

HLMT MAKMUR FUND (HLMTDM)

Sep 2023

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:

- Seek to achieve capital growth through a diversified portfolio of investments.
- Have a medium-to-long term investment horizon.

Fund Details

Unit Price (30/09/2023)	RM 0.9735
Fund Size (30/09/2023)	RM 6.7mil
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

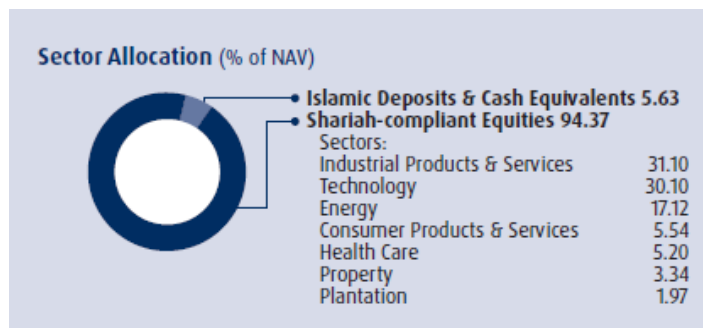
*The company reserves the right to change the Fund Management Fee (% p.a.) by giving the Certificate Owner ninety (90) days prior written notice.

*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

Asset Allocation of HLMTDM as at 30 Sep 2023

Hong Leong Dana Makmur	98.5%
Cash	1.5%
Total	100.0%

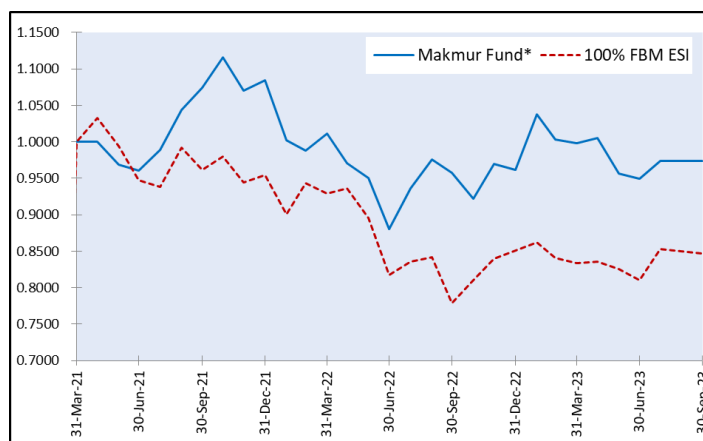
Sector Allocation of Target Fund as at 30 Sep 2023



Top 5 Shariah-compliant Holdings of Target Fund as at 30 Sep 2023

1	Pentamaster Corporation Berhad	4.92%
2	Dayang Enterprise Holdings Berhad	4.81%
3	Frontken Corporation Berhad	4.80%
4	Hiap Teck Venture Berhad	4.27%
5	UWC Berhad	4.06%

Historical Performance



Makmur	1 Month	YTD	1 Year	3 Year	5 Year	Since Inception
Makmur	-0.07%	1.20%	1.63%	-	-	-2.65%
Benchmark*	-0.42%	-0.59%	8.66%	-	-	-15.36%
Relative	0.35%	1.79%	-7.03%	-	-	12.71%

*Source: Bloomberg

Market Review, Outlook & Strategy by the Target Fund

Equities Market

During the month of September, the FTSE BM KLCI retraced by 1.9% to close at 1,424 points. This is the second month of retracement since the July market run-up. The broader market underperformed as the FTSE BM EMAS Shariah Index was down by 0.42% to close at 10,874 points. Small cap maintained its outperformance with a 0.72% increase as FTSE BM Small Cap Index close at 16,188. The top three best performing sectoral indices in August 23 were the Energy, Healthcare and Construction sectors. The top three worst performing sectors were Finance, Technology and Utilities.

Foreign investors stayed net buyers in September 23 for the third month in a row, after previously net selling for ten consecutive months. Foreign net buy flows rose 378.5% mom to RM0.7 bn in September 23 compared to RM0.1 bn in August 23. This resulted in a cumulative net foreign outflow since 2010 of RM34.7 bn. Local institutional investors turned net sellers during September 23 with a net sell flow of RM545.1 mil compared to a net buy flow of RM432.1 mil in August 23. Local retail investors saw net sell flow decline 78.0% mom to RM95.1 mil in September 23 compared to a net sell flow of RM431.7 mil in Aug 23

On the corporate front, Sunsuria partners Australia's Icon Group to provide cancer treatment services in Malaysia. Dayang Enterprise has announced that its wholly-owned subsidiary company, Dayang Enterprise Sdn Bhd, has secured an extension for PM-MCM 2018-2023 contract from PTTEP Sarawak and Sabah Oil Limited (PTTEP). The extension duration is 1 year and 6 months, expiring on 31 December 2024. Kerjaya Prospek announced that its wholly-owned subsidiary, Kerjaya Prospek (M) Sdn Bhd (KPM) has received and accepted the final letter of award from Samsung-KP JV, a 70:30 consortium comprising KPM and Samsung C&T KL) Sdn. Bhd. in respect of the concrete structure works (Substructure & Superstructure) for Texas Instruments Electronic Malaysia Sdn Bhd's factory in Melaka for a total contract value of RM203 mil.

Locally, as expected, BNM maintained its OPR at 3.00% in September. Inflation numbers for September will also be monitored as investors would want to gauge the interest rate direction. Market is looking volatile in the near term given the global inflation rate remains high and the threat of higher interest rates going forward. However, domestically we remain steadfast as we are of the view that domestic economy is currently stable and valuations remains discounted.

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

Target Fund Performance

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

	Percentage Growth		Annualised Compounded Return	
	HLDM (%)	Benchmark (%)	HLDM (%)	Benchmark (%)
Year-to-date	0.75	-0.59	-	-
1 Month	0.05	-0.42	-	-
3 Months	2.27	4.41	-	-
6 Months	-3.36	1.48	-	-
1 Year	1.08	8.66	1.08	8.66
3 Years	55.87	-15.71	15.94	-5.54
5 Years	80.75	-14.23	12.56	-3.02
10 Years	148.36	-12.05	9.52	-1.28

Source: Hong Leong Asset Management Berhad

Calendar Year Returns

	HLDM (%)	Benchmark (%)	HLDM Distribution Yield (%)
2022	-12.99	-10.80	5.62
2021	33.98	-6.81	6.51
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

Source: Hong Leong Asset Management Berhad

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 (warning 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

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 funds 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 will take the necessary steps to dispose of such securities in accordance with the advice from Shariah Adviser.

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.