

HLMT MAKMUR FUND (HLMTDM)

Aug 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 (31/08/2023)	RM 0.9742
Fund Size (31/08/2023)	RM 6.5mil
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

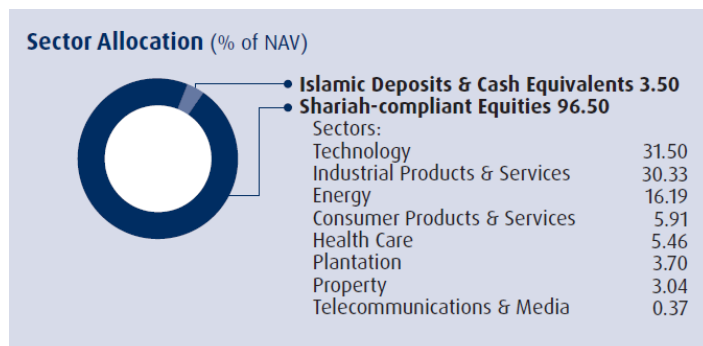
*The company reserves the right to change the Fund Management Fee (% p.a.) by giving the Certificate Owner ninety (90) days prior written notice.

*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 31 Aug 2023

Hong Leong Dana Makmur	98.8%
Cash	1.2%
Total	100.0%

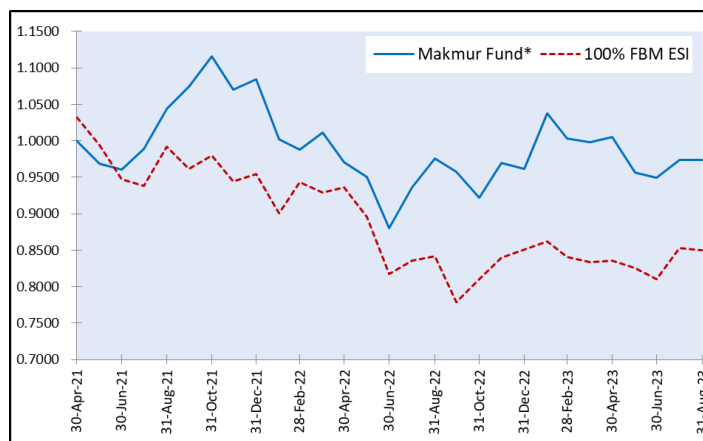
Sector Allocation of Target Fund as at 31 Aug 2023



Top 5 Shariah-compliant Holdings of Target Fund as at 31 Aug 2023

1	Frontken Corporation Berhad	5.68%
2	Pentamaster Corporation Berhad	5.36%
3	Dayang Enterprise Holdings Berhad	4.63%
4	Hiap Teck Venture Berhad	4.56%
5	Inari Amertron Berhad	4.10%

Historical Performance



	1 Month	YTD	1 Year	3 Year	5 Year	Since Inception
Makmur	0.08%	1.27%	-0.19%	-	-	-2.58%
Benchmark*	-0.29%	-0.16%	0.99%	-	-	-15.00%
Relative	0.37%	1.43%	-1.18%	-	-	12.42%

*Source: Bloomberg

Market Review, Outlook & Strategy by the Target Fund

Equities Market

During the month of August, the FTSE BM KLCI retraced by 0.51% to close at 1,452 points. Market took a breather for the month following an overall run up in the month of July. The broader market slightly underperformed as the FTSE BM EMAS Shariah Index was down by 0.29% to close at 10,921 points. Small cap however continued its uptrend with a 3.11% increase as FTSE BM Small Cap Index close at 16,073. The top three best performing sectoral indices in August 23 were the Property, Utilities and Construction sectors. The top three worst performing sectors were Healthcare, Plantation and Telecommunication.

Malaysia was the only Emerging ASEAN country which had a net foreign inflow in August, albeit small at +USD31 mil. The net foreign equity inflow of RM140.8 mil is the 2nd consecutive monthly net inflow this year. Notably foreign participation in our market have also been on the rise, with average participation of 30% in Jul & Aug vs 27.4% in 2Q and 23.7% in 1Q this year. Local institution were net buyers for the month with a value of RM291 mil, while retailers were net sellers at RM432 mil.

On the corporate front, LGMS Bhd has successfully entered the Cambodian banking sector by assisting ABA Bank to obtain the international Payment Card Industry Data Security Standard certification. IHH Healthcare Bhd will acquire the entire equity interest in Bedrock Healthcare Sdn Bhd for a cash consideration of RM245 mil. Four companies, including MMC Corp Bhd and MRCB, could be in the running for the KLIA aerotrain replacement program, after MAHB said it plans to invite participants of its previous tender to vie for the job.

Locally, investors are on the lookout for the September MPC meeting (be monitored consensus' view BNM would maintain OPR rate). Inflation numbers for August will also as investors would want to gauge the interest rate direction. After the state election was done in August and the states remain status quo, the Government are focusing its effort a clearer economic policy to spur growth domestically and attract foreign investors into the country.

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	0.70	-0.16	-	-
1 Month	0.05	-0.29	-	-
3 Months	1.20	2.96	-	-
6 Months	-3.86	1.14	-	-
1 Year	-1.08	0.99	-1.08	0.99
3 Years	54.89	-17.06	15.70	-6.04
5 Years	82.16	-14.73	12.74	-3.13
10 Years	151.39	-9.35	9.65	-0.98

Source: Hong Leong Asset Management Berhad

	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.