



HLMT INVESTMENT-LINKED FUNDS
Fund Performance Report
for the financial year ended 30 June 2022

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CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Valued Certificate Holders,

Once again, it is our pleasure to present to you the Hong Leong MSIG Takaful ("HLMT") Investment Linked Funds Annual Report for the financial year ended 30 June 2022. The financial year 2022 continued to be volatile where around the world people have adopted the idea of living with the Covid-19 virus, following the vaccination rollouts in both developed and emerging countries. The path to recovery, however, has seen many speed bumps both externally and domestically. Geopolitical tensions between Russia and Ukraine, supply chain disruptions due to Covid-19 lockdowns and the massive monetary policy easing during the peak of the Covid-19 pandemic have led to global inflationary pressures. As a result, Central Bankers across the world had to step in to fight inflation by aggressively tightening monetary policy and this has caused fears of recession happening.

Despite the challenges, HLMT registered a robust business growth trajectory with a 62% y-o-y increase in its gross contribution to RM544 million in FY2022 and outperformed the industry's growth of 29%. The improvement in the gross contribution was underpinned by robust agency channel expansion over the past years.

HLMT played a vital role in helping people to cope with challenges and uncertainties that they have encountered. At the start of the financial year, we took the opportunity to launch a brand promise campaign which focuses on three core values: trust, legacy and dedication. We embraced these three vital values as we believe that it is these three values that will connect us together with our customers whom we place first in everything we do. True to these core values, we successfully announced our enhanced Covid-19 Complimentary Special Benefit Programme 2.0 where customers can seek the best medical care for Covid-19 treatments and customers who have been financially impacted by Covid-19 can also apply for the HLM Takaful Contribution Payment Relief Programme 3.0.

In addition, while the pandemic has disrupted almost everything globally, at the same time it has created more awareness for both people and businesses to take sustainability more seriously. As part of our journey to be a more responsible takaful provider, we have established a policy on responsible investment and integrated environmental, social and governance (ESG) into our investment strategy and portfolio management. In conjunction with Earth Day 2022, we undertook a Bumi Green Project where our employees came together to recycle electronic items in a safe and responsible manner.

In HLMT, we strive to take advantage of adversities to position ourselves stronger for the future. While near term headwinds are inevitable, we continue to be nimble and focused on the long-term goals to deliver resilient and sustainable returns to our certificate holders. We would like to take this opportunity to convey our heartfelt appreciation to you for continuously trusting HLMT and choosing us as your preferred takaful operator. We will constantly strive to elevate our standards of excellence and commitment in delivering the best products and services.

Mohd Asri Omar
Chief Executive Officer
Hong Leong MSIG Takaful Berhad

FUND OBJECTIVES

HLMT i-Balanced Fund aims to achieve regular income as well as medium to long-term capital growth through a diversified investment portfolio containing equity and fixed income Shariah-compliant securities.

HLMT i-Income Fund aims to preserve capital while achieving regular income stream through an investment portfolio containing predominantly fixed income securities and a small proportion in Shariah-compliant equity securities.

HLMT i-Equity Fund aims to achieve long term capital growth through investment in Shariah-compliant securities of listed companies.

HLMT Makmur Fund aims to achieve a consistent capital growth over a medium-to-long term investment horizon by investing in compliance with the Shariah requirements. The Fund will invest by feeding into Hong Leong Dana Makmur (Target Fund).

HLMT Maa'rof Fund aims to provide a convenient access into a diversified investment portfolio containing a balanced mixture of equities and sukuk that complies to the Shariah requirements. The Fund will invest by feeding into Hong Leong Dana Maa'rof (Target Fund).

INVESTMENT REVIEW

HLMT i-BALANCED FUND

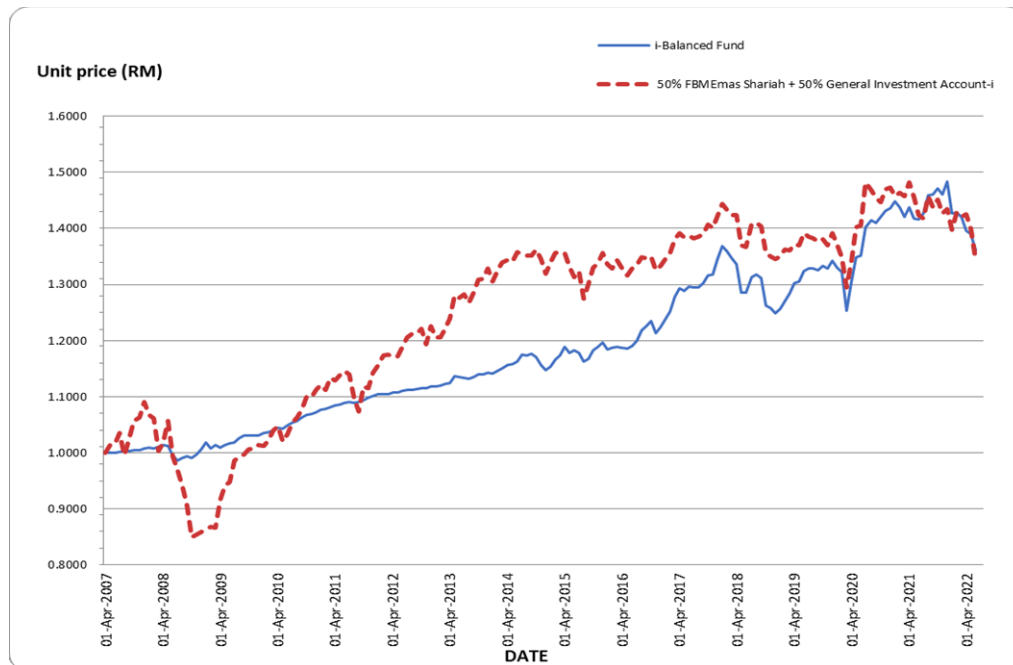
For the financial year under review, the fund outperformed the benchmark and was approximately 43% invested in Shariah-compliant equities and 33% in sukuk. Equity outlook remains volatile on the back of concerns over the ongoing Russia-Ukraine war, rising US-China tensions and Fed's tightening pace which could potentially lead US to a "hard landing". Domestically, upcoming GE15 may result in a near term overhang due to government and fiscal policies uncertainties. The fund has a strategically higher cash level for this financial year to take opportunity of any potential market weakness. Stocks that outperformed during the financial year include Petronas Chemicals, Sime Darby Plantation, IHH Healthcare, Sam Engineering and Gamuda.

Fund management fee of 1.25% was charged to the Fund during the financial year.

There were no changes in the investment objectives, strategies, restrictions and limitation to the fund during the financial year. There was no distribution made and proposed during the financial year.

As at 30 June 2022

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-BALANCED FUND (CONT'D)

Performance of the fund					
	2022	2021	2020	2019	2018
Total NAV (RM'000)	9,044	8,319	16,952	16,004	5,930
Number of units	6,690	5,862	12,525	12,078	4,734
NAV per unit (RM)	1.3519	1.4190	1.3535	1.3251	1.2527
Highest NAV per unit during financial year (RM)	1.4850	1.4607	1.3704	1.3251	1.4772
Lowest NAV per unit during financial year (RM)	1.3517	1.3562	1.2092	1.2494	1.2523
Total annual return of the fund - Capital growth (Note 1)	-4.73%	4.84%	2.14%	5.82%	-10.93%
Average annual return – Fund					
- 1 year	-4.73%	4.84%	2.14%	5.82%	-10.93%
- 3 year	0.67%	4.24%	-1.26%	1.14%	-0.13%
- 5 year	-0.78%	2.06%	1.49%	1.65%	1.25%
Average annual return - Benchmark (50% FBM ESI + 50% GIA)					
- 1 year	-5.59%	1.39%	0.96%	1.77%	-1.44%
- 3 year	-1.13%	1.38%	0.42%	1.55%	1.35%
- 5 year	-0.62%	1.41%	1.36%	0.49%	1.37%

Note 2

Performance of the fund					
Additional notes	2022	2021	2020	2019	2018
Total annual return of the fund - Capital growth	-4.28%	4.81%	2.10%	2.95%	-0.82%
Average annual return – Fund					
- 1 year	-4.28%	4.81%	2.10%	2.95%	-0.82%
- 3 year	0.80%	3.28%	1.40%	3.61%	2.82%
- 5 year	0.90%	3.55%	2.70%	2.63%	2.54%

Notes:

Adjustments arising from timing differences in recognition of fees expenses were accounted for in FY 2017/18 resulting in an unfavourable return on the Fund performance as reflected in Note 1 above. However, these adjustments do not impact the actual performance of the Fund used in published prices for unit allocation. The mentioned adjustments were merely book reporting to rectify the timing differences of such entries. In a normalised comparison, the actual Fund performances based on published price were as per Note 2.

INVESTMENT REVIEW (CONT'D)

HLMT i-BALANCED FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2022	2021	2020	2019	2018
Deposits with Islamic Financial Institutions	24.36	17.02	8.89	29.89	-
Islamic Equity Securities					
Quoted in Malaysia	32.62	41.00	43.80	34.79	52.66
Unquoted Islamic Sukuk	43.02	41.98	47.31	35.32	47.34
Total	100.00	100.00	100.00	100.00	100.00

Islamic equities composition by sector					
	Weighting %				
	2022	2021	2020	2019	2018
Construction	5.81	4.67	5.20	4.71	3.42
Consumer Products	8.13	8.49	4.39	0.96	7.69
Finance	4.78	2.51	3.40	5.52	1.85
Industrial Products	10.31	15.18	23.40	19.56	13.23
Infrastructure	5.60	4.76	5.22	9.72	9.57
Mining	-	2.00	-	-	-
Plantation	3.28	3.00	4.19	1.94	0.91
Properties	5.70	5.86	5.24	5.08	6.86
REITS	4.46	4.18	6.05	8.59	3.12
Technology	21.52	19.28	10.17	1.62	1.43
Trading/Services	28.26	28.02	31.58	42.30	51.92
Utilities	2.15	2.05	1.16	-	-
Total	100.00	100.00	100.00	100.00	100.00

Unquoted sukuk composition by sector					
	Weighting %				
	2022	2021	2020	2019	2018
Construction	-	-	27.67	43.89	32.97
Finance	65.11	66.85	72.33	56.11	33.61
Government	-	-	-	-	33.42
Government Agency	15.68	-	-	-	-
Utilities	19.21	33.15	-	-	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT i-INCOME FUND

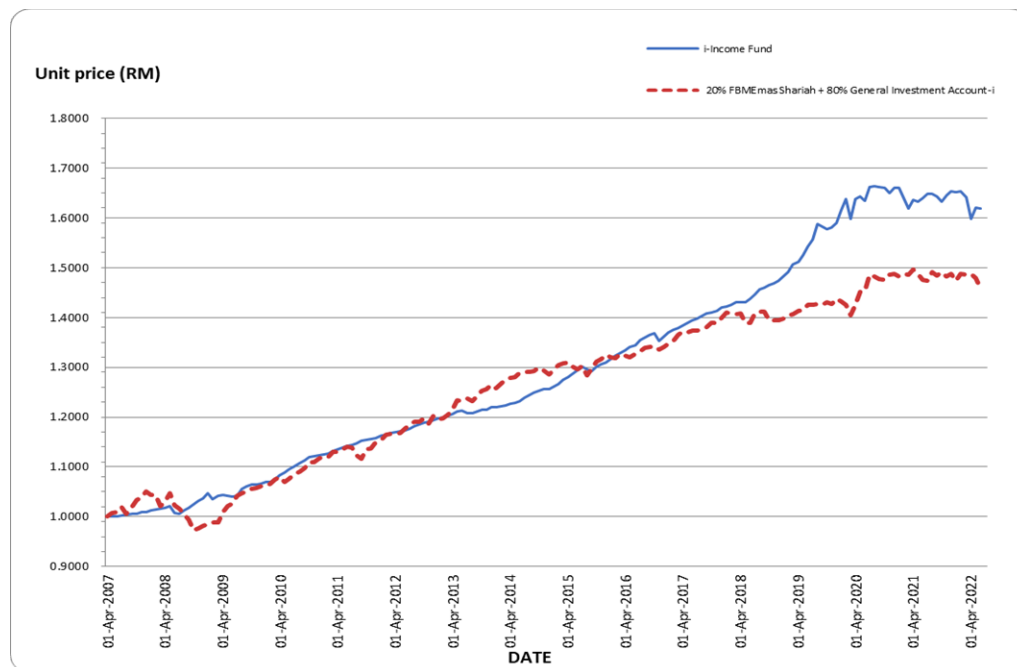
For the financial year under review, the fund was about 90% invested into sukuk. The return of the fund was impacted due to the upward trend of the sukuk's yield. Nevertheless, on a longer horizon, the 3 year and 5 year return is still above the benchmark. The Fund was 72% invested into sukuks while 28% invested into Low Risk Asset.

Fund management fee of 1% was charged to the Fund during the financial year.

There were no changes in the investment objectives, strategies, restrictions and limitation to the fund during the financial year. There was no distribution made and proposed during the financial year.

As at 30 June 2022

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-INCOME FUND (CONT'D)

Performance of the fund					
	2022	2021	2020	2019	2018
Total NAV (RM'000)	7,099	5,753	4,593	3,842	3,270
Number of units	4,394	3,508	2,810	2,479	2,338
NAV per unit (RM)	1.6154	1.6400	1.6347	1.5499	1.3986
Highest NAV per unit during financial year (RM)	1.6582	1.6688	1.6466	1.5499	1.5420
Lowest NAV per unit during financial year (RM)	1.5877	1.6138	1.5433	1.4091	1.3983
Total annual return of the fund - Capital growth (Note 1)	-1.50%	0.32%	5.47%	10.62%	-7.35%
Average annual return – Fund					
- 1 year	-1.50%	0.32%	5.47%	10.62%	-7.35%
- 3 year	1.39%	5.45%	2.69%	2.30%	0.47%
- 5 year	1.36%	2.56%	3.46%	3.51%	2.01%
Average annual return - Benchmark (20% FBM ESI + 80% GIA)					
- 1 year	-1.15%	1.52%	1.94%	2.59%	1.17%
- 3 year	0.76%	2.03%	1.90%	2.41%	2.36%
- 5 year	1.21%	2.15%	2.32%	2.04%	2.42%

Note 2

Performance of the fund					
Additional notes	2022	2021	2020	2019	2018
Total annual return of the fund - Capital growth	-1.02%	0.25%	5.99%	7.37%	3.08%
Average annual return – Fund					
- 1 year	-1.02%	0.25%	5.99%	7.37%	3.08%
- 3 year	1.69%	4.49%	5.47%	4.68%	3.55%
- 5 year	3.08%	4.04%	4.79%	4.60%	3.45%

Notes:

Adjustments arising from timing differences in recognition of fees expenses were accounted for in FY 2017/18 resulting in an unfavourable return on the Fund performance as reflected in Note 1 above. However, these adjustments do not impact the actual performance of the Fund used in published prices for unit allocation. The mentioned adjustments were merely book reporting to rectify the timing differences of such entries. In a normalised comparison, the actual Fund performances based on published price were as per Note 2.

INVESTMENT REVIEW (CONT'D)

HLMT i-INCOME FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2022	2021	2020	2019	2018
Deposits with Islamic Financial Institutions	9.39	-	-	-	-
Unquoted Islamic Sukuk	90.61	100.00	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00	100.00

Unquoted sukuk composition by sector					
	Weighting %				
	2022	2021	2020	2019	2018
Finance	35.27	39.81	40.38	38.62	39.83
Government	14.88	20.38	13.69	16.46	21.85
Government Agency	13.08	10.68	13.68	16.53	13.73
Industrial Products	4.82	-	-	-	-
Infrastructure	-	14.66	17.75	22.22	24.59
Plantation	3.76	-	-	-	-
Telecommunication	-	-	4.86	6.17	-
Utilities	28.18	14.47	9.64	-	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT i-EQUITY FUND

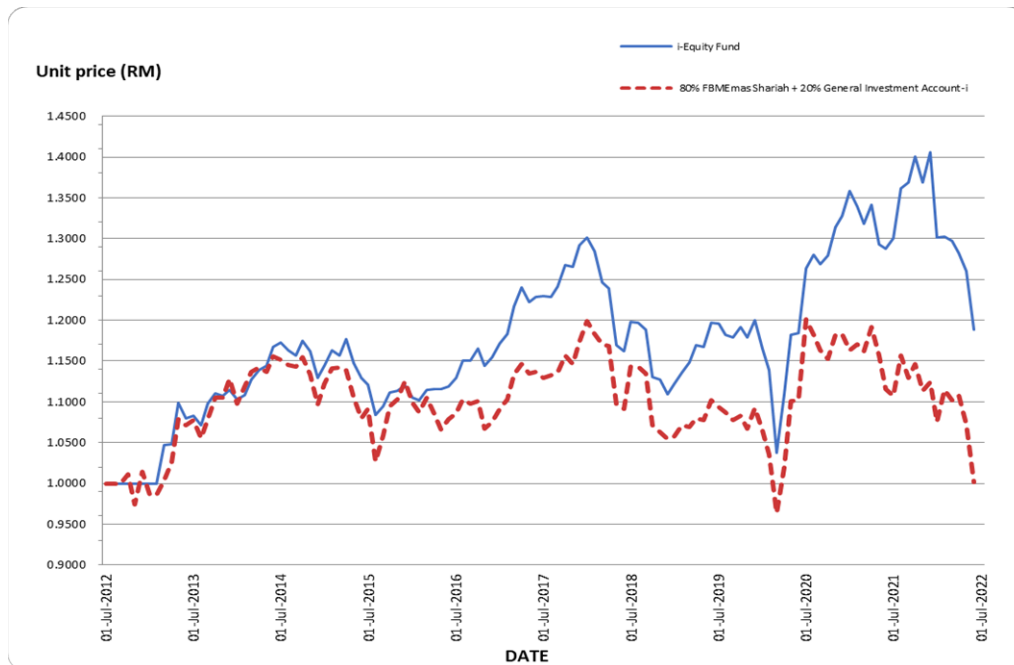
At the end of the financial year under review, 69.51% of the fund is invested in Shariah-compliant equities. The fund was well-positioned for the reopening of economy but due to the uncertain macro outlook, cash level was raised since the beginning of 2022. We remain defensive and sectors favoured include selected reopening names (consumers with pricing power & benefit from falling raw material prices), 5G/ technology (on easing supply chain bottlenecks) and high dividend yielding stocks. We remain invested in selected technology names who will still benefit from the structural growth. Stocks that outperformed during the financial year include Petronas Chemicals, Sime Darby Plantation, IHH Healthcare, Sam Engineering and Gamuda.

Fund management fee of 1.50% was charged to the Fund during the financial year.

There were no changes in the investment objectives, strategies, restrictions and limitation to the fund during the financial year. There was no distribution made and proposed during the financial year.

As at 30 June 2022

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-EQUITY FUND (CONT'D)

Performance of the fund					
	2022	2021	2020	2019	2018
Total NAV (RM'000)	28,445	24,907	28,930	27,895	16,062
Number of units	23,941	19,319	24,420	23,260	14,096
NAV per unit (RM)	1.1881	1.2893	1.1847	1.1993	1.1395
Highest NAV per unit during financial year (RM)	1.4143	1.3867	1.2183	1.1993	1.2805
Lowest NAV per unit during financial year (RM)	1.1881	1.1924	0.9675	1.1090	1.1166
Total annual return of the fund - Capital growth (Note 1)	-7.85%	8.83%	-1.22%	2.96%	-5.70%
Average annual return – Fund					
- 1 year	-7.85%	8.83%	-1.22%	2.96%	-5.70%
- 3 year	-0.31%	4.20%	-0.66%	2.25%	-0.28%
- 5 year	-0.34%	2.71%	0.61%	0.50%	1.06%
Average annual return - Benchmark (80% FBM ESI + 20% GIA)					
- 1 year	-10.21%	1.26%	-0.13%	-1.43%	-4.02%
- 3 year	-3.13%	0.73%	-1.12%	-0.15%	0.31%
- 5 year	-2.49%	0.67%	0.33%	-1.46%	0.32%

Note 2

Performance of the fund					
Additional notes	2022	2021	2020	2019	2018
Total annual return of the fund - Capital growth	-7.06%	8.76%	-1.02%	2.96%	-5.43%
Average annual return – Fund					
- 1 year	-7.06%	8.76%	-1.02%	2.96%	-5.43%
- 3 year	0.01%	3.49%	-1.22%	2.25%	0.96%
- 5 year	-0.52%	2.85%	0.96%	0.50%	1.48%

Notes:

Adjustments arising from timing differences in recognition of fees expenses were accounted for in FY 2017/18 resulting in an unfavourable return on the Fund performance as reflected in Note 1 above. However, these adjustments do not impact the actual performance of the Fund used in published prices for unit allocation. The mentioned adjustments were merely book reporting to rectify the timing differences of such entries. In a normalised comparison, the actual Fund performances based on published price were as per Note 2.

INVESTMENT REVIEW (CONT'D)

HLMT i-EQUITY FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2022	2021	2020	2019	2018
Deposits with Islamic Financial Institutions	30.49	13.31	13.82	29.59	24.03
Islamic Equity Securities Quoted in Malaysia	69.51	86.69	86.18	70.41	75.97
Total	100.00	100.00	100.00	100.00	100.00

Islamic equities composition by sector					
	Weighting %				
	2022	2021	2020	2019	2018
Construction	5.77	4.78	5.47	5.63	4.09
Consumer products	8.01	8.67	4.30	1.46	5.74
Finance	4.62	2.38	3.36	6.18	2.67
Industrial products	10.03	15.36	22.73	16.55	11.77
Infrastructure	5.55	4.63	5.52	10.02	9.47
Mining	-	1.99	-	-	-
Plantation	3.17	2.99	3.98	2.16	2.38
Properties	5.86	5.98	5.18	4.95	7.84
REITS	4.92	4.54	6.22	7.90	2.75
Technology	21.31	18.52	10.40	2.75	2.99
Trading/Services	28.92	28.69	31.70	42.40	50.30
Utilities	1.84	1.47	1.14	-	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT MAKMUR FUND

The fund was launched on 13 April 2021 and feeds into Hong Leong Dana Makmur ("HLDM") unit trust fund. For the financial year under review, the Fund posted a return of -8.54% versus the benchmark return of -13.75%. The return for the underlying fund, HLDM was -9.08% during the period under review.

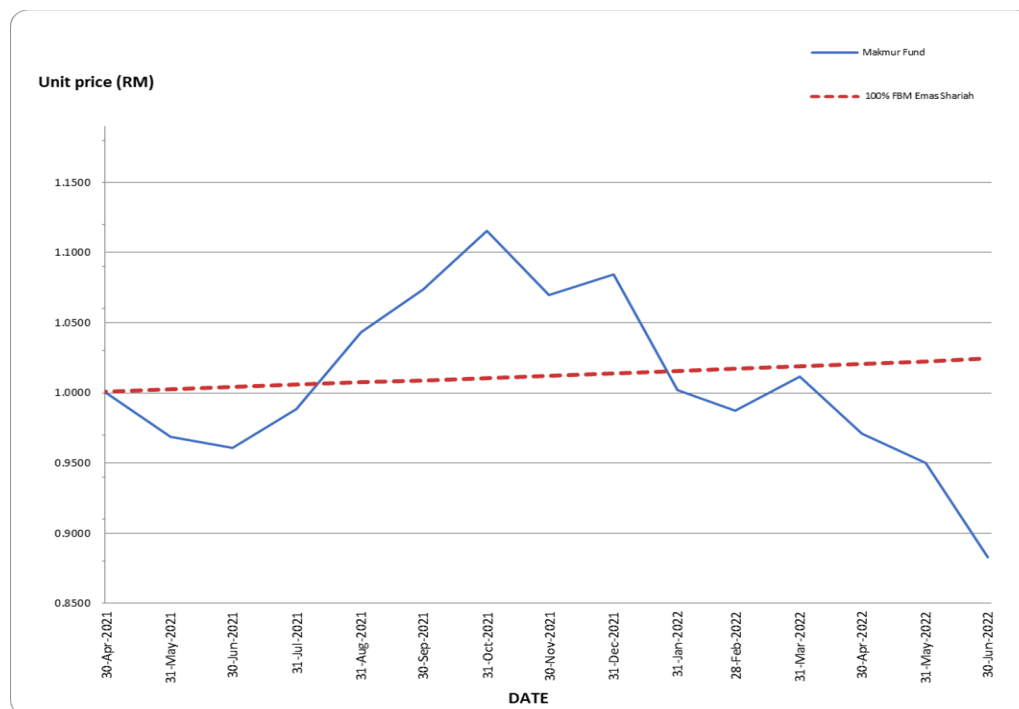
In HLDM's Shariah-compliant equity segment, the stocks that contributed positively during the financial year includes Berjaya Food Bhd, Genetec Technology Bhd and Press Metal. Sentiment in the equity market globally are still dominated by the fear of economic slowdown and tighter monetary policies, given the heightened risk of inflation worldwide. Domestically, 1QFY22 corporate earnings were mixed, with Cukai Makmur taking effect and lower margins pressure from rising costs. However, going forward, we expect corporate earnings to be better driven by the border re-opening and higher commodity prices. Slower-than-expected interest rate hikes also could be a catalyst for the market in the near term.

Fund management fee of 1.50% p.a. was charged to the Fund during the financial year.

There were no changes in the investment objectives, strategies, restrictions and limitation to the fund during the financial year. There was no distribution made and proposed during the financial year.

As at 30 June 2022

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT MAKMUR FUND (CONT'D)

Performance of the fund					
	2022	2021	2020	2019	2018
Total NAV (RM'000)	2,456	125	N/A	N/A	N/A
Number of units	2,783	129	N/A	N/A	N/A
NAV per unit (RM)	0.8825	0.9649	N/A	N/A	N/A
Highest NAV per unit during financial year (RM)	1.1468	1.0040	N/A	N/A	N/A
Lowest NAV per unit during financial year (RM)	0.8589	0.9429	N/A	N/A	N/A
Total annual return of the fund - Capital growth	-8.54%	-3.51%	N/A	N/A	N/A
Average annual return – Fund					
- 1 year	-8.54%	-3.51%	N/A	N/A	N/A
- 3 year	N/A	N/A	N/A	N/A	N/A
- 5 year	N/A	N/A	N/A	N/A	N/A
Average annual return - Benchmark (100% FBM ESI)					
- 1 year	-13.75%	-5.21%	N/A	N/A	N/A
- 3 year	N/A	N/A	N/A	N/A	N/A
- 5 year	N/A	N/A	N/A	N/A	N/A

Portfolio composition by category of investment					
	Weighting %				
	2022	2021	2020	2019	2018
Cash and cash equivalents	5.39	6.81	N/A	N/A	N/A
Unquoted Unit Trust	94.61	93.19	N/A	N/A	N/A
Total	100.00	100.00	N/A	N/A	N/A

INVESTMENT REVIEW (CONT'D)

HLMT MAA'ROF FUND

The fund was launched on 13 April 2021 and feeds into Hong Leong Dana Maa'rof ("HLDLM2") unit trust fund. For the financial year under review, the Fund posted a return of -8.97% versus the benchmark return of -7.22%. The return for the underlying fund, HLDLM was -6.98% during the period under review.

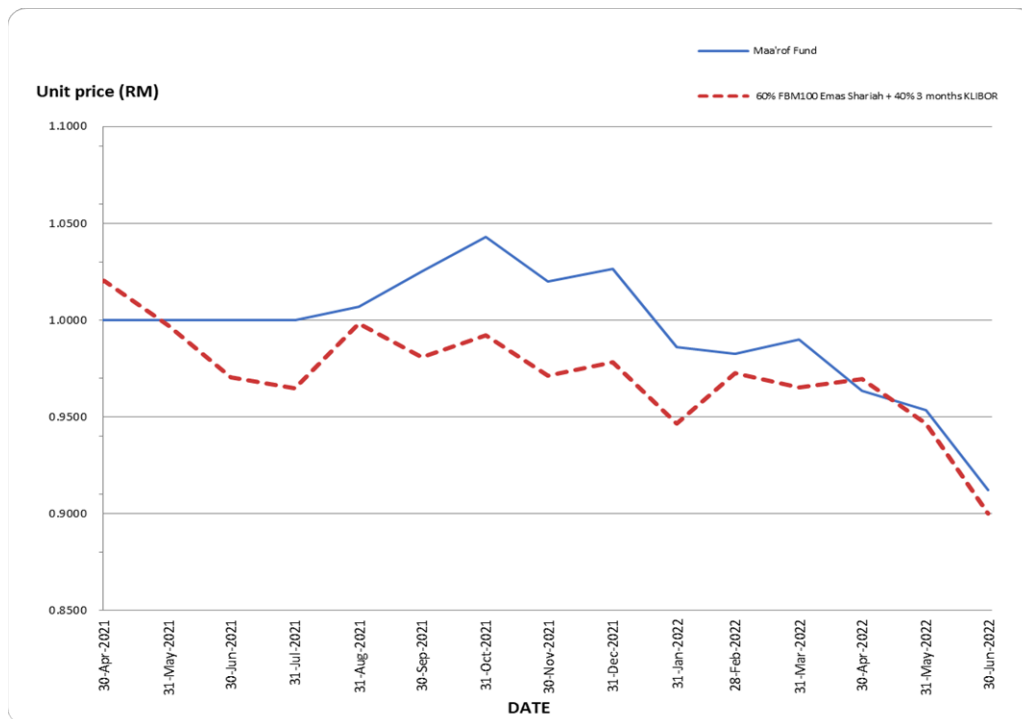
In HLDLM2's Shariah-compliant equity segment, the stocks that contributed positively during the financial year includes Berjaya Food Bhd, Genetec Technology Bhd and Press Metal. Sentiment in the equity market globally are still dominated by the fear of economic slowdown and tighter monetary policies, given the heightened risk of inflation worldwide. Domestically, 1QFY22 corporate earnings were mixed, with Cukai Makmur taking effect and lower margins pressure from rising costs. However, going forward, we expect corporate earnings to be better driven by the border re-opening and higher commodity prices. Slower-than-expected interest rate hikes also could be a catalyst for the market in the near term. As for the bond/sukuk market, we anticipate BNM shall raise OPR by 25bps to 2.25% in July's MPC meeting. Domestically, investors will continue to monitor closely on the inflation numbers and GDP trajectory to determine the market movement going forward.

Fund management fee of 1.50% p.a. was charged to the Fund during the financial year.

There were no changes in the investment objectives, strategies, restrictions and limitation to the fund during the financial year. There was no distribution made and proposed during the financial year.

As at 30 June 2022

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

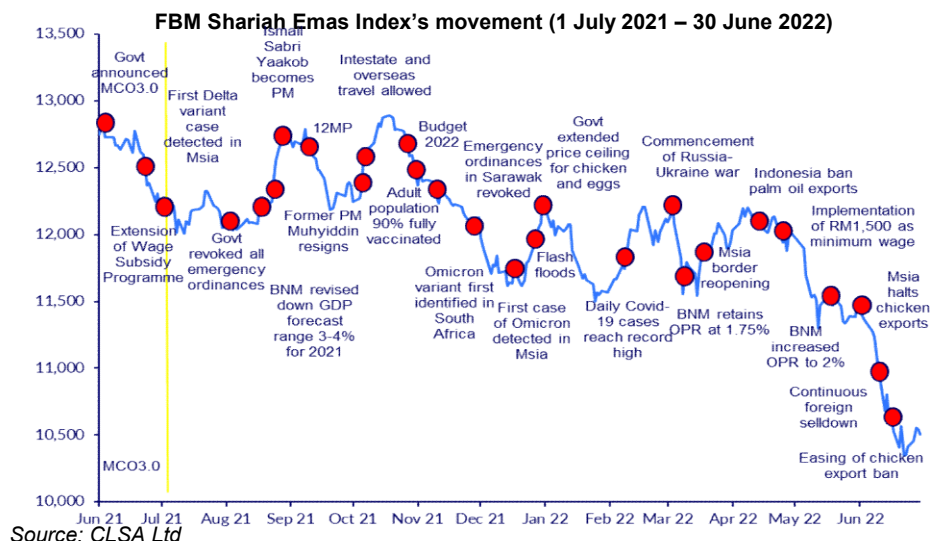
HLMT MAA'ROF FUND (CONT'D)

Performance of the fund					
	2022	2021	2020	2019	2018
Total NAV (RM'000)	562	3	N/A	N/A	N/A
Number of units	617	3	N/A	N/A	N/A
NAV per unit (RM)	0.9103	1.0000	N/A	N/A	N/A
Highest NAV per unit during financial year (RM)	1.0582	1.0000	N/A	N/A	N/A
Lowest NAV per unit during financial year (RM)	0.9062	1.0000	N/A	N/A	N/A
Total annual return of the fund - Capital growth	-8.97%	-	N/A	N/A	N/A
Average annual return – Fund					
- 1 year	-8.97%	N/A	N/A	N/A	N/A
- 3 year	N/A	N/A	N/A	N/A	N/A
- 5 year	N/A	N/A	N/A	N/A	N/A
Average annual return - Benchmark (70% FBM ESI + 30% KLIB3M)					
- 1 year	-7.22%	-2.96%	N/A	N/A	N/A
- 3 year	N/A	N/A	N/A	N/A	N/A
- 5 year	N/A	N/A	N/A	N/A	N/A

Portfolio composition by category of investment					
	Weighting %				
	2022	2021	2020	2019	2018
Cash and cash equivalents	2.62	100.00	N/A	N/A	N/A
Unquoted Unit Trust	97.38	-	N/A	N/A	N/A
Total	100.00	100.00	N/A	N/A	N/A

INVESTMENT REVIEW (CONT'D)

Equities Market



The financial year started with MCO 3.0 being implemented with no definite timeline of upliftment as new Covid-19 daily cases were hitting highs of 20k and led to the healthcare system capacity of certain regions within the country hitting its limits. The government responded to the worsening situation by announcing further aid under the PEMULIH package worth RM150b to help weather through the uncertainties and subsequently introduced a four-phase National Recovery Plan (NRP) detailing the country's exit strategy from the pandemic.

We also saw a change in guard in politics where Datuk Seri Ismail Sabri was appointed as the 9th Prime Minister to replace Tan Sri Mahiaddin Yassin. Following his appointment, the PM inked the Memorandum of Understanding (MoU) on Transformation and Political Stability with the opposition which promised a series of reforms and the timeframe to achieve them. The MoU provided a much-needed form of political stability as the government was committed to not dissolving Parliament before 31st July 22.

As politics then became less of a distraction, the country could focus on moving towards endemicity with the reopening of the economy. The high vaccination rate where >95% of adult population had completed two doses provided a strong footing for the country to normalise and the reopening delivered a strong boost to both consumers and business sentiment. However, the normalisation came with a cost of restarting the economy as the country needed a commensurate increase in revenue to offset the spending incurred during the pandemic. It started off with the surprise imposition of Cukai Makmur during Budget 2022 together with the proposal to tax foreign sourced income, to increase the trading fees on Bursa Malaysia and the discontinuation of stamp duty waiver for property transactions. Despite the ensuing relaxation on some of these by the government, the earlier positive domestic sentiment was already dented and deteriorating external macro conditions were of no help.

INVESTMENT REVIEW (CONT'D)

Equities Market (cont'd)

The average daily trading value on Bursa had also dwindled to around RM2.2b in 2Q22 vs the peak of close to RM6b in 3Q20 as retail participation normalised downwards post "work-from-home" during the various lockdowns. CYTD-Jul 22 flows have been dominated by foreign inflows with net buyers of around RM6b. Local institutions were net sellers to the tune of RM8b whilst retailers were net buyers of around RM2b. Foreign shareholding remains at a decade low of around 20% despite the recent inflows into commodity-related sectors such as plantation, chemicals and metals.

The Shariah index was lower by -13.75% during the year under review to close at 10,503.97 points.

Fixed Income Market

For the financial year under review, the fixed income landscape underwent turbulent times as it saw a turn in fortunes following historically low interest rates since the onset of the pandemic. The financial year began with a decline in the US Treasury (UST) yields as the Delta variant threw a wrench in the economic recovery trajectory. A few months later, the contagious Omicron variant came into the fold but the effects were less pronounced owing to strong vaccination rates and the less severe nature of the variant. As we approached the end of 2021, the US economy continued to gain strength with a strong labour market which also partially contributed to the high CPI print. The 7% CPI print in Dec resulted in the Fed having to pivot from being dovish to hawkish. This drove yields higher as seen in the 10Y UST which climbed to a high of 1.87% in Jan 22 vs Jun 21's 1.5%.

The UST briefly rallied when the Ukraine war took place in second half of the reporting period due to fears that a corresponding economic slowdown would ensue. However, these concerns were soon eclipsed by staggering inflation readings which had not been witnessed in the last 40 years. Since March 2022, the Fed has hiked interest rates 3 times to tame inflation, bringing it to a cumulative 150bps hike. At its high, the 10Y note was hovering at 3.48% which was the highest since April 2011. Reassurances from the Fed to bring inflation down to 2% will be critical to determine where the UST will settle. At the end of our financial year, the 10Y note settled at 3.01% as recessionary fears over aggressive tightening were being priced in by market participants.

Domestically, the Government Investment Issue (GII) largely tracked the movement of the UST despite Malaysia reporting lower inflation numbers. Fundamentally, the financial year started with a decline in GII yields due to various lockdown measures in response to the rapid spread of the Delta variant. But, once Malaysia transitioned to an endemic phase, yields on the domestic note began to rise as the economic reopening supported risk-on sentiment. The central bank surprised the market when it opted to increase the OPR by 25bps in May 2022, a move that was deemed pre-emptive given the relatively low inflation readings (April 2022 CPI: 2.3%). However, several factors such as the strong 5% GDP growth in 1Q2022, worries over food security leading to higher inflation, and the MYR's depreciation gave credence to the central bank's decision to begin its rate-hike cycle. The tail-end of the financial year witnessed encouraging news as S&P revised the outlook of Malaysia's sovereign rating to stable from negative, fortifying confidence in the sovereign's credit strength. In June, domestic yields decreased in tandem with its US counterpart with the 10Y GII settling at 4.29%, down from the high of 4.56% in May 2022.

INVESTMENT OUTLOOK

Equity

Moving into the new financial year, markets will continue to be volatile as global growth is projected to slow down to +3.2% in 2022 from 2021's +6.1% due to intensifying geopolitical tensions, continuing supply strains and tighter liquidity conditions. The Russia-Ukraine geopolitical tensions which had led to significant supply disruptions and higher price volatility across several commodities including energy, food and fertilisers have also driven the Eurozone economy to the brink of recession. Simmering tensions between US and China continue to dominate headlines while China remains resolute in keeping its dynamic zero Covid-19 strategy even though this is likely to risk the country's economic growth going into a protracted slowdown and may further exacerbate prolonged disruptions to the global supply chain.

The US economy had also entered a technical recession in 2Q22 due to the ongoing policy tightening undertaken by the Fed to tame persistent inflationary pressures with a strong labour market. The Fed's commitment to the 2% inflation target could potentially tilt the economy into a "hard landing". These concerns will continue to dominate headlines and investors will have to monitor these developments closely as any potential pivoting will be a boost to overall market sentiment.

As for Malaysia, external threats aside, investor sentiment is likely to remain fragile due to the ongoing political and regulatory concerns despite the underlying strength of the domestic economy. Malaysia's direct debt as at end-2021 stands at RM980b (~63% of GDP) and debt servicing is running at around RM43b for 2022 which is around 18% of projected revenue. A rising interest rate environment and growing subsidy bill will make the government's 6% fiscal deficit target harder to achieve. We remain defensive and maintain our barbell strategy by investing in both the value and growth sectors, together with dividend-yielding stocks. Sectors that we continue to favour are selected recovery/reopening names (consumers with pricing power) and 5G/ technology (easing of supply chain bottlenecks).

Fixed Income

Moving forward, inflation and recessionary fears will be the two overwhelming variables that will shape the fixed income landscape in the upcoming financial year. With inflation still running red-hot in the US coupled with an aggressively hawkish Fed, the sukuk market would be susceptible to bearish sentiment on the back of appalling inflation data and stiff policy action. On the flip side, the steadfast effort to curb inflation increases the possibility of a recession coming onstream. While the Fed remains adamant in its conviction that a soft landing is possible, the market may still trade with the possibility of recession in mind as history suggests that an aggressive rate-hike cycle usually leads to a potential recession.

On the domestic front, though inflationary pressure seems tepid, we do not rule out that it may potentially creep up owing to the ongoing resumption in economic activity. Moreover, rising food prices caused by supply chain issues will also play an important role in shaping public policy. Thus, we will pay close attention to the tone of the central bank to gauge its priorities and consequent potential policy actions. In addition, risk sentiment in the domestic sukuk market may also be influenced by political uncertainties associated with the pending general elections.

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2022

		HLMT i-Balanced		HLMT i-Income	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Asset Investment:					
Islamic equity securities quoted in Malaysia	4	2,922,554	3,070,758	-	-
Unquoted islamic sukuk	4	3,854,248	3,144,420	6,286,532	4,971,866
Accrued profit		49,230	35,557	72,933	58,181
Total investments		6,826,032	6,250,735	6,359,465	5,030,047
Other Assets:					
Amount due from the manager		-	16,995	-	7,751
Deferred tax assets		30,417	-	11,717	-
Investment receivables		3,431	7,100	-	-
Other receivables		514	514	250	250
Cash and cash equivalents		2,322,045	2,144,786	800,046	743,224
Total Other Assets		2,356,407	2,169,395	812,013	751,225
Total Assets		9,182,439	8,420,130	7,171,478	5,781,272
Liabilities					
Amount due to the manager		106,600	8,860	54,595	4,543
Deferred tax liabilities		-	33,017	-	11,110
Provision for taxation		31,454	59,509	18,042	13,056
Total Liabilities		138,054	101,386	72,637	28,709
Net Assets Attributable To Certificate Holders					
		9,044,385	8,318,744	7,098,841	5,752,563
Represented By					
Value of unit		10,383,786	9,091,942	6,153,635	4,595,974
Undistributed (loss)/income carried forward		(1,339,401)	(773,198)	945,206	1,156,589
		9,044,385	8,318,744	7,098,841	5,752,563
Number Of Units In Calculation		6,690,328	5,862,488	4,394,470	3,507,586
Net Asset Value Attributable To Certificate Holders Per Unit					
		1.3519	1.4190	1.6154	1.6400

The accompanying notes form an integral part of the financial statements

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

As at 30 June 2022

	Note	HLMT i-Equity	
		2022 RM	2021 RM
Asset Investment:			
Islamic equity securities quoted in Malaysia	4	19,529,228	20,860,373
Total investments		19,529,228	20,860,373
Other Assets:			
Amount due from the manager		-	43,616
Deferred tax assets		174,414	-
Investment receivables		22,728	48,117
Other receivables		3,067	3,067
Cash and cash equivalents		9,052,696	4,163,071
Total Other Assets		9,252,905	4,257,871
Total Assets		28,782,133	25,118,244
Liabilities			
Amount due to the manager		205,815	33,648
Deferred tax liabilities		-	157,532
Provision for taxation		131,554	19,851
Total Liabilities		337,369	211,031
Net Assets Attributable To Certificate Holders		28,444,764	24,907,213
Represented By			
Value of unit		30,525,798	23,771,929
Undistributed (loss)/income carried forward		(2,081,034)	1,135,284
		28,444,764	24,907,213
Number of units in calculation		23,941,332	19,318,589
Net Asset Value Attributable To Certificate Holders Per Unit		1.1881	1.2893

The accompanying notes form an integral part of the financial statements

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

As at 30 June 2022

	Note	HLMT Makmur		HLMT Maa'rof	
		2022 RM	2021 RM	2022 RM	2021 RM
Asset Investment:					
Unit Trust Fund	4	2,294,130	115,010	547,277	-
Total investments		2,294,130	115,010	547,277	-
Other assets:					
Amount due from the manager		29,425	1,181	-	7
Deferred tax assets		34,881	295	5,691	-
Cash and cash equivalents		99,794	8,409	10,855	2,933
Total Other Assets		164,100	9,885	16,546	2,940
Total Assets		2,458,230	124,895	563,823	2,940
Liabilities					
Amount due to the manager		1,873	-	616	-
Provision for taxation		385	-	1,195	-
Total Liabilities		2,258	-	1,811	-
Net Assets Attributable To Certificate Holders		2,455,971	124,895	562,012	2,940
Represented By					
Value of unit		2,959,569	131,744	622,916	3,035
Undistributed (loss)/income carried forward		(503,598)	(6,849)	(60,904)	(95)
		2,455,971	124,895	562,012	2,940
Number of units in calculation		2,782,916	129,439	617,382	2,940
Net Asset Value Attributable To Certificate Holders Per Unit		0.8825	0.9649	0.9103	1.0001

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 30 June 2022

	HLMT i-Balanced		HLMT i-Income	
	2022 RM	2021 RM	2022 RM	2021 RM
Investment income:				
Investment profits	194,778	290,103	251,442	191,695
Dividend income	80,004	135,279	-	-
Net realised gain on sale of investments	187,408	1,567,587	19,190	-
Unrealised capital gain on investments	3,225	555,185	-	-
Total Income	465,415	2,548,154	270,632	191,695
Net realised loss on sale of investments	(1,145)	(991,187)	-	(1,740)
Unrealised capital loss on investments	(796,154)	(229,574)	(285,334)	(114,652)
Investment management fees	(111,228)	(177,205)	(64,598)	(50,045)
Other outgo	(155,101)	(156,235)	(136,867)	(111,065)
Total Outgo	(1,063,628)	(1,554,201)	(486,799)	(277,502)
Excess of income over outgo/ (outgo over income) before taxation	(598,213)	993,953	(216,167)	(85,807)
Tax expense	32,010	(88,066)	4,784	(3,861)
Excess of income over outgo/ (outgo over income) after taxation	(566,203)	905,887	(211,383)	(89,668)
Undistributed (loss)/profit brought forward	(773,198)	(1,679,085)	1,156,589	1,246,257
Undistributed (loss)/profit carried forward	(1,339,401)	(773,198)	945,206	1,156,589

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE (CONT'D)

For the financial year ended 30 June 2022

	HLMT i-Equity	
	2022 RM	2021 RM
Investment income:		
Investment profits	89,859	94,119
Dividend income	541,936	710,712
Net realised gain on sale of investments	1,446,476	3,293,828
Unrealised capital gain on investments	24,158	3,004,327
Total Income	2,102,429	7,102,986
Net realised loss on sale of investments	(10,013)	(2,883,618)
Unrealised capital loss on investments	(4,173,485)	(161,858)
Investment management fees	(425,532)	(456,395)
Other outgo	(910,629)	(948,098)
Total Outgo	(5,519,659)	(4,449,969)
Excess of income over outgo/ (outgo over income) before taxation	(3,417,230)	2,653,017
Tax expense	200,912	(244,776)
Excess of income over outgo/ (outgo over income) after taxation	(3,216,318)	2,408,241
Undistributed (loss)/profit brought forward	1,135,284	(1,272,957)
Undistributed (loss)/profit carried forward	(2,081,034)	1,135,284

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE (CONT'D)

For the financial year ended 30 June 2022

	HLMT Makmur		HLMT Maa'rof	
	2022 RM	2021 RM	2022 RM	2021 RM
Investment income:				
Dividend income	7,082	-	15,724	-
Total Income	7,082	-	15,724	-
Net realised loss on sale of investments	(2,458)	-	(788)	-
Unrealised capital loss on investments	(424,229)	(3,690)	(71,137)	-
Investment management fees	(1,822)	(1)	(3,264)	-
Other outgo	(109,524)	(3,453)	(5,840)	(95)
Total Outgo	(538,033)	(7,143)	(81,029)	(95)
Excess of income over outgo/ (outgo over income) before taxation	(530,951)	(7,144)	(65,305)	(95)
Tax expense	34,202	295	4,496	-
Excess of income over outgo/ (outgo over income) after taxation	(496,749)	(6,849)	(60,809)	(95)
Undistributed (loss)/profit brought forward	(6,849)	-	(95)	-
Undistributed (loss) carried forward	(503,598)	(6,849)	(60,904)	(95)

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN NET ASSET VALUE

For the financial year ended 30 June 2022

	HLMT i-Balanced		HLMT i-Income	
	2022 RM	2021 RM	2022 RM	2021 RM
Net asset value attributable to certificate holders at the beginning of the financial year	8,318,744	16,952,294	5,752,563	4,593,209
Amount received from certificate holders for the creation of units	2,604,276	2,582,232	2,616,824	2,305,502
Amount paid to certificate holders for cancellation of units	(1,312,431)	(12,121,671)	(1,059,163)	(1,056,480)
	9,610,589	7,412,855	7,310,224	5,842,231
Net income for the year, net of tax	194,715	668,343	69,167	28,845
Net unrealised (loss)/gain, net of tax	(760,919)	237,546	(280,550)	(118,513)
Net asset value attributable to certificate holders at the end of the financial year	9,044,385	8,318,744	7,098,841	5,752,563

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D)

For the financial year ended 30 June 2022

	HLMT i-Equity	
	2022 RM	2021 RM
Net asset value attributable to certificate holders at the beginning of the financial year	24,907,213	28,930,350
Amount received from certificate holders for the creation of units	16,482,683	16,486,279
Amount paid to certificate holders for cancellation of units	(9,728,814)	(22,917,657)
	31,661,082	22,498,972
Net (loss)/income for the year, net of tax	732,097	(189,452)
Net unrealised (loss)/gain, net of tax	(3,948,415)	2,597,693
Net asset value attributable to certificate holders at the end of the financial year	28,444,764	24,907,213

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D)

For the financial year ended 30 June 2022

	HLMT Makmur		HLMT Maa'rof	
	2022 RM	2021 RM	2022 RM	2021 RM
Net asset value attributable to certificate holders at the beginning of the financial year	124,895	-	2,940	-
Amount received from certificate holders for the creation of units	3,073,067	137,975	651,937	3,285
Amount paid to certificate holders for cancellation of units	(245,242)	(6,231)	(32,056)	(250)
	2,952,720	131,744	622,821	3,035
Net (loss) for the year, net of tax	(106,722)	(3,455)	5,832	(95)
Net unrealised (loss), net of tax	(390,027)	(3,394)	(66,641)	-
Net asset value attributable to certificate holders at the end of the financial year	2,455,971	124,895	562,012	2,940

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL INFORMATION

1 . PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of HLMT i-Balanced Fund, HLMT i-Income Fund, HLMT i-Equity Fund, HLMT Makmur Fund and HLMT Maa'rof Fund (hereinafter referred to collectively as "the Funds") are to invest in authorised Shariah-compliant investments.

The Manager of the Funds is HLMT, a company incorporated in Malaysia, whose principal activity is to manage Family Takaful including investment-linked business. There has been no significant change in the nature of the principal activity during the financial year.

2 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of preparation

The financial information of the Funds have been prepared in accordance with the accounting policies described in Note 2 to the financial information and the Guidelines on the Investment-Linked Business (BNM/RH/PD 029-36) issued by BNM.

The preparation of financial information requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information, and the reported amounts of income and expenses during the reported financial year. It also requires the Directors of the Manager to exercise their judgement in the process of applying the Funds' accounting policies. Although these estimates are based on the Directors of the Manager's best knowledge of current events and actions, actual results may differ from those estimates.

However, the Directors of the Manager are of the opinion that there are currently no areas where assumptions and estimates that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year and no accounting policies which requires significant judgement to be exercised.

(b) Fair value through profit or loss financial assets ("FVTPL")

The Funds designate their investment portfolio into fair value through profit or loss financial assets at inception to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

Financial assets classified as FVTPL are initially recorded at fair value. Subsequent to initial recognition, the financial assets are remeasured at fair values with fair value adjustments and realised gains and losses recognised in statement of income and expenditure.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Fair value of financial assets

The fair values of Government Investment Issues ("GII"), collective investment schemes, unquoted corporate securities are based on indicative fair market prices/index by reference to the quotations provided by financial institutions and brokers.

The fair values of quoted securities are based on current market prices. If the market for a financial asset is not active, the Manager establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

Structured investments are investments where part of the fund is invested in the fixed income instruments issued by Islamic financial institutions while the remaining fund are invested in instruments which linked to the performance of one or more prices, rates, indices, securities and other Islamic financial instruments. Structured investments are carried at fair values, determined by reference to quotations provided by the issuing Islamic financial institutions.

Cash at bank and deposits with licensed Islamic financial institutions are stated at approximately their carrying amount as at the date of statement of assets and liabilities.

(d) Functional and presentation currency

The financial information are presented in Ringgit Malaysia (RM), which is the Funds' functional and presentation currency.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash balances and deposits held at call with Islamic financial institutions with original maturities of three month or less.

(f) Income recognition

Dividend income is recognised when the right to receive the dividend has been established.

Investment profit is recognised on a time proportion basis taking into account the effective yield of the asset.

Gains or losses arising from the disposal of investments are credited or charged to the statement of income and expenditure.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment management fees

Investment management fees are calculated in accordance with the provisions of the investment-linked certificate document and are charged to the statement of income and expenditure when incurred.

(h) Taxation

Taxation on the statement of income and expenditure comprises of current and deferred tax. Current tax is the expected amount of tax payable in respect of the taxable income for the financial year, using tax rates enacted or substantially enacted at the statement of assets and liabilities date, and any adjustment to tax payable in respect of previous financial years.

Deferred taxation is recognised in full using the liability method, on temporary differences at the statement of assets and liabilities date between the tax bases of assets and liabilities and their carrying amounts in the financial information. However, deferred tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised. Deferred tax is recognised in the statement of income and expenditure.

(i) Net creation of units

Net creation of units represents contribution paid by certificate holders as payment for new contract or subsequent payments to increase the amount of that contract. Net creation of units is recognised on a receipt basis.

(j) Net cancellation of units

Net cancellation of units represents cancellation of units arising from surrenders and withdrawals from certificate holders. Cancellation is recognised upon receipt of surrender and withdrawal form from certificate holders.

3. PERFORMANCE TABLE

The performance tables of the Funds are set out on pages 3 to 15 of the fund performance report.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2022 (RM)	% of Net Asset Value
HLMT i-BALANCED FUND				
<u>Unquoted Islamic Sukuk:</u>				
Islamic Sukuk:				
- Ambank Islamic Bhd	500,000	502,750	506,320	5.60%
- Infracap Resources Sdn Bhd	500,000	500,050	485,615	5.37%
- Malayan Banking Bhd	500,000	520,900	509,285	5.63%
- Malaysia Rail Link Sdn Bhd	650,000	650,000	604,253	6.68%
- RHB Islamic Bank Bhd	500,000	500,000	503,290	5.56%
- Sarawak Energy Bhd	500,000	537,900	510,520	5.64%
- Sarawak Hidro Sdn Bhd	500,000	495,100	505,130	5.59%
- Tenaga Nasional Bhd	250,000	250,000	229,835	2.54%
Total Unquoted Islamic Sukuk	3,900,000	3,956,700	3,854,248	42.61%
<u>Islamic Equity Securities Quoted in Malaysia:</u>				
Construction:				
- Ame Elite Consortium Berhad	45,000	53,589	73,350	0.81%
- Ame Elite Consortium Berhad-Warrants	10,000	-	1,750	0.02%
- Gamuda Bhd	26,498	94,654	94,863	1.05%
	81,498	148,243	169,963	1.88%
Consumer Products:				
- Berjaya Food Berhad	3,000	9,803	12,450	0.14%
- Duopharma Biotech Berhad	53,362	65,020	64,034	0.71%
- Farm Fresh Berhad	27,000	38,563	43,740	0.48%
- Mr D.I.Y. Group (M) Berhad	16,500	17,786	34,155	0.38%
- QL Resources Bhd	16,000	81,853	83,200	0.92%
	115,862	213,025	237,579	2.63%
Finance:				
- Bank Islam Malaysia Berhad	38,000	125,420	101,840	1.13%
- Syarikat Takaful Malaysia Keluarga Berhad	11,712	26,849	37,830	0.41%
	49,712	152,269	139,670	1.54%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2022 (RM)	% of Net Asset Value
HLMT i-BALANCED FUND (CONT'D)				
<u>Islamic Equity Securities Quoted in Malaysia: (cont'd)</u>				
Industrial Products:				
- Hartalega Holdings Berhad	7,000	103,624	21,420	0.24%
- Malayan Cement Berhad	35,000	97,104	77,000	0.85%
- Petronas Chemicals Group Bhd	8,000	43,486	72,000	0.80%
- Scientex Berhad	18,000	54,489	62,280	0.69%
- Top Glove Corporation Bhd	23,000	154,051	23,920	0.26%
- V.S Industry Bhd	45,000	57,211	44,775	0.49%
	136,000	509,965	301,395	3.33%
Infrastructure:				
- Digi.Com Bhd	15,000	70,140	52,500	0.58%
- Lingkaran Trans Kota Holdings Berhad	4,000	19,277	19,200	0.21%
- Time Dotcom Bhd	21,000	71,374	91,980	1.02%
	40,000	160,790	163,680	1.81%
Plantation:				
- Sime Darby Plantation Berhad	22,119	105,650	95,775	1.06%
	22,119	105,650	95,775	1.06%
Properties:				
- Sime Darby Property Berhad	114,000	83,766	51,300	0.57%
- SP Setia Bhd	36,000	33,081	24,480	0.27%
- Sunway Berhad	45,724	66,899	77,731	0.86%
- Sunway Berhad - ICPS	8,944	8,944	12,969	0.14%
	204,668	192,690	166,480	1.84%
REITS:				
- AXIS Real Estate Investment Trust	39,489	71,607	75,819	0.84%
- KLCC Property Holdings Bhd	8,000	62,630	54,400	0.60%
	47,489	134,237	130,219	1.44%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2022 (RM)	% of Net Asset Value
HLMT i-BALANCED FUND (CONT'D)				
Islamic Equity Securities Quoted in Malaysia: (cont'd)				
Technology:				
- CTOS Digital Berhad	29,000	37,670	36,830	0.41%
- D&O Green Technologies Berhad	19,000	87,819	73,150	0.81%
- Frontken Corporation Bhd	24,000	69,791	54,960	0.61%
- GHL Systems Bhd	42,000	68,770	50,820	0.56%
- Inari Amertron Berhad	58,000	117,080	153,120	1.69%
- JHM Consolidation Bhd	27,000	50,919	32,130	0.35%
- Kobay Technology Bhd	11,000	37,648	32,560	0.36%
- Pentamaster Corporation Bhd	19,000	92,240	70,110	0.78%
- Sam Engineering & Equipment (M) Berhad	29,000	48,699	88,450	0.98%
- Unisem (M) Berhad	16,000	45,199	36,800	0.41%
	274,000	655,835	628,930	6.96%
Trading/Services:				
- Axiata Group Berhad	21,005	73,248	59,444	0.66%
- Bermaz Auto Berhad	53,600	102,542	91,120	1.01%
- Dialog Group Bhd	30,076	92,333	64,062	0.71%
- Gas Malaysia Berhad	15,000	45,288	45,150	0.50%
- IHH Healthcare Berhad	24,000	132,865	154,800	1.71%
- My E.G. Services Bhd	78,000	74,024	68,640	0.76%
- Sime Darby Bhd	40,459	77,216	86,177	0.95%
- Telekom Malaysia Bhd	20,000	87,015	105,000	1.16%
- Tenaga Nasional Bhd	15,000	182,592	119,700	1.32%
- Westports Holdings Berhad	9,000	33,652	31,950	0.35%
	306,140	900,775	826,043	9.13%
Utilities:				
- Mega First Corporation Bhd	18,000	36,075	62,820	0.69%
	18,000	36,075	62,820	0.69%
Total Equity Securities Quoted In Malaysia	1,295,488	3,209,554	2,922,554	32.31%
Grand total	5,195,488	7,166,254	6,776,802	74.92%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2022 (RM)	% of Net Asset Value
HLMT i-INCOME FUND				
<u>Unquoted Islamic Sukuk:</u>				
Government Investment Issues & Cagamas:				
- Malaysia Investment Issue 04.08.2037	500,000	497,785	497,825	7.01%
- Malaysia Investment Issue 15.07.2036	500,000	498,510	437,750	6.17%
- Projek Lebuhraya Usahasama Bhd	500,000	490,750	497,080	7.00%
- Malaysia Rail Link Sdn Bhd	350,000	350,000	325,367	4.58%
	1,850,000	1,837,045	1,758,022	24.76%
<u>Islamic Sukuk:</u>				
- Ambank Islamic Bhd	500,000	502,750	506,320	7.13%
- Infracap Resources Sdn Bhd	300,000	300,030	291,369	4.11%
- Kuala Lumpur Kepong Bhd	250,000	250,000	236,413	3.33%
- Malayan Banking Bhd	500,000	500,000	509,285	7.17%
- Pengurusan Air SPV Bhd	150,000	150,000	150,370	2.12%
- Pengurusan Air SPV Bhd	400,000	400,000	382,036	5.38%
- Putrajaya Bina Sdn Bhd	300,000	299,430	303,042	4.27%
- RHB Islamic Bank Bhd	600,000	621,000	603,948	8.51%
- Sarawak Energy Bhd	300,000	322,740	306,312	4.32%
- Tenaga Nasional Bhd	250,000	250,000	229,835	3.24%
- TNB Power Generation Sdn Bhd	1,000,000	1,000,000	1,009,580	14.22%
	4,550,000	4,595,950	4,528,510	63.80%
Grand Total	6,400,000	6,432,995	6,286,532	88.56%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2022 (RM)	% of Net Asset Value
HLMT i-EQUITY FUND				
<u>Islamic Equity Securities Quoted In Malaysia:</u>				
Construction:				
- Ame Elite Consortium Berhad	318,000	382,046	518,340	1.82%
- Ame Elite Consortium Berhad-Warrants	70,666	-	12,366	0.04%
- Gamuda Bhd	166,391	596,027	595,680	2.10%
	555,057	978,073	1,126,386	3.96%
Consumer Products:				
- Berjaya Food Berhad	17,000	56,727	70,550	0.25%
- Duopharma Biotech Berhad	348,006	436,595	417,607	1.47%
- Farm Fresh Berhad	174,000	245,992	281,880	0.99%
- Mr D.I.Y. Group (M) Berhad	105,000	113,187	217,350	0.76%
- QL Resources Bhd	111,000	582,717	577,200	2.03%
	755,006	1,435,218	1,564,587	5.50%
Finance:				
- Bank Islam Malaysia Berhad	248,000	817,059	664,640	2.34%
- Syarikat Takaful Malaysia Keluarga Berhad	73,285	164,926	236,711	0.83%
	321,285	981,985	901,351	3.17%
Industrial Products:				
- Hartalega Holdings Berhad	47,000	759,736	143,820	0.51%
- Malayan Cement Berhad	227,000	630,251	499,400	1.75%
- Petronas Chemicals Group Bhd	50,100	275,798	450,900	1.59%
- Scientex Berhad	121,000	353,289	418,660	1.47%
- Top Glove Corporation Bhd	155,000	940,078	161,200	0.57%
- V.S Industry Bhd	287,000	364,932	285,565	1.00%
	887,100	3,324,084	1,959,545	6.89%
Infrastructure:				
- Digi.Com Bhd	108,000	516,222	378,000	1.33%
- Lingkaran Trans Kota Holdings Berhad	25,000	120,214	120,000	0.42%
- Time Dotcom Bhd	134,000	430,187	586,920	2.06%
	267,000	1,066,623	1,084,920	3.81%
Plantation:				
- Sime Darby Plantation Berhad	142,810	707,147	618,367	2.17%
	142,810	707,147	618,367	2.17%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2022 (RM)	% of Net Asset Value
HLMT i-EQUITY FUND (CONT'D)				
Islamic equity securities quoted in Malaysia: (cont'd)				
Properties:				
- Sime Darby Property Berhad	756,000	565,876	340,200	1.20%
- SP Setia Bhd	264,000	245,543	179,520	0.63%
- Sunway Berhad	313,798	472,825	533,457	1.87%
- Sunway Berhad - ICPS	62,759	62,759	91,000	0.32%
	1,396,557	1,347,003	1,144,177	4.02%
REITS:				
- AXIS Real Estate Investment Trust	256,125	457,162	491,760	1.73%
- KLCC Property Holdings Bhd	69,000	541,075	469,200	1.65%
	325,125	998,237	960,960	3.38%
Technology:				
- CTOS Digital Berhad	187,000	241,987	237,490	0.84%
- D&O Green Technologies Berhad	122,000	573,631	469,700	1.65%
- Frontken Corporation Bhd	162,000	471,792	370,980	1.30%
- GHL Systems Bhd	282,000	463,804	341,220	1.20%
- Inari Amertron Berhad	373,000	683,648	984,720	3.46%
- JHM Consolidation Bhd	181,000	345,617	215,390	0.76%
- Kobay Technology Bhd	72,000	246,372	213,120	0.75%
- Pentamaster Corporation Bhd	126,000	613,696	464,940	1.63%
- Sam Engineering & Equipment (M) Berhad	199,000	339,590	606,950	2.13%
- Unisem (M) Berhad	112,000	315,765	257,600	0.91%
	1,816,000	4,295,902	4,162,110	14.63%
Trading/Services:				
- Axiata Group Berhad	156,529	692,227	442,977	1.56%
- Bermaz Auto Berhad	389,000	812,455	661,300	2.32%
- Dialog Group Bhd	198,000	559,265	421,740	1.48%
- Gas Malaysia Berhad	96,000	294,842	288,960	1.02%
- IHH Healthcare Berhad	168,000	993,672	1,083,600	3.81%
- My E.G. Services Bhd	512,000	482,094	450,560	1.59%
- Sime Darby Bhd	256,398	547,063	546,128	1.92%
- Telekom Malaysia Bhd	129,000	508,440	677,250	2.38%
- Tenaga Nasional Bhd	108,000	1,372,576	861,840	3.03%
- Westports Holdings Berhad	60,000	239,164	213,000	0.75%
	2,072,927	6,501,798	5,647,355	19.86%
Utilities:				
- Mega First Corporation Bhd	103,000	229,351	359,470	1.26%
	103,000	229,351	359,470	1.26%
Grand total	8,641,867	21,865,421	19,529,227	68.66%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2022 (RM)	% of Net Asset Value
HLMT MAKMUR FUND				
<u>Unquoted Unit Trust</u>				
- Hong Leong Dana Makmur	3,428,680	2,722,048	2,294,130	93.41%
HLMT MAA'ROF FUND				
<u>Unquoted Unit Trust</u>				
- Hong Leong Dana Maa'rof	1,055,094	618,414	547,277	97.38%

STATEMENT BY MANAGER

INVESTMENT-LINKED FUNDS, comprising
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
HLMT MAKMUR FUND
HLMT MAA'ROF FUND

(hereinafter referred to collectively as "the Funds")

I, Mohd Asri Omar, being the Chief Executive Officer of HLMT ("the Manager"), states that to the best knowledge and belief of the Manager, accompanying financial information set on pages 19 to 37 have been properly drawn up in accordance with the accounting policies prescribed in Note 2 to the financial information and the Guidelines on Investment-linked Business issued by BNM.

On behalf of the Manager,

Mohd Asri Omar
Chief Executive Officer

Petaling Jaya
13 September 2022

REPORT OF THE AUDITORS

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HONG LEONG MSIG TAKAFUL BERHAD INVESTMENT-LINKED FUNDS CONSISTING OF
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
HLMT MAKMUR FUND
HLMT MAA'ROF FUND

(thereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION

We have audited the financial information of the Funds, which comprise the statements of assets and liabilities as at 30 June 2022, statements of income and expenditure and the statements of changes in net asset value of the Funds for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 37.

In our opinion, the accompanying financial information of the Funds for the financial year ended 30 June 2022 are prepared, in all material respects, in accordance with the accounting policies set out in Note 2 to the financial information and the Guidelines on Investment-Linked Business issued by Bank Negara Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial information" section of our report. We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial information in Malaysia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters – basis of accounting

We draw attention to Note 2 to the financial information, which describes the basis of accounting. The financial information is prepared to assist the Funds to meet the requirements of the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia. As a result, the financial information may not be suitable for another purpose. Our report is intended solely for the policyholders of the Funds and should not be distributed to or used by parties other than the policyholders of the Funds. Our opinion is not modified in respect of this matter.

REPORT OF THE AUDITORS (CONT'D)

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HONG LEONG MSIG TAKAFUL BERHAD INVESTMENT-LINKED FUNDS CONSISTING OF
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
HLMT MAKMUR FUND
HLMT MAA'ROF FUND

(thereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION (CONT'D)

Responsibilities of the Manager of the Funds and those charged with governance for the financial information

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The Manager of the Funds is responsible for the preparation of the financial information of the Funds in accordance with the accounting policies prescribed in Note 2 to the financial information and the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia and for such internal control as the Manager determines is necessary to enable the preparation of financial information of the Funds that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Funds, the Manager is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

REPORT OF THE AUDITORS (CONT'D)

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
HLMT MAKMUR FUND
HLMT MAA'ROF FUND
(thereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION (CONT'D)

Auditors' responsibilities for the audit of the financial information (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

REPORT OF THE AUDITORS (CONT'D)

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
HLMT MAKMUR FUND
HLMT MAA'ROF FUND
(thereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION (CONT'D)

Auditors' responsibilities for the audit of the financial information (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
13 September 2022

Hong Leong MSIG Takaful

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