 1 Year | 3 Years | 5 Years |
| HLA EverGreen 2028 | 0.07% | 0.07% | -11.31% | 0.99% | 0.20% | 7.90% |
| KLIBOR+2.65% p.a. | 0.57% | 0.57% | 53.22% | 6.32% | 20.52% | 35.78% |
| Performance vs Benchmark | -0.50% | -0.50% | -64.53% | -5.33% | -20.32% | -27.88% |

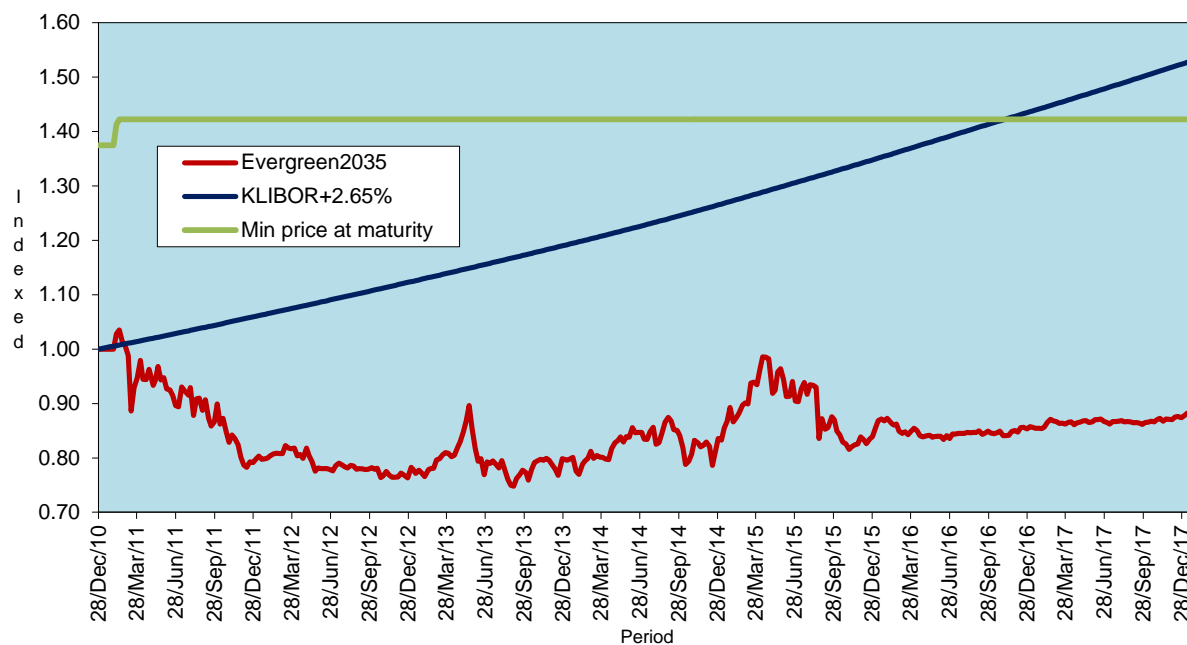


| HLA EverGreen 2030 Fund | | | | | | |
|--------------------------|---------|--------------|-----------------|--------|---------|---------|
| As of 30/1/18 | 1 month | Year to-date | Since Inception | 1 Year | 3 Years | 5 Years |
| HLA EverGreen 2030 | 0.32% | 0.32% | -12.30% | 1.32% | -1.05% | 8.98% |
| KLIBOR+2.65% p.a. | 0.57% | 0.57% | 53.22% | 6.32% | 20.52% | 35.78% |
| Performance vs Benchmark | -0.25% | -0.25% | -65.52% | -5.01% | -21.57% | -26.79% |



HLA EverGreen Funds

| HLA EverGreen 2035 Fund | | | | | | |
|--------------------------|---------|--------------|-----------------|--------|---------|---------|
| As of 30/1/18 | 1 month | Year to-date | Since Inception | 1 Year | 3 Years | 5 Years |
| HLA EverGreen 2035 | 0.93% | 0.93% | -11.79% | 3.24% | -1.19% | 14.22% |
| KLIBOR+2.65% p.a. | 0.57% | 0.57% | 53.22% | 6.32% | 20.52% | 35.78% |
| Performance vs Benchmark | 0.36% | 0.36% | -65.01% | -3.08% | -21.71% | -21.56% |



Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------------|------|------|------|-------|------|
| Benchmark | 6.0% | 6.3% | 6.5% | 6.5% | 6.2% |
| HLA EVERGREEN 2023 – Gross | 2.4% | 3.0% | 1.7% | 4.7% | 6.5% |
| HLA EVERGREEN 2023 – Net | 0.9% | 1.4% | 0.3% | 3.0% | 4.7% |
| HLA EVERGREEN 2025 – Gross | 3.6% | 3.6% | 2.5% | 0.8% | 6.7% |
| HLA EVERGREEN 2025 – Net | 2.0% | 2.0% | 1.0% | -0.6% | 4.9% |
| HLA EVERGREEN 2028 – Gross | 4.5% | 4.5% | 1.7% | 2.9% | 2.5% |
| HLA EVERGREEN 2028 – Net | 2.8% | 2.8% | 0.3% | 1.4% | 1.0% |
| HLA EVERGREEN 2030 – Gross | 4.8% | 5.1% | 1.4% | 3.0% | 2.6% |
| HLA EVERGREEN 2030 – Net | 3.1% | 3.4% | 0.0% | 1.5% | 1.1% |
| HLA EVERGREEN 2035 – Gross | 6.4% | 6.5% | 1.9% | 3.2% | 4.1% |
| HLA EVERGREEN 2035 – Net | 4.6% | 4.7% | 0.4% | 1.6% | 2.4% |

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 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.

5. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

HLA EverGreen Funds

6. Deleverage Risk

Deleveraging may occur if the bond floor rises due to falling interest rates or due to nearing maturity, or due to sustained underperformance of the underlying asset. When this occurs, the Funds will unwind all allocation to the underlying asset and will effectively become a zero-coupon bond fund.

7. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

8. Performance Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

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.

Performance of Max InvestSave PSSIA-I 30Y

| Month on month historical performance* | | | | | | | | | | | | | | |
|--|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|
| Year | Jan | Feb | Mar | April | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD* | RTD |
| 2011 | - | 1.69% | -6.28% | 2.21% | -1.23% | -4.08% | 2.04% | -3.97% | -1.16% | -3.57% | 3.57% | -1.34% | -18.00% | - |
| 2012 | 2.41% | 1.07% | 1.07% | -0.41% | -4.17% | -1.18% | 2.35% | -0.49% | -0.66% | -1.88% | 0.66% | -0.58% | -1.98% | - |
| 2013 | 0.85% | 3.31% | 3.47% | 3.25% | 0.11% | -4.18% | -2.19% | -4.28% | 4.44% | 3.75% | 0.54% | 0.55% | 9.50% | - |
| 2014 | -3.65% | 5.03% | -1.05% | 4.21% | 1.61% | -0.38% | 0.72% | 3.50% | -2.35% | -0.76% | 0.42% | 2.21% | 9.51% | - |
| 2015 | 4.74% | 3.12% | 3.50% | 0.48% | 1.51% | -4.21% | 2.83% | -5.19% | 0.63% | -5.27% | 1.28% | 1.54% | 4.39% | - |
| 2016 | 1.82% | 0.60% | -1.24% | -1.96% | 0.34% | 0.93% | 0.78% | 0.66% | -0.16% | -1.10% | 1.39% | 0.81% | 2.84% | - |
| 2017 | 0.64% | 3.87% | -0.52% | -0.22% | 0.89% | -1.58% | 0.67% | 0.76% | -2.20% | 3.91% | -0.01% | 1.07% | 7.32% | - |
| 2018 | 4.22% | | | | | | | | | | | | 4.22% | 15.75% |

*Note that calculation for YTD starts from first day of the year to the last day of the same year

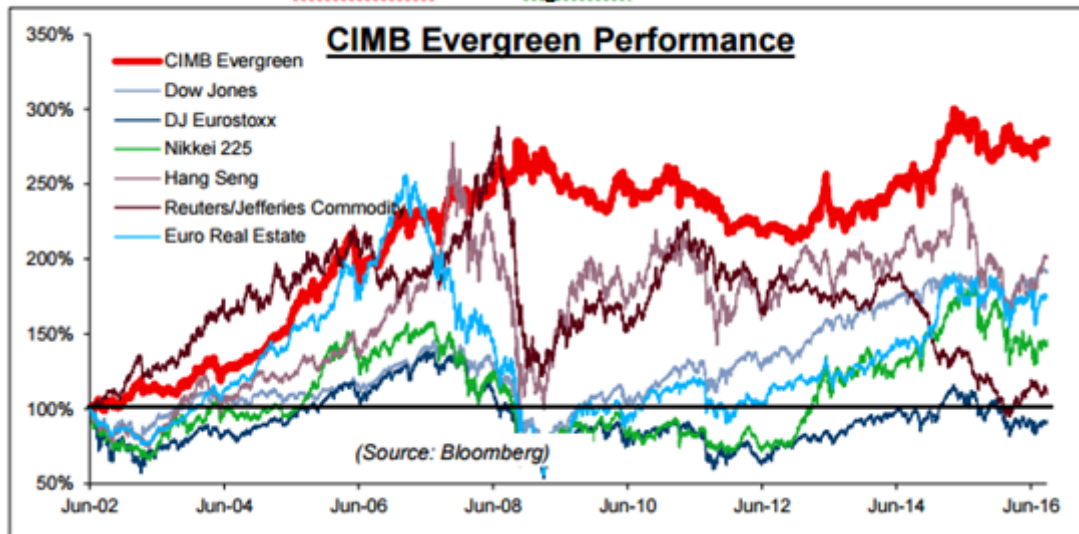
| Underlying Performance | | | | |
|------------------------|----------------------|----------------------|--------------------------------------|--|
| Underlying Asset | 29-Dec-17 Closing Px | 30-Jan-18 Closing Px | Performance (29 Dec 17 - 30 Jan 18)* | Effective Max InvestSave Weights** (28 Dec 17) |
| American Equity | 5,212.76 | 5,508.36 | 5.67% | 25.88% |
| Japanese Equity | 2,645.77 | 2,705.01 | 2.24% | 25.88% |
| European Equity | 7,048.52 | 7,261.26 | 3.02% | 25.88% |
| UK Equity | 6,519.85 | 6,438.29 | -1.25% | 25.88% |
| Emerging Market Equity | 4,169.83 | 4,711.77 | 13.00% | 10.35% |
| China Equity | 11,709.30 | 13,389.38 | 14.35% | 10.35% |
| Commodity Index | 801.94 | 822.80 | 2.60% | -15.46% |
| European Real Estate | 5,998.54 | 5,901.59 | -1.62% | 25.82% |
| American Real Estate | 81.01 | 77.34 | -4.53% | 0.00% |
| Hedge Fund Strategies | 210.70 | 216.84 | 2.91% | -5.18% |
| Currency | 0.83 | 0.81 | -3.21% | -25.88% |

* Month on month historical performance is calculated from previous Month End Date to current Month End Date

** Effective Max InvestSave Weights are re-balanced monthly

HLA EverGreen Funds

Performance of CIMB EverGreen Index Against Other Indices



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 EverGreen Funds are managed by Hong Leong Assurance Berhad (HLA). Allocated premiums of the policy invested in the fund are invested by HLA on behalf of the Policy Owner in a FRNID issued by CIMB Bank Berhad. The amount invested in the FRNID is guaranteed by the issuer if held to maturity. If the issuer of the FRNID defaults or becomes insolvent, the Policy Owner risks losing part or all of his/her allocated premium amounts that were invested into the FRNID on his/her behalf by HLA. Should the issuer/financial institutions default the above investment instrument, the Minimum Guaranteed Unit Price at Fund Maturity will not be applicable.

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.

CIMB Evergreen Index Disclaimer:

The index sponsor or the calculation agent of the CIMB Evergreen Index (the "Index") does not guarantee the accuracy and/or completeness of the composition, calculation, publication and adjustment of the Index, any data included therein, or any data from which it is based, and the calculation agent and the index sponsor of the Index shall have no liability for any errors, omissions, or interruptions therein. The calculation agent and the index sponsor of the Index make no warranty, express or implied, as to results to be obtained from the use of the Index. The calculation agent and the index sponsor of the Index make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event shall the calculation agent or the index sponsor of the Index have any liability for any special, punitive, indirect, or consequential damages (including loss of profits), even if notified of the possibility of such damages.

HLA Dana Suria (HLADS)

Jan 2018

Fund Features

1. Investment Objective

This fund provides investors an affordable access into a diversified investment portfolio which offers steady and consistent return over a long-term investment horizon by investing into local and global equities and fixed income securities that comply with Shariah requirements.

2. Investment Strategy & Approach

At inception, this fund will invest by feeding into Hong Leong Dana Maa'rof and HLA Venture Dana Putra ("Target Funds") with the option to increase the number of funds or replace the Target Funds in future.

Generally, the Target Funds select undervalued companies that have the potential to offer good Medium-To-Long Term capital growth. In terms of fixed income instruments, selection depends largely on credit quality to assure relative certainty in profit income, principal payment, and overall total return stability.

3. Asset Allocation

Hong Leong Dana Maa'rof (HLDM) will invest a minimum 40% and maximum 60% of its NAV into Shariah-compliant equities while HLA Venture Dana Putra (HLAVDP) will invest up to maximum 90%, but not less than 40% of fund's NAV into Shariah approved equities. Generally, HLA Dana Suria may invest up to a maximum of 95% of its NAV into Shariah-compliant equities or a maximum of 100% of its NAV into Shariah-based deposits or Islamic money market instruments.

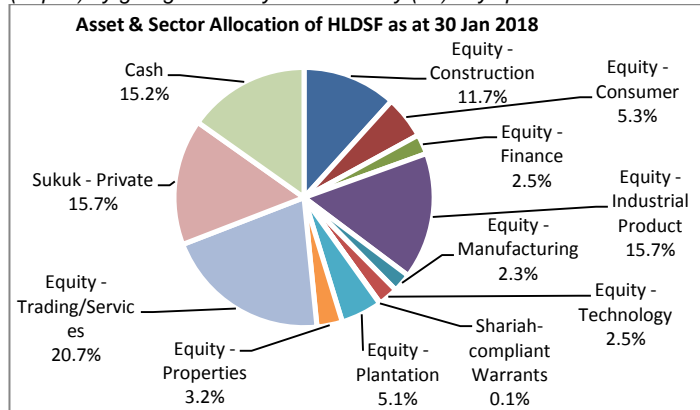
4. Target Market

This fund is suitable for investors who have moderate risk-reward temperament and are looking for returns from Shariah-compliant investments in a medium-to-long term investment horizon.

Fund Details

| | |
|-----------------------------|---|
| Unit Price (30/1/2018) | :RM1.2235 |
| Fund Size (30/1/2018) | :RM6.92mil |
| Fund Management Fee | :1.30% p.a. |
| Fund Manager | :Hong Leong Assurance Berhad |
| Fund Category | :Managed |
| Fund Inception | :24 Sept 2013 |
| Benchmark | :(70% x FTSE Bursa Malaysia EmasShariah Index) + (30% x 3-month Klibor) |
| Frequency of Unit Valuation | :Weekly |

The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.



Top 10 Holdings for HLADS as at 30 Jan 2018

| | | % |
|---------------------|--|-------------|
| 1. | TENAGA NASIONAL BERHAD | Sukuk 6.5 |
| 2. | TENAGA | Equity 4.5 |
| 3. | LEMBAGA PEMBIAYAAN PERUMAHAN SEKTOR AWAM | Sukuk 4.4 |
| 4. | INARI | Equity 2.4 |
| 5. | KESAS SDN BHD IMTN 2020 | Sukuk 2.3 |
| 6. | SEPANGAR BAY POWER CORP 2022 | Sukuk 2.3 |
| 7. | SARAWAK HIDRO SDN BHD | Sukuk 2.3 |
| 8. | VS | Equity 2.2 |
| 9. | KERJAYA | Equity 2.2 |
| 10. | QL | Equity 2.1 |
| Total Top 10 | | 31.2 |

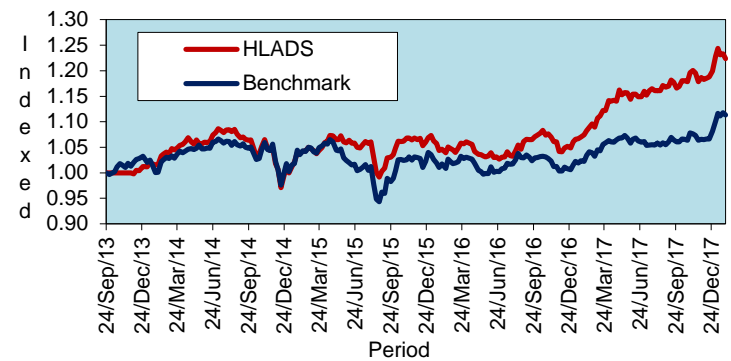
Hong Leong Assurance Berhad (94613-X)

Level 3, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A, 46100 Petaling Jaya, Selangor.

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Historical Performance



| | 1 month | 1 Year | 3 Years | YTD | Since Inception |
|-----------|---------|--------|---------|--------|-----------------|
| HLADS | 2.04% | 14.32% | 17.72% | 2.04% | 22.35% |
| Benchmark | 2.90% | 8.71% | 6.60% | 2.90% | 11.30% |
| Relative | -0.86% | 5.62% | 11.13% | -0.86% | 11.05% |

Market Review, Outlook & Strategy

Regional markets started 2018 on a positive note underpinned by optimism of synchronised global growth. China provided a further confidence booster when manufacturing data showed expansion. Oil prices also started 2018 on a bullish note, touching a high of US\$66.24/barrel as the effect of falling oil inventories and prospects of increased consumption by growing economies offset the resumption of production at the North Sea and Libyan pipelines. However, when the reality of a US government shutdown became apparent by the middle of the month, investors did initially feel slightly jittery. President Trump's announcement of import tariffs on solar panels and washing machines also added to the nervousness. The pessimism was eventually short-lived when the US government shutdown only lasted for three days, followed by rising optimism over US corporate earnings.

The local market also started the year on a strong note in tandem with regional peers. Foreign investors remained net buyers in January with strong net inflow of RM3.4b. Key notable event was the first Monetary Policy Committee (MPC) meeting for 2018 where Bank Negara raised the overnight policy rate (OPR) by 25 basis points to 3.25% from 3%. This was the first rate hike since 10 July 2014 and the decision to normalize the OPR was not a surprise given earlier indications from the MPC statement in Nov 17. Ringgit strengthened to a high of RM3.8705/US\$ aided by improved sentiment in the local equities market and rising crude oil prices.

During the month, the KLCI gained 4% mom or 71.8pts to close at 1,868pts. This represents the highest closing since September 2014. The KLCI outperformed the broader market and small caps. However, it underperformed the MSCI Asia Pacific ex-Japan Index (MXASJ), which gained 6.7% mom.

As we move into February, all eyes will be on the upcoming corporate results season while investors will continue to look out for hints on when the 14th Malaysian General Elections will be held. Meanwhile, regional markets recently saw a pullback sparked by positive data points leading to concerns of additional rate hikes by the US Fed as there was better than expected job creation, low unemployment levels and higher US wage growth in January. However, there was no change to the US Fed's earlier guidance of a gradual increase in federal funds rate and target range at 1.25-1.5%. We continue to advocate accumulating good quality stocks on pullbacks and remain positive on the 1) Banks, 2) Construction, 3) Beneficiaries of consumer recovery and 4) Beneficiaries of a stronger Ringgit.

Market Review, Outlook & Strategy - Fixed Income Market

For the month of January, the local govies (GG) market began the year with a short moment of divergence from US Treasuries (UST). UST was on a rising trend with the prediction of Fed's raising rates at a faster pace while local govies rallied on the back of a strong Ringgit. Both foreign offshore and local players were active in the first half of the month when USD/MYR was close to breaching USD/RM4.00 but sentiment, however, faded closer towards the MPC meeting. The market's view on OPR was mixed with most investors preferring to stay sidelined. Thus, yields were on an uptrend due to thin liquidity.

As guided earlier, at the first policy rate meeting of the year, Bank Negara Malaysia raised the OPR by 25bps to 3.25%, the first rate hike since July 2014. In the latest policy statement, a more neutral tone was observed and market expects no further OPR hikes in 2018. This is since MPC's intention was to normalize the degree of monetary accommodation and as a preemptive strike to prevent the build-up of risks that could arise from a prolonged period of low interest rates. With this, volume started to improve with some repositioning of portfolios. Nevertheless, it was short-lived due to the rapid rise in UST yields. Overall, 10 year UST's yields rose close to 30bps mom while 10 years MGS' yield only rose 6bps during the month.

In the corporate bond space, sentiment was similar to govies' whereby interest was strong at the beginning of the month and slowed down towards the MPC meeting. Secondary trades primarily focused on financial, power as well as selected GGs. During the month, PTPN, Danga Capital, Segi Astana, Sinar Kamiri and Syarikat Air Johor Corporation tapped the market.

The Fed's monetary policy stance will continue to be one of the major determinants of the local bond sentiment. Thus, we will continue to observe the UST movement to gauge sentiment on local govies. Currently, market is bearish towards UST's as predictions on the number of potential rate hikes increases. This is despite the fact that the USD/MYR is expected to hold at below USD/MYR 4.00 with no further hikes in Malaysia, as local investors are cautious that the selloff in UST will spill over to the domestic bond market.

On corporate bonds space, many corporate issuers especially the GG's, financial/banking and infrastructure/utilities are still looking for funding. With the potential rise in MGS yields, the absolute drawdown yield of primary issuances should be attractive enough to be considered.

Thus, we will take advantage of the primary issuances that are within our investment space and pace our purchases at every level to average up the portfolio yield as it rises.

HLA Dana Suria (HLADS)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|------|-------|------|-------|-------|
| Benchmark | 3.3% | -1.4% | 2.2% | 0.4% | 7.5% |
| HLADS - Gross | 2.7% | 1.5% | 7.4% | -0.6% | 17.0% |
| HLADS - Net | 1.2% | 0.1% | 5.5% | -1.9% | 14.3% |

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.

The fund was only launched on 24 September 2013. The actual investment returns are calculated based on unit price from 24 September to 31 December 2013.

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. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

4. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

5. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

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.

Target Fund Details

- Hong Leong Dana Maa'rof is a Balanced fund managed by Hong Leong Asset Management Berhad. The past performance of this fund is as follows:

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|------|------|------|-------|-------|
| Performance | 7.0% | 0.1% | 9.1% | -1.2% | 13.1% |

Source: Hong Leong Asset Management Berhad

- HLA Venture Dana Putra is a Balanced fund managed by Hong Leong Assurance Berhad. The past performance of this fund is as follows:

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|-------|-------|------|-------|-------|
| Performance | 32.6% | -1.1% | 4.9% | -2.3% | 20.8% |

Source: Hong Leong Assurance Berhad

HLA Dana Suria (HLADS)

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 Suria is managed by Hong Leong Assurance Berhad (HLA). Any amount invested in this fund is invested by HLA on behalf of Policy Owner into Islamic unit trust/investment-linked funds which will invest in Shariah-compliant fixed income securities, equities, collective investment scheme, foreign asset, derivatives and money market instrument/s. If the financial institutions and/or corporations issuing the funds default or become insolvent, the Policy Owner risks losing part or all of his/her amount that were invested into the fund on his/her behalf by HLA.

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HLA Secure Fund (HLASF)

Jan 2018

Fund Features

1. Investment Objective

To provide investors with steady and consistent return over a long-term investment horizon by investing into local and global fixed income securities and equities.

2. Investment Strategy & Approach

The strategy is to provide investors an affordable access into a diversified investment portfolio with a mixture of equities and fixed income instrument. The fund will invest primarily in fixed income instruments such as bonds, money market instruments, repo and deposits with financial institutions that provide regular income as well as in high dividend yield stocks to enhance the fund's returns. The asset allocation decision between fixed income instruments and equity is decided after considering the fixed income and equity market outlook over the medium to long-term horizon. Initially the fund will invest by feeding into Affin Hwang Select Income Fund ("Target Fund"), with the option to increase the number of funds or replace Affin Hwang Select Income Fund with other fund(s) in future.

3. Asset Allocation

The fund shall invest a minimum 70% of the NAV in Fixed Income Instruments and maximum 30% of NAV in equities.

4. Target Market

The fund is suitable for investors who are relatively conservative and wish to have a steady and stable return that meets their retirement needs.

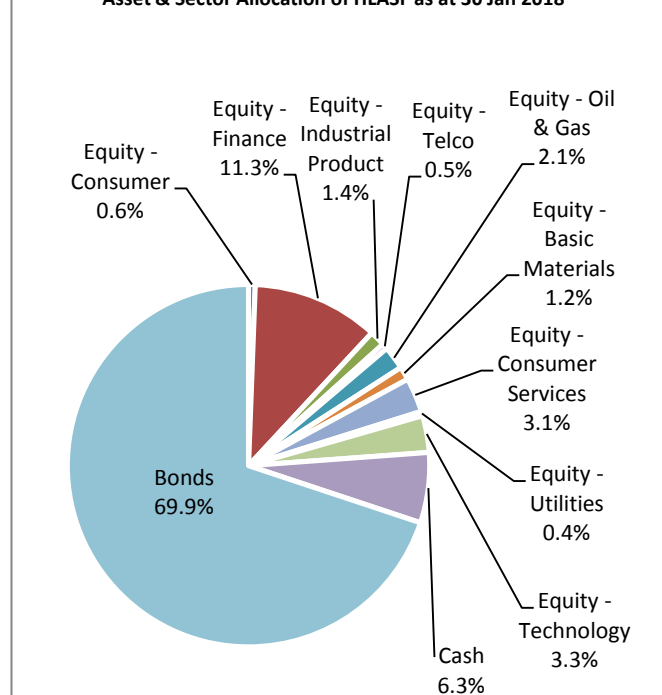
Fund Details

| | |
|------------------------|--|
| Unit Price (30/1/2018) | :RM1.3707 |
| Fund Size (30/1/2018) | :RM13.7mil |
| Fund Management Fee | :1.00% p.a. |
| Fund Manager | :Hong Leong Assurance Berhad |
| Fund Category | :Bond |
| Fund Inception | :05 Feb 2013 |
| Benchmark | : (70% x Maybank 12 Months Fixed Deposit Rate) + (30% x Dow Jones Asia Pacific Select Dividend 30 Index) |

Frequency of Unit Valuation :Weekly

The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.

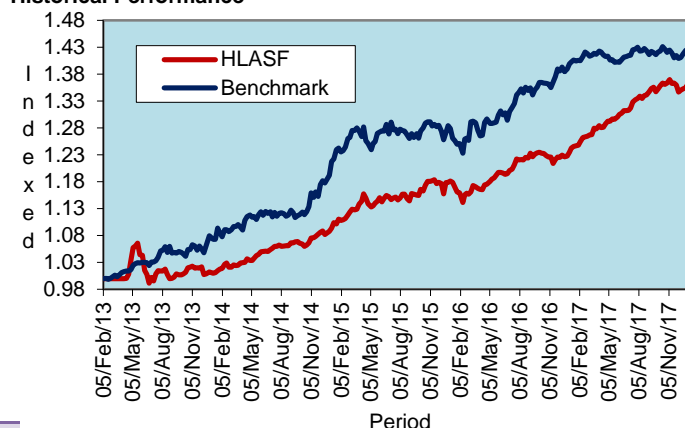
Asset & Sector Allocation of HLASF as at 30 Jan 2018



Top 10 Holdings for HLASF as at 30 Jan 2018

| | | % |
|---------------------|---|-------------|
| 1. | Alibaba Group Holding Ltd | Equity 1.7 |
| 2. | Indust & Comm Bank of China | Equity 1.6 |
| 3. | China Construction Bank Corp | Equity 1.5 |
| 4. | China Pacific Insurance Group | Equity 1.4 |
| 5. | 3.26% MGS (01.03.18) | Bond 1.3 |
| 6. | 4.24% MGS (07.02.18) | Bond 1.3 |
| 7. | 4.38% JGSH Philippines Ltd (23.01.23) | Bond 1.2 |
| 8. | Keppel Corporation Ltd | Equity 1.2 |
| 9. | 0.00% United States Treasury N/B (15.01.18) | Bond 1.1 |
| 10. | 3.95% Shenzhen International Holding (29.11.49) | Bond 1.1 |
| Total Top 10 | | 13.4 |

Historical Performance



| | 1 month | 1 Year | 3 Years | YTD | Since Inception |
|-----------|---------|--------|---------|--------|-----------------|
| HLASF | 1.13% | 9.94% | 23.40% | 1.13% | 37.07% |
| Benchmark | -0.56% | 0.85% | 14.00% | -0.56% | 41.68% |
| Relative | 1.69% | 9.08% | 9.40% | 1.69% | -4.61% |

Market Review, Outlook & Strategy relevant to Target Fund

Global financial markets trended higher as positive economic data kept the momentum going. Emerging markets continued to trend higher as US Dollar weakness persisted amidst an optimistically stronger growth outlook. The domestic equity market ended the month higher with the added support of a strong Ringgit, and oil price stability. Crude oil prices clawed its way back to the USD65 per barrel range as the OPEC and non-OPEC alliance to curb production supported prices. The China equity market ended the month ahead of its regional peers with double digit gains after receiving a boost from encouraging economic data. After a 4th quarter indication, BNM raised its OPR rates by 25 basis points to 3.25% citing a pre-emptive move to prevent a build-up of risk from a prolonged low interest rate environment. The US-10year treasury yields climbed more than 30bps higher to close the month at 2.72%, with the 10-year German Bunds following close. The German govies closed at 0.70% from the 0.43% level the previous month. Yields for the 10-year MGS dipped 4bps lower to 3.95%, while the 5-year MGS saw a 10bps dip to close at 3.63%. The 3-year MGS whereas climbed 5bps higher to 3.38% as at the end of January.

The equity market is expected to remain robust in the interim as investors' sentiment remains alleviated. We will continue to keep a look out for opportunities within the China market, optimistic that the economy is back on steady footing. The China financial sector re-mains relatively attractive given its dividend yields, and the improving asset quality. We will however be maintaining our reservation on the sustainability of the current oil price level given that production may restart at these more attractive levels. Similarly, we will be staying cautious for the Fund's fixed income exposure as we wait out for more stability in the market. Duration will also be kept shorter to mitigate interest rate risk, as we keep the portfolio largely hedged to mitigate currency risks.

Hong Leong Assurance Berhad (94613-X)

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HLA Secure Fund (HLASF)

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|------|-------|-------|------|-------|
| Benchmark | 7.2% | 10.4% | 7.7% | 8.2% | 2.6% |
| HLASF - Gross | 2.5% | 9.2% | 10.2% | 5.6% | 12.4% |
| HLASF - Net | 1.3% | 7.5% | 8.4% | 4.1% | 10.4% |

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.

The fund was only launched on 14 February 2013. The actual investment returns are calculated based on unit price from 14 February 2013 to 31 December 2013.

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. Country Risk

The foreign investment of a fund may be affected by the political & economic conditions of the country which the investments are made.

4. Currency Risk

This risk is associated with investments that are denominated in foreign currencies. Fluctuation in foreign exchange rates will have an impact on the value of the funds.

5. Concentration Risk

This risk is associated with a feeder fund whereby the investments of such fund are not diversified. A feeder fund invests mainly into another collective investment scheme.

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.

Target Fund Details

Affin Hwang Select Income Fund is a Bond fund managed by Affin Hwang Investment Management. The past performance of this fund is as follows:

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------|------|------|------|------|-------|
| Performance | 2.9% | 6.9% | 8.6% | 4.1% | 10.4% |

Source: Affin Hwang Investment Management

HLA Secure Fund (HLASF)

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 Secure Fund 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.

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Disclaimer:

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HLA Cash Fund (HLACF)

Jan 2018

Fund Features

1. Investment Objective

This fund aims to provide high principal security and consistent return to the investors by investing in money market instrument. Returns will be comparable to prevailing overnight policy rates but correspondingly, the risks will be significantly lower than that for equities investment.

2. Investment Strategy & Approach

This fund may be placed with any licensed financial institution under the Islamic Financial Services Act 2013, determined by the fund manager.

3. Asset Allocation

This fund may be placed with any licensed financial institution under the Islamic Financial Services Act 2013, determined by the fund manager.

4. Target Market

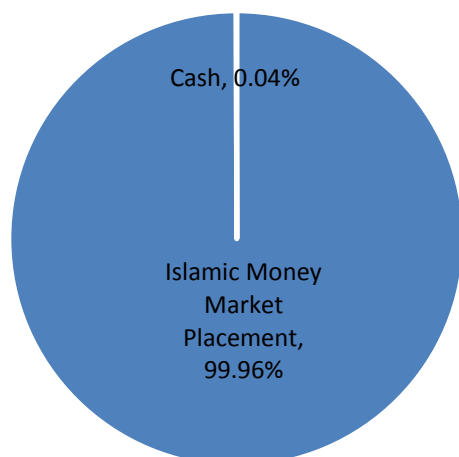
This fund is suitable for investors who are low risk profile.

Fund Details

| | |
|-----------------------------|-------------------------------|
| Unit Price (30/1/2018) | : RM1.1804 |
| Fund Size (30/1/2018) | : RM34.5mil |
| Fund Management Fee | : 0.25% p.a. |
| Fund Manager | : Hong Leong Assurance Berhad |
| Fund Category | : Money Market Fund |
| Fund Inception | : 28 Dec 2010 |
| Benchmark | : Overnight Policy Rate |
| Frequency of Unit Valuation | : Weekly |

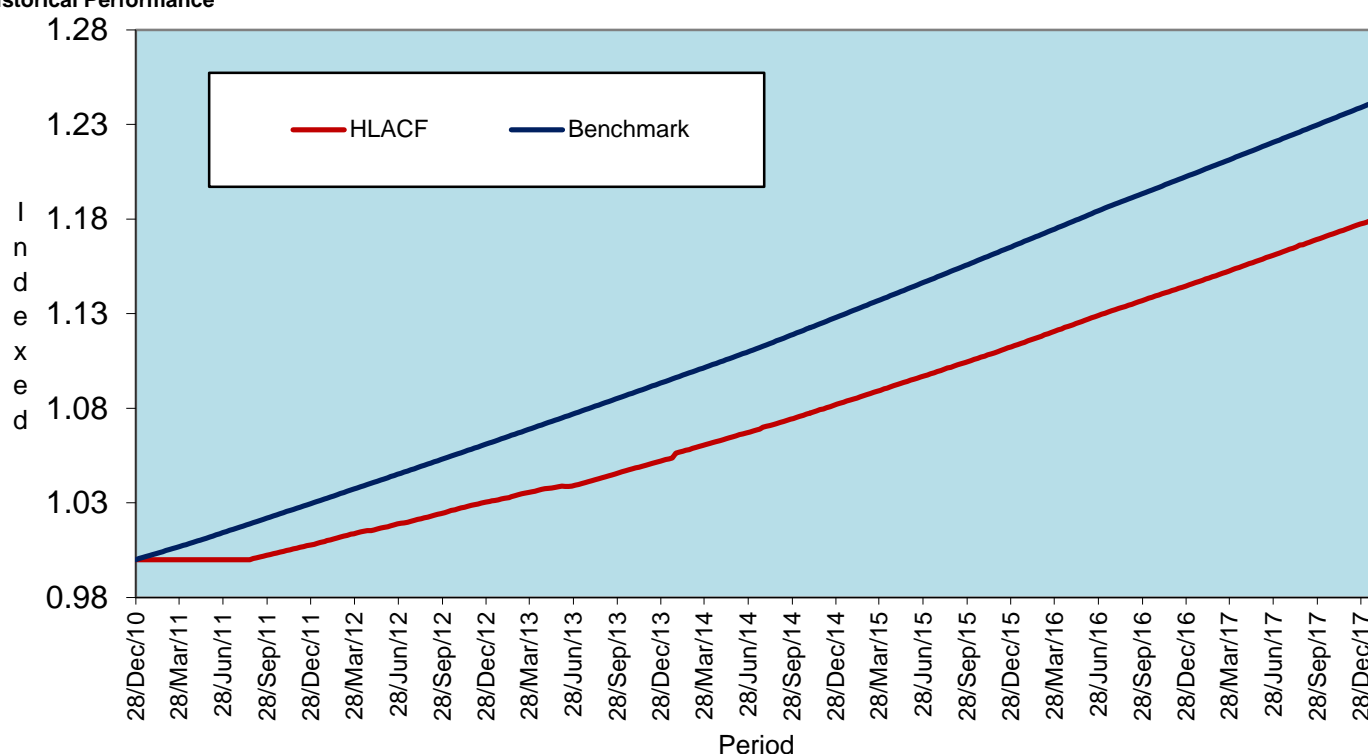
The Company reserves the right to change the Fund Management Fee (% p.a.) by giving the Policy Owner ninety (90) days prior written notice.

Asset & Sector Allocation of HLACF as at 30 Jan 2018



HLA Cash Fund (HLACF)

Historical Performance



| As of 30/1/18 | 1 month | YTD | Since Inception | 1 Year | 3 Years | 5 Years |
|---------------|---------|--------|-----------------|--------|---------|---------|
| HLACF | 0.25% | 0.25% | 18.04% | 2.91% | 8.86% | 14.38% |
| Benchmark | 0.28% | 0.28% | 24.24% | 3.10% | 9.86% | 16.79% |
| Relative | -0.03% | -0.03% | -6.20% | -0.19% | -0.99% | -2.41% |

Actual Annual Investment Returns for the Past Five (5) Calendar Years

| Year | 2013 | 2014 | 2015 | 2016 | 2017 |
|---------------|------|------|------|------|------|
| Benchmark | 3.0% | 3.1% | 3.2% | 3.1% | 3.0% |
| HLACF - Gross | 2.6% | 3.4% | 3.3% | 3.4% | 3.4% |
| HLACF - Net | 2.1% | 2.9% | 2.8% | 2.9% | 2.9% |

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 non-exhaustive list of risks associated to this fund.

1. Counterparty risk

This refer to the possibility that the institution that the fund invested in may not be able to make the required interest payment and repayment of principal.

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.

HLA Cash Fund (HLACF)

Exceptional Circumstances

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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 Cash Fund is managed by HLA. Any amount invested in this fund is invested by HLA on behalf of Policy Owner in money market instrument/s issued by licensed financial institution/s under the Islamic Financial Services Act 2013. The amount invested in this money market instrument/s is guaranteed by these financial institutions, before deducting any charge or tax. If the financial institutions issuing the 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 their behalf by HLA.

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Fund Risk Type & Customer Risk Appetite

