

HLMT GLOBAL SHARIAH ESG FUND (HLMTEG)

January 2023

Fund Features

1. Investment Objective

HLMT Global Shariah ESG Fund – HLMTEG (“The Fund”) aims to provide medium – to long term capital growth by investing in globally diversified Shariah-compliant portfolio of companies with a focus on Environment, Social and Governance criteria in the investment process.

2. Investment Strategic & Approach

HLMTEG will principally feed into third party collective investment schemes that meet the Fund's objective.

At inception, the Fund will invest by feeding into Hong Leong Global Shariah ESG Fund (“Target Fund”), a Shariah-compliant unit trust fund managed by Hong Leong Asset Management Berhad.

The Target Fund will invest in Shariah-compliant component stocks of ESG indices to cater for investors who wish to incorporate sustainability considerations into their investments. The Target Fund will also have the flexibility to invest in ESG Islamic Collective Islamic Schemes with Shariah-compliant equities underlying which are in compliance with principles of the United Nations Global Compact.

Additionally, the Target Fund may allocate its investment into lower-risk assets such as Islamic money market instrument or Islamic deposits.

3. Asset Allocation

The Fund will be investing a minimum of 90% of the Fund's net asset value (“NAV”) in the Target Fund and a maximum of 10% of the Fund's NAV in Islamic money market instruments and/or deposits.

The indicative asset allocation for the Target Fund is to invest a minimum 80% of its NAV into Shariah-compliant equities and Shariah-compliant equity related securities. The balance of the fund's NAV invests into Islamic money market instruments and Islamic deposits with financial institution.

4. Target Market

The Fund is suitable for investors who:

- Have a medium-to-long term investment horizon;
- Seek for capital growth from Shariah-compliant investment;
- Seek for foreign exposure; and
- are willing to assume a higher risk in their investments to obtain potentially higher returns.

Fund Details

Unit Price (31/01/2023)	RM 1.0000
Fund Size (31/01/2023)	RM 1.4k
Fund Management Fee	1.50%
Fund Manager	Hong Leong MSIG Takaful Berhad
Fund Category	Islamic Equity
Fund Inception	16/01/2023
Benchmark	S & P Global 1200 ESG Shariah Index
Frequency of Unit Valuation	Daily

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

Target Fund Sector Allocation as at 31 January 2023

N/A

Target Fund Top 5 Holdings as at 31 January 2023

N/A

Historical Performance

N/A

Market Review, Outlook & Strategy by the Target Fund

N/A

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 investment in the Target Fund.

1. Market Risk

Due to price fluctuations of securities invested in by the Target Fund, 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

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 Fund.

3. Profit Rate Risk

The level of interest rates has an impact on the value of investment. Any increase in rates will lead to a fall in the value of securities, thus affecting the value of the Fund.

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.

5. Concentration Risk

Concentration risk occurs when a portfolio is overweight on a particular security, sector or asset class. As the fund invests mainly into third party collective investment scheme (CIS) and by virtue of the CIS investing in a diversified portfolio of equities as well as dynamic asset allocation strategy between equities and other financial instruments, the concentration risk is mitigated.

6. Target Fund(s) Risk

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

7. Shariah Status Reclassification Risk

This risk refers to the risk that the currently held Shariah-compliant securities by the Target Fund may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of Securities Commission Malaysia (SACSC) or the Shariah Adviser for the Target Fund. If this occurs, the value of the Target Fund may adversely affect and the Fund Manager of Target Fund will take the necessary steps to dispose of such securities in accordance with the advice from Shariah Adviser.

8. Currency Risk

Applied to foreign investment which the investment may rise or fall due to fluctuation in the foreign currencies. Adverse movement in currencies exchange rates can result in a loss to the investment.

9. Country Risk

This risk investment made by the Fund are subjected to risks specific to the country in which it invests. Such risk includes changes in a country's economic fundamentals, social and political stability, currency movement, foreign investment policies and etc. The risk may be mitigated by closely monitoring the developments in the countries in order to identify any emerging risk.

10. Sustainable Investment Risk

Applied when exclusion or disposal of securities of issuer that do not meet certain ESG criteria from the Fund's investment universe may cause the Fund to perform differently compared to similar indices and Fund that do not have such a Sustainable and Responsible Investment policy or ESG component in their index methodology and that do not apply ESG screening criteria when selecting investments. The selection of assets may rely on a proprietary ESG scoring process (such as the index provider's) that relies partially or totally on third party data. Data provided by third parties maybe incomplete, inaccurate or unavailable and as a result, there is a risk that the Fund Manager of Target Fund may incorrectly assess a security or issuer.

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 NAV 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 affected 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.

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

For the underlying target fund, past performance is calculated on NAV per unit to NAV per unit basis with gross income (if any) from target fund reinvested, since launch, in MYR terms.

Others

HLMT Global Shariah ESG Fund is managed by Hong Leong MSIG Takaful Berhad. Any amount invested in this fund is invested by Hong Leong MSIG Takaful Berhad on behalf of Participant into the Target Fund which will invest in shariah compliant equity and money market instrument/s. If the financial institutions and/or corporations issuing the funds 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 MSIG Takaful 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.