

HLMT i-INCOME FUND

April 2022

Fund Features

1. Investment Objective

The objective of HLMT i-INCOME FUND ("The Fund") is to preserve capital while achieving regular income stream through an investment portfolio containing predominantly sukuk and a small proportion in equity securities.

2. Investment Strategy & Approach

Investments are on Shariah-Compliant securities that offer good medium-term earnings growth.

3. Asset Allocation

The indicative asset allocation for The Fund is to invest a minimum of its net asset value ("NAV") in sukuk, Islamic money market instruments and liquid assets. Generally, The Fund may invest up to a maximum of 20% of its NAV in equities.

Asset	Ranges
Shariah-Compliant Equities	0%-20%
Sukuk/Cash	80%-100%

4. Target Market

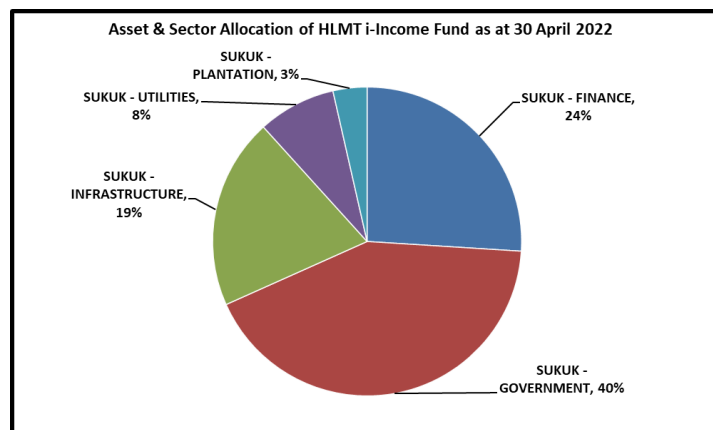
This fund is suitable for investors with low to moderate risk horizon and medium to long term investment horizon.

Fund Details

Unit Price (30/04/2022)	RM 1.5975
Fund Size (30/04/2022)	RM 7.0mil
Fund Management Fee	1.00% p.a
Fund Manager	Hong Leong Assurance Berhad
Fund Category	Sukuk
Fund Inception	April 2007
Benchmark	20% FBM Emas Shariah Index + 80% GIA
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.

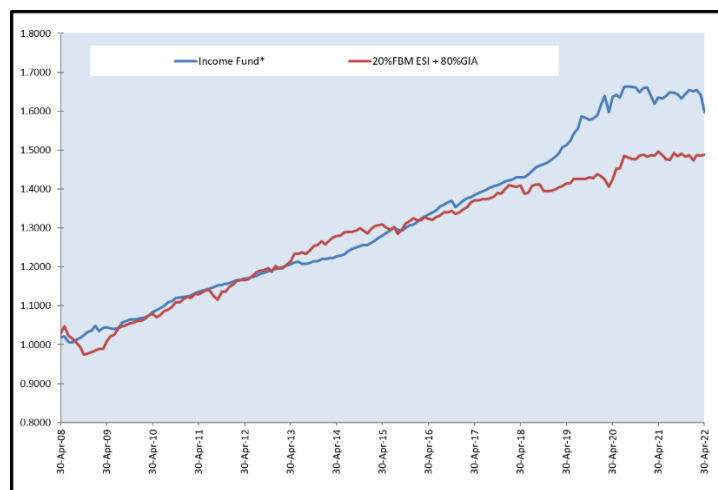
*Investment-linked unit price will be updated and published daily in our corporate website. Please refer to our website www.hlmtakaful.com.my/Quick-Links/Fund-Prices.aspx



Top 5 Holdings as at 30 April 2022

1	MALAYSIA INVESTMENT ISSUE 07.10.2032	21%
2	RHB ISLAMIC BANK BERHAD 21.05.2029	9%
3	MALAYAN BANKING BERHAD 31.01.2031	7%
4	AMISLAMIC BANK BERHAD 18.10.2028	7%
5	MALAYSIA INVESTMENT ISSUE 04.08.2037	7%

Historical Performance



	1 month	YTD	1 year	3 years	5 years	Since Inception
i-Income	-2.67%	-3.42%	-2.32%	5.63%	15.39%	59.75%
Benchmark*	0.22%	0.07%	-0.55%	5.32%	8.55%	48.85%
Relative	-2.90%	-3.49%	-1.77%	0.32%	6.85%	10.90%

*Source: Bloomberg

Market Review, Outlook & Strategy

Equities Market

Volatility continued to dominate markets throughout April. Investors had to brace for a more hawkish Fed following the sharp rise in inflation and the situation was further aggravated by supply chain disruptions from China's lockdown. On the other hand, positive development on the regulatory front for Chinese ADRs and platform companies provided a small respite to the market. President Xi Jinping also said that China would boost domestic demand by increasing infrastructure spending in transportation, energy, water and new energy. Oil prices again strengthened to above US\$100/barrel following talks of European Union proposing a gradual ban on Russian oil by the end of the year.

In Malaysia, 'feel-good' initiatives by the government continues as expectations of an early election heat up. The special EPF withdrawal disbursement commenced during the month and the Prime Minister declared free toll at 9 highways during the festive period. Gamuda also announced that its 4-toll road concession holding companies received an offer to acquire its highway stakes for ~RM5.5b and this will enable the government to save ~RM5b on toll road compensation. Recently, Bank Negara Malaysia finally awarded the 5 digital banking licenses to Boost-RHB, GXS Bank-Kuok Brothers, YTL-SEA, AEON-MoneyLion and KAF Consortium. Commodities remained elevated during the month with some policy flip flops seen in Indonesia resulting in CPO prices fluctuating between RM6,200/tonne to RM7,500/tonne levels. Despite elevated commodities prices, the Ringgit weakened against the US\$ to 4.35, a level last seen in March 2020.

The average daily trading value in April declined to RM2.1b vs March's RM3.1b. Retailers were small net buyers with +RM0.2b whilst local institutions stayed net sellers at -RM1.1b. Foreign institutions remained net buyers at +RM0.8b. Retailers and local institutions accounted for 38.5% and 26.6% of value traded. Foreign institutions accounted for 23.1% of value traded. The FBM Shariah index was up by 0.7% mom to close at 12,022.28 pts. FBM Small Cap outperformed the broader market with a +2.9% mom return. Both FBM KLCI and FBM Emas increased by 0.8% mom and 0.7% mom respectively.

For the month of May, the Federal Reserve announced a 50bps hike to its benchmark rate. This was in line with the Fed's earlier guidance and also market expectations. Investors will continue to pay attention to the Russia-Ukraine war, global inflation and bond yields, as well as Chinese policies to pump-prime the economy following pledges to meet its growth targets without compromising the country's stringent Covid Zero strategy. As for Malaysia, the domestic economy is expected to continue its recovery as full economic reopening takes place. It will be the earnings season in May and investors will be looking forward to the guidance provided as we are near mid-2022. We maintain our barbell strategy by investing in both the value and growth sectors, with focus still on the recovery/reopening theme, reflation beneficiaries and 5G/technology names.

Sukuk Market

In the month of April, the yields for local govies continued to track the trend in US with a greater magnitude than previous month. The sharp increase in yields reflects concerns on the Fed's potential policy action to tame inflationary pressures. Apart from future interest rate hikes, additional concerns have been raised about Fed officials' comments on balance sheet reduction, particularly on the magnitude and pace of such reductions. Concerns about inflation culminated in the UST 10Y note hitting 2.98%, its highest level since December 2018.

Throughout the month, yields found some respite, which prevented them from rising further, with the ongoing global economic uncertainty being a key factor in this regard. Concerns on the ongoing conflict in Ukraine coupled with renewed lockdown measures in China did mildly temper the current increase in yield. Despite having considerably varying economic fundamentals especially in term of inflation, domestic yields recorded substantial increases in April. The yields on the 3-, 5-, 10-, 15- and 30- tenors increased by 72, 50, 50, 62 and 50 bps, respectively.

Fundamentally, the transition towards an endemic phase has been relatively smooth, with almost all restrictive measures on economic activity being eliminated. Additionally, March inflation readings came in at 2.2%, a far cry from US levels. Domestic yields, however, have increased in lockstep with the UST which has increased to perceived attractive rates, inducing sell-offs in the domestic notes.

In the corporate sukuk/bond segment, some prominent new issuances during the month are Kuala Lumpur Danainfra Nasional Berhad (RM2.5 billion, GG), Public Bank Berhad (RM2.0 billion million, AA1), Cagamas Berhad (RM1.9 billion, AAA), SP Setia Berhad (RM1.2 billion, AA) and MMC Port Holdings Sdn Bhd (RM1.0 billion, AA-).

The outlook for local sukuk market is envisaged to move in tandem with the UST's movement while UST is likely to be influenced by the Fed's interest rate and balance sheet reduction policies. Besides, Fed officials' comments may also impact the sentiment and steer the direction and magnitude of yield movements. Apart from this, we will also continue to monitor on potential risk-off events, including the ongoing conflict in Ukraine and China's economic uncertainty.

Since the yields have moved so much in recent months, the current level seems attractive. The current spread against the OPR is at historical high now. Thus, we will start to nimble and adopt dollar averaging strategy.

Actual Annual Investment Returns based on published price for the Past Five (5) Calendar Years

Year	Net Annual Returns
2017	4.25%
2018	3.88%
2019	7.81%
2020	4.43%
2021	-0.37%

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

- Actual returns in the past five years on a net basis (net of tax and charges), or since inception if shorter (warning statement: this is strictly the performance of the investment fund, and not the returns earned on the actual contributions paid of the Investment-Linked product).
- The investment returns shall be calculated based on the unit price of the Investment-Linked fund and the formula shall be consistent with that of the benchmark indices.
- Any performance comparison of an Investment-Linked fund must be with that of a similar fund, in terms of investment objectives and focus and based on similar time frame of at least 12 months.

Investment Risks

All investments carry risks. Investors must be prepared to accept a certain degree of risk when investing in this Fund. The following are some but not an exhaustive list of all the potential risks associated with this Investment.

1. Market Risk

Due to price fluctuations of securities invested in by the funds, the value of the investment may go up as well as down. The movement in securities prices is influenced by a number of factors, which include changes in economic, political and social environment.

2. Credit Risk

Applies to debt-type investments such as debentures and sukuk. The institution invested in may not be able to make the required profit payments or repayment of principal.

3. Profit Rate Risk

Applied to sukuk, security prices move in the opposite direction of profit rates. If profit rates rise and the security prices fall, this will lower the value of your investment and vice versa.

4. Liquidity Risk

Defined as the ease with which a security can be sold at or near its fair value. This risk occurs in thinly traded or illiquid securities. Should the Fund need to sell a relatively large amount of such securities, such action itself may significantly depress the selling price.

Basis of Unit Valuation

1. The assets of every fund are to be valued to determine the value at which units of a particular fund can be liquidated or purchased for investment purposes.
2. The unit price of a unit of a fund shall be determined by the Company but in any event shall not be less than the value of fund of the relevant fund (as defined below), divided by the number of units of the given fund in issue on the business day before the valuation date, and the result adjusted to the nearest one hundredth of a cent.
3. The maximum value of any asset of any fund shall not exceed the following price:
 - a. The last transacted market price at which those assets could be purchased or sold on the business day before the valuation date; or
 - b. In the case of securities for which market values are not readily available, the price at which, in our Investment Manager's opinion, the asset may have been purchased on the business day before the valuation date; plus any expenses which would have been incurred in its acquisition.
4. To ensure fair treatment to all unit holders, the cost of acquiring and disposing of assets is recouped by making a transaction cost adjustment to the net asset value per unit.

Exceptional Circumstances

The Takaful Operator reserves the right to defer the payment of benefits (other than death benefit) under this Certificate 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 Takaful Operator, 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

HLMT i-Income Fund is managed by Hong Leong Assurance Berhad. Any amount invested in this fund is invested by Hong Leong Assurance Berhad on behalf of Participant in shariah compliant equity, sukuk, collective investment scheme and money market instrument/s. If the financial institutions and/or corporations issuing the equity, sukuk, collective investment scheme and money market instruments defaults or insolvent, the Participant risks losing part or all of his/her amount that were invested into the instruments on his/her behalf by Hong Leong Assurance Berhad.

THIS IS A TAKAFUL PRODUCT THAT IS TIED TO THE PERFORMANCE OF THE UNDERLYING ASSETS, AND IS NOT A PURE INVESTMENT PRODUCT SUCH AS UNIT TRUSTS.

Disclaimer:

You 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 Participant to better understand the fund features.