

HLMT MAKMUR FUND

(HLMTDM)

April 2021

Fund Features

1. Investment Objective

HLMT Makmur Fund - HLMTDM ("The Fund") aims to achieve a consistent capital growth over a medium-to-long term investment horizon by investing in compliance with the Shariah requirements.

2. Investment Strategy & Approach

At inception, the Fund will invest by feeding into Hong Leong Dana Makmur ("Target Fund"), a shariah-compliant unit trust fund managed by Hong Leong Asset Management Berhad.

Generally, the Target Fund selects undervalued companies that have the potential to offer good medium-to-long term (3 to 5 years) capital growth.

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 money market instruments and/or deposits.

The indicative asset allocation for the Target Fund is to invest a minimum 70% of its NAV into Shariah-compliant equities and a maximum 30% of its NAV into Islamic money market instruments and Sukuk.

4. Target Market

The Fund is suitable for investors who:

- want to participate in a diversified vehicle that comply with Shariah requirements
- are sensitive to Shariah requirements and seek to achieve capital growth through a portfolio of investments that adhere to Shariah requirement
- have a medium-to-long term investment horizon.

Fund Details

Unit Price (30/04/2021)	RM 1
Fund Size (30/04/2021)	RM 7.9k
Fund Management Fee	1.50%
Fund Manager	Hong Leong MSIG Takaful Berhad
Fund Category	Islamic Equity/Growth
Fund Inception	13/04/2021
Benchmark	FBM EMAS Shariah Index
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

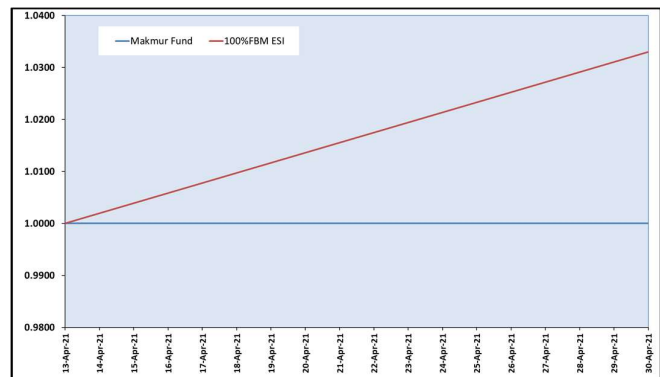
Target Fund Sector Allocation as at 30 April 2021



Target Fund Top 5 Holdings as at 30 April 2021

1	D&O Green Technologies Berhad	9.86%
2	Press Metal Aluminium Holdings Berhad	8.05%
3	Petronas Chemicals Group Berhad	7.96%
4	Hiap Teck Venture Berhad	5.87%
5	Guan Chong Berhad	5.28%

Historical Performance



Note: The Fund Inception date was on 13/04/2021. The investment returns are calculated based on unit price from 13/04/2021 to 30/04/2021.

	1 month	YTD	1 year	3 years	5 years	since inception
Makmur	0.00%	0.00%	-	-	-	0.00%
Benchmark*	3.30%	3.30%	-	-	-	3.30%
Relative	-3.30%	-3.30%	-	-	-	-3.30%

*Source: Bloomberg

Market Review, Outlook & Strategy by the Target Fund

Equities Market

During the month, the FBM KLCI rose 1.8% to close at 1,602 points. The broader market underperformed as the FBM EMAS rose 1.6% to close at 11,798 points. Small caps outperformed as the FBM Small Cap rose 2.7% to close at 17,198 points.

The local index was mainly led by the healthcare sector as the number of global Covid-19 cases rose dramatically.

On the corporate front, Berjaya Corporation Bhd executive chairman Tan Sri Vincent Tan announced that he will be resigning from his position. Bermaz Auto Bhd announced a partnership with Kia Motors Corporation to undertake manufacturing and distributing Kia vehicles in Malaysia.

The Target Fund will continue to invest in Shariah-compliant stocks of companies that would benefit from superior pricing power and efficient cost management.

Sukuk Market

On the sukuk front, FTSE Russell announced that Malaysia will retain its membership in the World Government Bond Index (WGBI) with post announcement relief rally for onshore bond markets due to removal of the overhang. Meanwhile, China's inclusion in WGBI is confirmed at an estimated index weight of 5.25% at full inclusion, which is projected to dilute Malaysia's weight from 0.39% currently to 0.37% after China's inclusion.

For the 10-year Government Investment Issue ("GII") auction, the bid-to-cover ("BTC") came in at 1.799 times which is weaker than prior auction back in December at 2.62 times. In the corporate space, the notable issuance of the month was from Infracap Resources Bhd (wholly-owned subsidiary of the State Financial Secretary, Sarawak) which issued RM5.75 billion of AAA-rated sukuk.

FTSE's Russell's decision to maintain Malaysia in the WGBI came after two years of positive engagements and liberalization measures that have been taken by Bank Negara Malaysia ("BNM") to enhance both the foreign exchange and secondary bond market liquidity, with the latest one being an initiative to deepen onshore interest rate swap ("IRS") market, giving a positive signalling effect ahead of FTSE Russell's interim review. On the fiscal side, Prime Minister Muhyiddin announced a RM20b stimulus package of which RM11b will come from direct fiscal injection to be funded by domestic borrowings. Official forecast on deficit ratio is expected to increase to around 6.2% for 2020 from 3.4% previously but is expected to decline to 5.4% in 2021. Going forward, the existing accommodative policies by BNM should continue to be supportive on the local economic growth for the rest of 2021.

On portfolio positioning, we are maintaining our cautious views in light of reflationary risk and correlation with the pace of United State Treasury yield steepening and will keep duration on defensive side while opportunistically positioning into intermediate curve should spreads and curve turned favourably. With BNM has guided to maintain its accommodative policy rate going forward we are looking to position into the belly of the curve and actively participating in the primary markets to capture auction premium.

Target Fund Performance

The actual investment return for the Target Fund was as follows:

Performance Records

	Percentage Growth		Annualised Compounded Return	
	HLDM (%)	Benchmark (%)	HLDM (%)	Benchmark (%)
Year-to-date	28.27	0.86	-	-
1 Month	5.84	3.30	-	-
3 Months	14.03	3.12	-	-
6 Months	66.54	4.17	-	-
1 Year	118.58	21.88	118.58	21.88
3 Years	106.91	0.78	27.40	0.26
5 Years	142.48	8.71	19.37	1.68
10 Years	196.33	29.22	11.47	2.59

Source: Hong Leong Asset Management Bhd

Calendar Year Returns

	HLDM (%)	Benchmark (%)	HLDM Distribution Yield (%)
2020	47.16	10.14	11.92
2019	29.14	3.85	11.10
2018	-18.43	-13.52	6.70
2017	20.43	10.72	17.68
2016	-2.13	-6.14	5.99
2015	13.09	2.35	6.47
2014	-0.82	-4.17	5.56
2013	10.63	13.29	6.62
2012	7.92	11.85	5.69
2011	2.11	2.41	-

Source: Hong Leong Asset Management Bhd

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

- Actual returns of the Target Fund on a net basis (net of tax and charges) or since inception if shorter (warming statement: this is strictly the performance of the Target 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 Target Fund and the formula shall be consistent with that of the benchmark indices.
- Any performance comparison of Target 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 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

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.

5. Concentration Risk

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

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 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.

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

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 Makmur 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, sukuk 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.