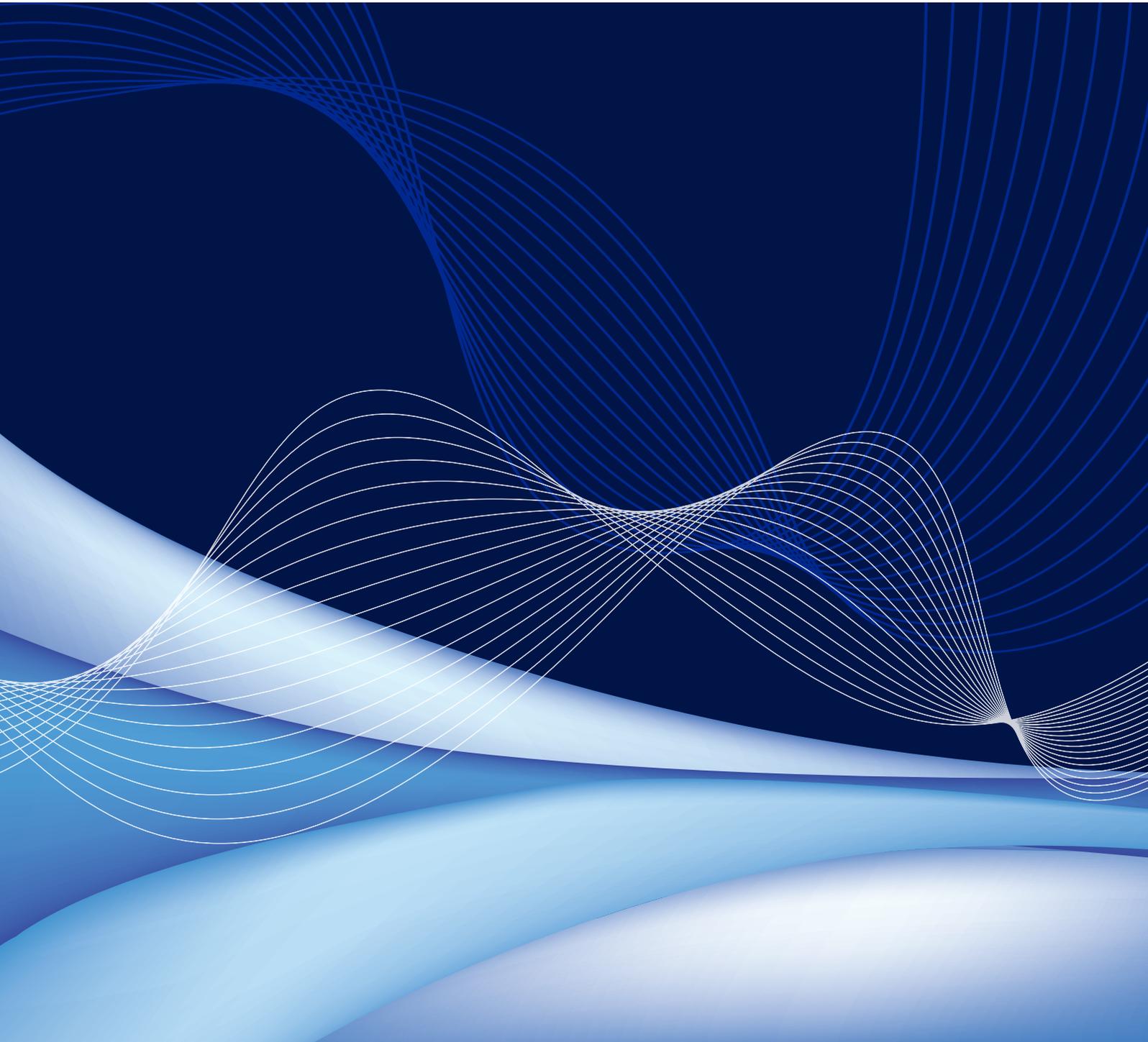


INVESTMENT-LINKED FUNDS
Fund Performance Report
for the financial year ended 30 June 2013



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CHIEF EXECUTIVE OFFICER'S MESSAGE

السلام عليكم ورحمه الله وبركاته

Dear Valued Certificate holders,

We are pleased to present to you Hong Leong MSIG Takaful Berhad fund performance report for the financial year ended 30 June 2013. We hope you find this report informative and helpful to assist you in your investment decisions to suit your financial goals in the future.

Malaysian market has been relatively volatile during the financial year. The uncertainty of the general elections, the sovereignty crisis in Lahad Datu, Sabah as well as the external economic factor in relation to Europe, US and China has affected the local market performance. FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) however surged after the ruling coalition retained its power in May 2013, before slowing down towards the end of the year following the latest economic condition in US and China. Both FBM KLCI and FBM Shariah Index however, were closed stronger than a year ago, gaining 10.9% and 11.7% respectively as of 30 June 2013. On the Malaysian economy, the weak external factor has affected the overall growth despite the strong domestic demand in the first half of 2013.

Despite the challenge surrounding Malaysian market and economy, we are delighted to share with you that Hong Leong MSIG Takaful has introduced a new fund during the financial year, namely HLMT i-Equity fund. This fund aims to create long term capital growth through investment in Shariah-compliant equities of listed companies. We believe that following the creation of this fund, we will be able to provide a wider choice for certificate holders to diversify to suit your risk preference. In 10 months since its inception, the fund has registered a healthy return of 7.97%, slightly higher than the benchmark return of 7.16%. We hope this positive trend will continue in the future as the global economic outlook is expected to improve in 2014.

Moving forwards, we will remain committed to work towards meeting your protection and investment need. Thank you for your continued support and trust. We are proud to have you as our customers and will continue to improve our service and we look forward to build greater success together.

Wan Mohd Fadzlullah bin Wan Abdullah
Chief Executive Officer

FUND OBJECTIVES

HLMT i-Balanced Fund aims to achieve regular income as well as medium to long-term capital growth through a diversified investment portfolio containing equity and fixed income securities.

HLMT i-Income Fund aims to preserve capital while achieving regular income stream through an investment portfolio containing predominantly fixed income securities and a small proportion in equity securities.

HLMT Global Recovery Income Plan (GRIP), an Australian Dollar denominated closed-end investment fund, aims to provide investors with annual income while protecting principal investment, if held till the end of 4 years. The plan pays in Australian Dollars a contracted annual income distribution with a cumulative total of 15% (3.50% in year 1, 4.75% in year 2 and 6.74% in year 3, subject to the ability of the certificate issuer to repay the annual distribution income) for the first three years and an additional variable profit in year 4 which is referenced upon the performance of a basket of assets consisting of equity (US and Hong Kong) and commodity (crude oil and precious metals) based underlying.

My Steady 10 Plan, a closed-ended 10 Years Fixed Income Shariah-compliant fund, pays a contracted gross income distribution with an indicative rate of 44.20% and is principal protected upon maturity at the end of 10 years. The underlying reference assets are depending on the Islamic rate.

HLMT i-Equity Fund aims to achieve long term capital growth through investment in Shariah-compliant securities of listed companies.

INVESTMENT REVIEW

HLMT i-BALANCED FUND

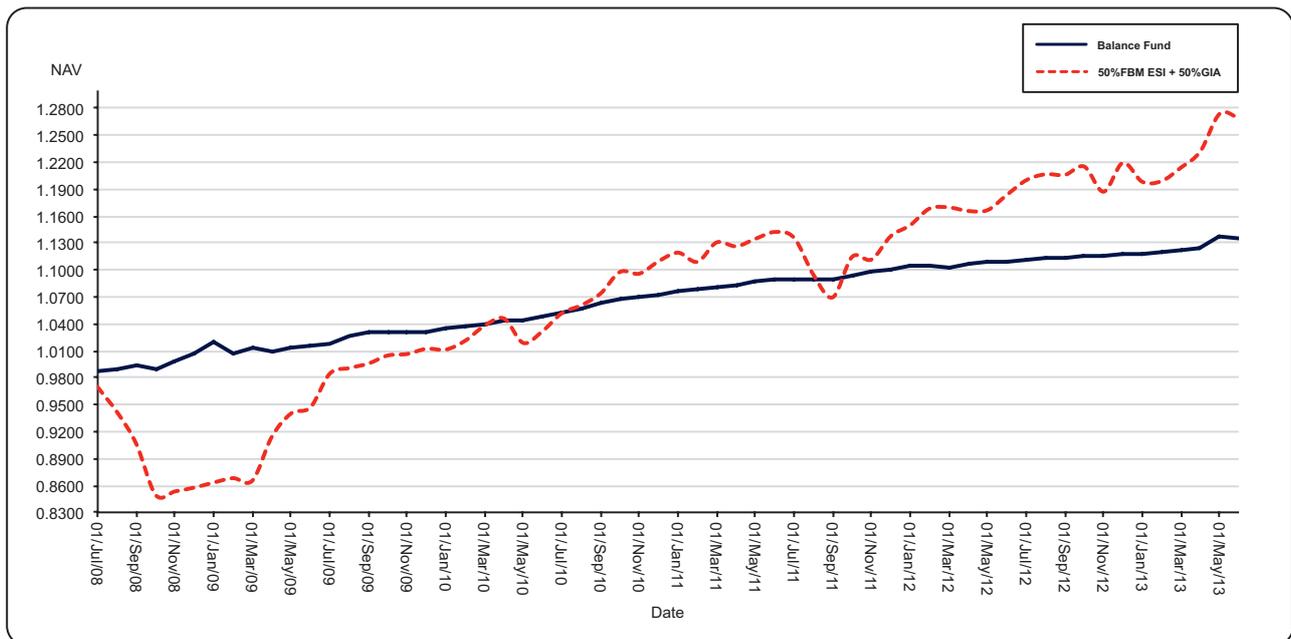
For the financial period under review, the Fund managed to achieve a return of 2.20% financial YTD, which is lower in comparison with the benchmark since inception. This was due to the conservative investment approach taken considering the fund size is still relatively small. As at end of the financial year, 26.78% of the net asset value was invested in Low Risk Assets, 32.07% in Islamic PDS and 4.36% in Shariah compliant equities.

Fund management fee of 1.25% and administrative charge of RM5 per month are charged to the Fund during the year.

There are no changes in the investment objectives, strategies, restrictions and limitation to the fund during the year. There is no distribution made and proposed during the year.

As at 30 June 2013

Price Movement, Calculation indexed



INVESTMENT REVIEW

HLMT i-BALANCED FUND (CONTINUED)

Performance of the fund					
	2013	2012	2011	2010	2009
Total NAV (RM)	5,654,806	5,901,259	4,122,989	4,139,174	3,352,145
Number of units	4,802,939	5,174,837	3,667,155	3,860,240	3,228,700
NAV per unit (RM)	1.1774	1.1404	1.1243	1.0723	1.0382
Highest NAV per unit during financial year (RM)	1.1795	1.1459	1.1243	1.0723	1.0382
Lowest NAV per unit during financial year (RM)	1.1414	1.1258	1.0488	1.0145	0.9846
Total annual return of the fund					
- Capital growth	2.20%	1.98%	3.78%	3.21%	3.24%
- Income distribution	-	-	-	-	-
Average annual return - Fund					
- 1 year	2.20%	1.98%	3.78%	3.21%	3.24%
- 3 year	2.65%	2.99%	3.01%	1.69%	n/a
- 5 year	3.74%	3.68%	n/a	n/a	n/a
Average annual return - Benchmark (50%FBM ESI+50%GIA)					
- 1 year	7.23%	3.62%	9.82%	2.99%	2.04%
- 3 year	7.14%	7.71%	3.53%	1.60%	n/a
- 5 year	10.25%	6.02%	n/a	n/a	n/a

Portfolio composition by category of investment					
	Weighting %				
	2013	2012	2011	2010	2009
Equity securities quoted in Malaysia	4.33	3.99	4.80	3.52	3.25
Unquoted Islamic debt securities	58.46	62.93	70.10	70.80	72.46
Deposits with financial institutions	37.21	33.08	25.10	25.68	24.29
	100.00	100.00	100.00	100.00	100.00

Equities and unit trusts composition by sector					
	Weighting %				
	2013	2012	2011	2010	2009
Trading / Services	69.19	49.42	51.77	36.61	33.38
Industrial Products	4.26	7.54	10.88	20.99	17.35
Properties	26.55	43.04	37.35	42.40	49.27
	100.00	100.00	100.00	100.00	100.00

Unquoted Islamic debt securities composition by sector					
	Weighting %				
	2013	2012	2011	2010	2009
Government	15.16	44.08	40.74	40.95	20.54
Government Agency	-	12.82	-	-	-
Consumer Products	-	-	20.10	20.38	20.48
Energy	-	-	-	-	20.69
Financial	75.74	43.10	39.16	38.67	38.29
Construction	9.10	-	-	-	-
	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

HLMT i-INCOME FUND

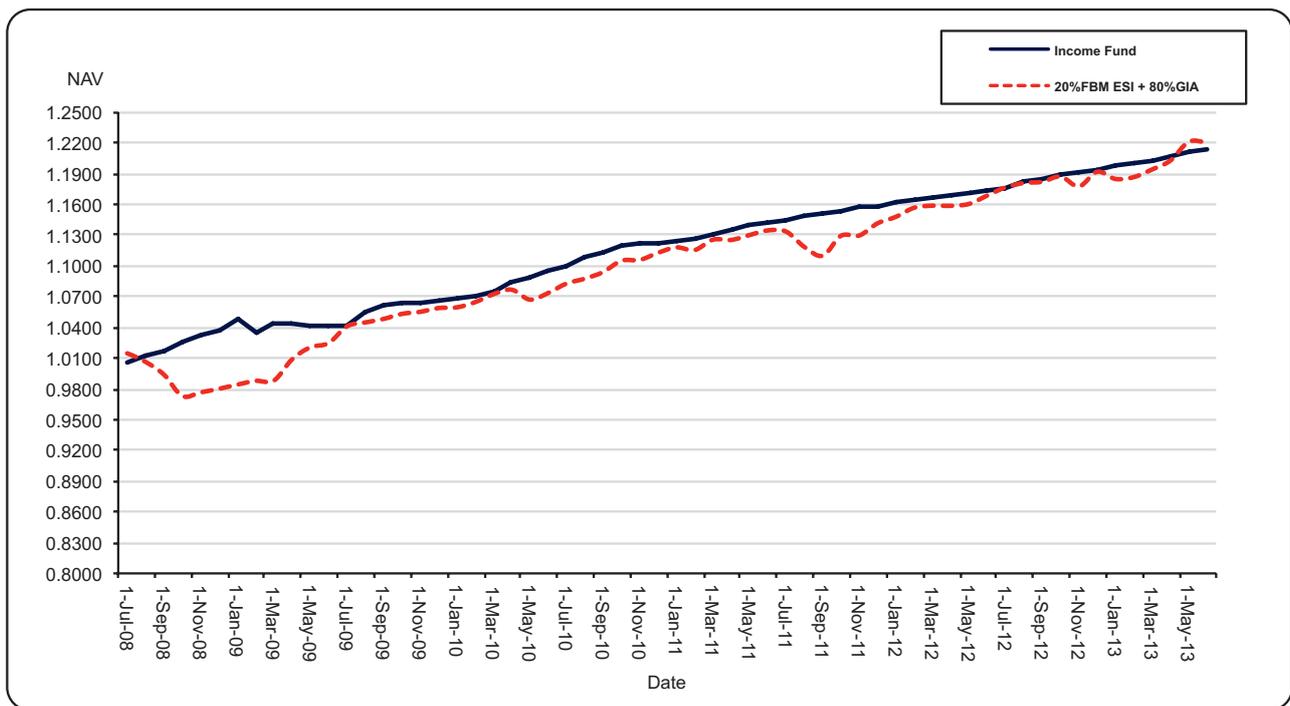
For the financial period under review, the Fund managed to achieve a return of 3.38%, slightly lower than the benchmark return of 4.43%. This was due to the conservative investment approach taken considering the fund size is still relatively small. As at end of the financial year, 80.75% of the net asset value was invested in Islamic PDS.

Fund management fee of 1% and administrative charge of RM5 per month are charged to the Fund during the year.

There are no changes in the investment objectives, strategies, restrictions and limitation to the fund during the year. There is no distribution made and proposed during the year.

As at 30 June 2013

Price Movement, Calculation indexed



INVESTMENT REVIEW

HLMT i-INCOME FUND (CONTINUED)

Performance of the fund					
	2013	2012	2011	2010	2009
Total NAV (RM)	2,959,334	2,941,932	2,727,771	2,626,926	2,577,515
Number of units	2,335,896	2,419,754	2,308,030	2,338,238	2,434,186
NAV per unit (RM)	1.2669	1.2158	1.1819	1.1235	1.0589
Highest NAV per unit during financial year (RM)	1.2826	1.2171	1.1819	1.1235	1.0589
Lowest NAV per unit during financial year (RM)	1.2208	1.1861	1.0949	1.0394	1.0030
Total annual return of the fund					
- Capital growth	3.38%	2.78%	4.27%	5.22%	4.24%
- Income distribution	-	-	-	-	-
Average annual return - Fund					
- 1 year	3.38%	2.78%	4.27%	5.22%	4.24%
- 3 year	3.47%	4.09%	4.26%	3.04%	n/a
- 5 year	5.24%	5.22%	n/a	n/a	n/a
Average annual return - Benchmark (20%FBM ESI+80%GIA)					
- 1 year	4.43%	3.01%	3.90%	4.77%	3.31%
- 3 year	4.37%	4.48%	1.43%	3.07%	n/a
- 5 year	6.00%	4.53%	n/a	n/a	n/a

Portfolio composition by category of investment					
	Weighting %				
	2013	2012	2011	2010	2009
Unquoted Islamic debt securities	85.05	72.18	90.24	90.17	96.71
Deposits with financial institutions	14.95	27.82	9.76	9.83	3.29
	100.00	100.00	100.00	100.00	100.00

Unquoted Islamic debt securities composition by sector					
	Weighting %				
	2013	2012	2011	2010	2009
Government	-	25.73	21.01	20.85	20.04
Government Agency	-	4.91	-	-	-
Telecommunication	36.25	49.48	41.73	41.66	39.84
Trading & Services	-	-	-	-	20.13
Infrastructure	21.65	-	-	-	-
Consumer Products	-	-	20.58	20.75	19.99
Financial	42.10	19.88	16.68	16.74	-
	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

HLMT GLOBAL RECOVERY INCOME PLAN (GRIP)

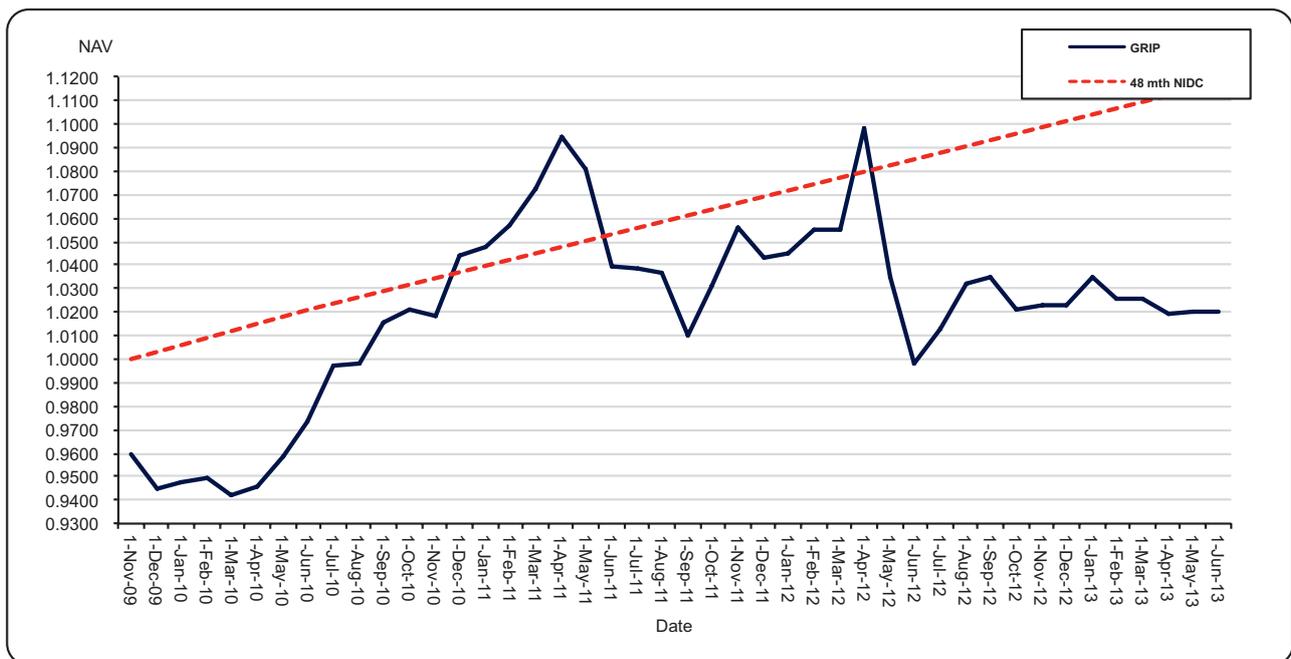
GRIP is a 4 year Australian Dollar denominated capital protected investment linked takaful plan which pays a contracted annual income distribution for the first three years, and an additional potential return in year 4 referenced to a basket of reference assets consisting of equity and commodity based underlying. The fund has paid coupon of 6.74% less 8% tax to certificate holders in November 2012.

There are no charges levied against the fund during the year.

There are no changes in the investment objectives, strategies, restrictions and limitation to the fund during the year.

As at 30 June 2013

Price Movement, Calculation indexed



INVESTMENT REVIEW

HLMT GLOBAL RECOVERY INCOME PLAN (GRIP) (CONTINUED)

Performance of the fund				
	2013	2012	2011	2010 8 months
Total NAV (RM)	20,084,941	22,871,723	23,548,132	20,899,487
Number of units	6,526,479	6,876,479	7,196,479	7,790,000
NAV per unit (RM)	3.0775	3.3261	3.2722	2.6829
Highest NAV per unit during financial year (RM)	3.4548	3.3261	3.3125	2.6829
Lowest NAV per unit during financial year (RM)	3.0775	3.0580	3.0924	2.8133
Total annual return of the fund				
- Capital growth	2.21%	1.28%	4.90%	n/a
- Income distribution	-	-	-	n/a
Average annual return - Fund*				
- 1 year	2.21%	1.28%	4.90%	n/a
- 3 year	1.57%	n/a	n/a	n/a
- 5 year	n/a	n/a	n/a	n/a
Average annual return - Benchmark (48 month NIDC)				
- 1 year	3.00%	3.04%	3.14%	n/a
- 1 year	3.06%	n/a	n/a	n/a
- 5 year	n/a	n/a	n/a	n/a

Portfolio composition by category of investment				
	Weighting %			
	2013	2012	2011	2010
Structured investment	100.00	100.00	100.00	100.00
	100.00	100.00	100.00	100.00

* Average annual return calculation excluded the annual coupon payment.

INVESTMENT REVIEW

MY STEADY 10 PLAN

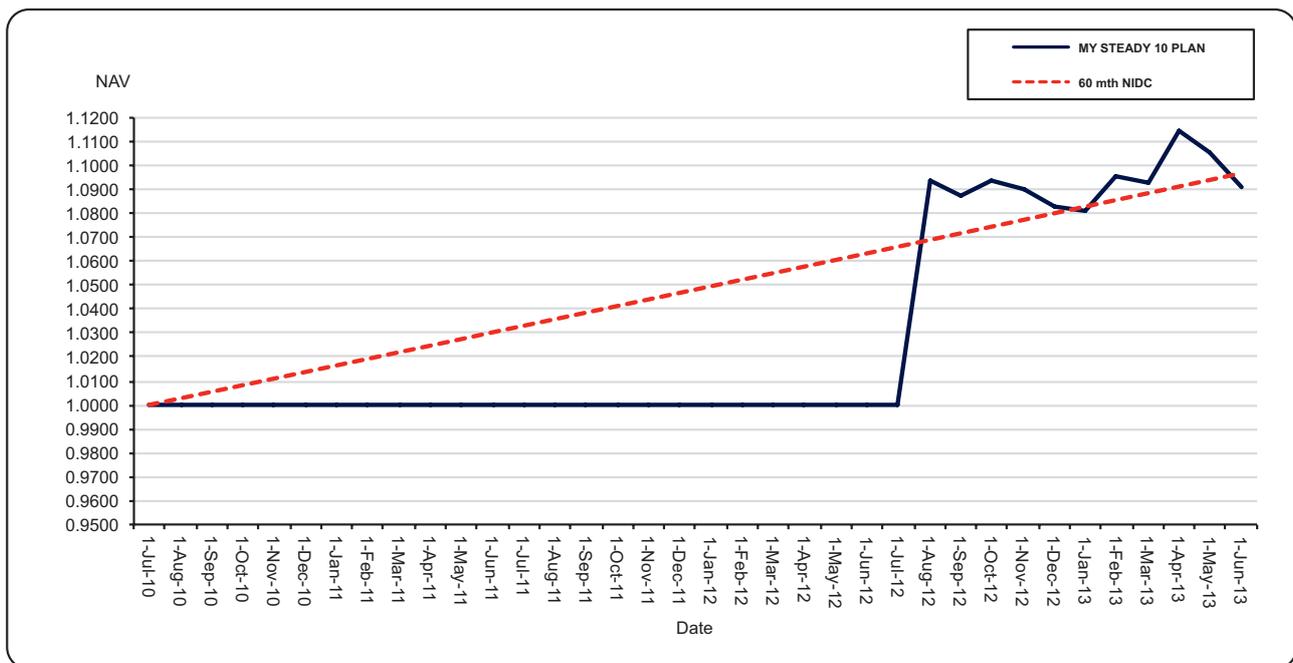
My Steady 10 Plan, a closed-ended 10 Years Fixed Income Shariah-compliant fund, pays a contracted gross income distribution with an indicative rate of 44.20% and is principal protected upon maturity at the end of 10 years. The underlying reference assets are depending on the Islamic rate.

There are no charges levied against the fund during the year.

There are no changes in the investment objectives, strategies, restrictions and limitation to the fund during the year. There is no distribution made and proposed during the year.

As at 30 June 2013

Price Movement, Calculation indexed



INVESTMENT REVIEW

MY STEADY 10 PLAN (CONTINUED)

Performance of the fund			
	2013	2012	2011 11 months
Total NAV (RM)	3,553,868	3,643,228	3,520,910
Number of units	3,240,600	3,338,800	3,509,668
NAV per unit (RM)	1.0967	1.0912	1.0032
Highest NAV per unit during financial year (RM)	1.1390	1.0912	1.0032
Lowest NAV per unit during financial year (RM)	1.0864	1.0032	1.0000
Total annual return of the fund			
- Capital growth	9.08%	0.00%	0.30%
- Income distribution	-	-	-
Average annual return - Fund			
- 1 year	9.08%	0.00%	0.30%
- 3 year	n/a	n/a	n/a
- 5 year	n/a	n/a	n/a
Average annual return - Benchmark (48 month NIDC)			
- 1 year	3.15%	3.20%	2.78%
- 3 year	n/a	n/a	n/a
- 5 year	n/a	n/a	n/a

Portfolio composition by category of investment			
	Weighting %		
	2013	2012	2011
Structured investment	100.00	100.00	100.00
	100.00	100.00	100.00

INVESTMENT REVIEW

HLMT i-EQUITY FUND

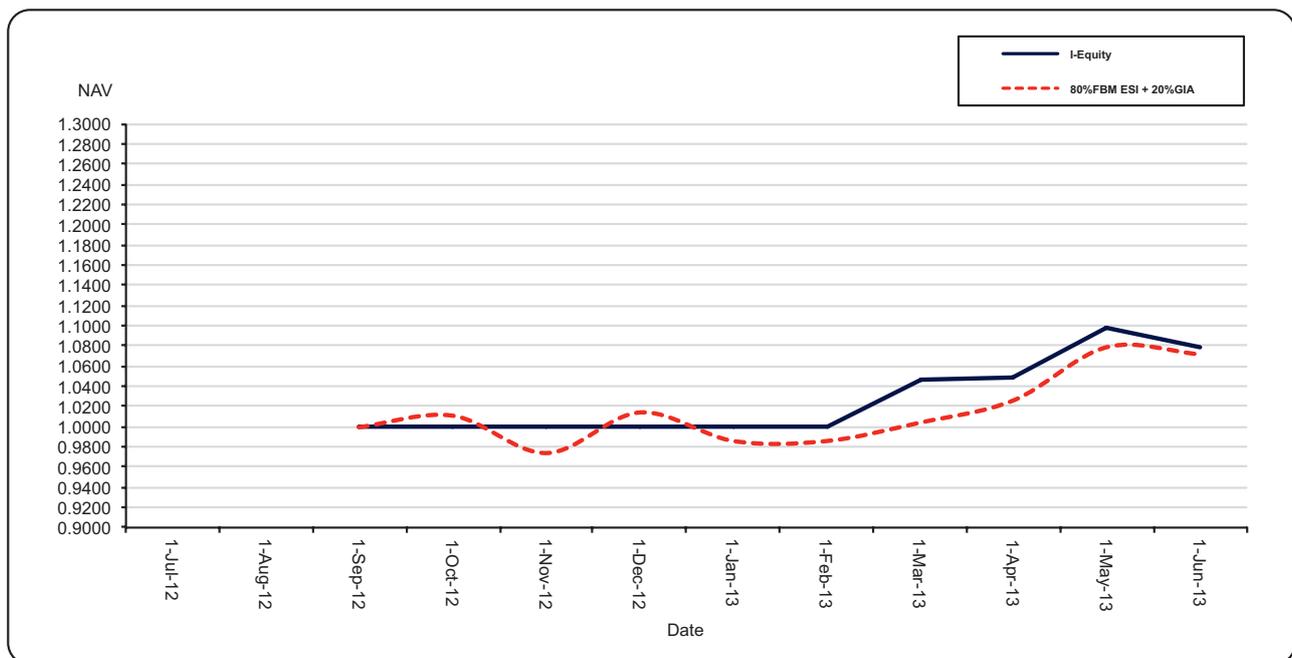
For the financial period under review, the Fund managed to achieve a return of 7.97%. As at end of the financial year, 59.99% of the net asset value was invested in Syariah compliant equities.

Fund management fee of 1.50% is charged to the Fund during the year.

There are no changes in the investment objectives, strategies, restrictions and limitation to the fund during the year. There is no distribution made and proposed during the year.

As at 30 June 2013

Price Movement, Calculation indexed



INVESTMENT REVIEW

HLMT i-EQUITY FUND (CONTINUED)

Performance of the fund	
	2013 10 months
Total NAV (RM)	1,303,459
Number of units	1,205,476
NAV per unit (RM)	1.0813
Highest NAV per unit during financial year (RM)	1.0813
Lowest NAV per unit during financial year (RM)	1.0004
Total 10 months return of the fund	
- Capital growth	7.97%
- Income distribution	-
Average annual return - Fund	
- 10 months	7.97%
- 3 year	n/a
- 5 year	n/a
Average annual return - Benchmark (80% FBM ESI+20%GIA)	
- 10 months	7.16%
- 3 year	n/a
- 5 year	n/a

Portfolio composition by category of investment	
	Weighting %
	2013
Equity securities quoted in Malaysia	69.02
Deposits with financial institutions	30.98
	100.00

Equities and unit trusts composition by sector	
	Weighting %
	2013
Trading / Services	82.35
Infrastructure	6.09
Plantation	11.56
	100.00

INVESTMENT REVIEW

Equities Market

FBM Shariah Index (1 July 2012 – 30 June 2013)



Source: Bloomberg

The local bourse was relatively volatile during the financial year influenced by external headwinds and fears of imminent general elections on the home front given the uncertain election outcome. FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) started the financial year strongly despite sharper-than-expected slowdown in China, high unemployment rate in US and lower global economic growth forecast by International Monetary Fund. Despite these, sentiment was shored up by the introduction of monetary stimulus by central bankers from US, Europe and Japan as well as the successful listing of two of the biggest Initial Public Offering in the world, FGV Holdings and IHH Healthcare which spurred interest in the local bourse. Thereafter, FBM KLCI suffered a sell down when rumours of the General Elections possibly being held in November 2012 surfaced but the weakness was short-lived as excitement ahead of the Budget 2013 announcement took place which resulted in a strong recovery.

The local index continued its upward momentum in the second quarter when US released some positive economic data and Crude Palm Oil prices saw a rebound, but this was short-lived when foreign selling pressured the index to fall below the 1,600 psychological level due to political jitters in debt laden Italy, uncertain bailout outlook for both Greece and Spain and election fears on the home front. The Malaysian market subsequently staged a strong rebound at the end of December 2012 mainly due to window dressing activities on selected key blue chip stocks and rising optimism in the US that lawmakers will be able to arrive at an agreement to avert the fiscal cliff.

INVESTMENT REVIEW

Equities Market (Continued)

Post the strong rally in December 2012, Bursa continued to trend up to a high of 1,694 points in early January 2013 before plunging 41 points when rumours of an announcement of the dissolution of parliament for the country to head to the polls resurfaced. Yet again, the dissolution of parliament did not take place and the postponement of the US debt ceiling debate helped to lift the local index higher. Another wave of sell down came in on the back of the banking crisis in Cyprus as well as Sulu's armed intrusion into Lahad Datu claiming sovereignty over Sabah. During this period, foreign investors were nibbling on weakness selectively while local investors stayed sidelined. Bursa's performance lagged its regional peers particularly Philippines, Thailand and Indonesia.

When Parliament was eventually dissolved, the much anticipated correction was relatively mild as strong foreign buying offset the selling by local investors. The index surged to a record high of 1,826 points the day after the general elections as the ruling coalition retained control of the government. The momentum did not sustain for long when foreign selling came indiscriminately in June 2013 subsequent to the US Federal Reserve's announcement of a tentative timetable to scale back its stimulus and China experienced a liquidity crunch which sent its overnight rates to record high. But towards the end of June, the local market managed to recoup some of its losses when the US market rebounded, People's Bank of China injected liquidity into China's banking system and window dressing activities took place.

For the financial period ended June 2013, the FBM KLCI ended higher at 1,773.54 points, gaining 10.9% from a year ago while the FBM Shariah Index rose 11.7% to close at 12,294.50 points.

Fixed Income Market

For the financial year under review, the Malaysian bond market was generally bullish with some consolidation along the way. The Malaysia Government Securities (MGS) yield curve flattened for most part of the 1HFY on the back of the unresolved sovereign debt crisis in the Eurozone, implementation of Quantitative Easing (QE) programme by the US Federal Reserve followed by European Central Bank (ECB) and Bank of Japan (BOJ), to boost their economies as well as some central banks in the region joining in the easing mode. Though Bank Negara Malaysia - held the Overnight Policy Rate (OPR) at 3.00% throughout the financial year and which has been unchanged since July 2011, high offshore demand for local bonds resulted in spread tightening against the OPR. In fact, some of the short tenured MGS even went below the OPR level. Besides the spread tightening and yields declining to such low levels, foreign ownership of short term bills, MGS and Government Investment Issue (GII) was at an all time high. Despite the market selloff at times when there was release of better data or in second quarter of financial year when the long awaited rate cut did not materialize resulting in traders cutting their positions, foreign ownership of local bonds remained high.

INVESTMENT REVIEW

Fixed Income Market (Continued)

The MGS market remained firm going into the second half of the financial year. However, there was some intermittent selling due to fear of foreign funds outflow because of political uncertainties as well as development of external factors. Nevertheless, every retracement in the market seemed to be an opportunity for investors and surprisingly at most times, foreign investors were the initial buyers to be followed later by the locals. Subsequent to the general elections, the market rallied further with short tenured MGS dipping below the OPR level once again and the long tenure yield curve shifting to an all time low. However, the rally was very short lived, the MGS market soon reversed its bullish sentiment right after 22 May 2013 when the US Federal Reserve indicated that they may scale back QE within the next few meetings if the employment outlook showed sustainable improvement. This would translate to potentially \$85 billion reduction in monthly Treasury and mortgage debt purchases. Following June 2013's Federal Open Market Committee meeting, whereby the Federal Reserve announced its intention to scale back its asset purchase programme in 2013 and end it completely by mid-2014 if the economy is on track as expected, the sell off across both the sovereign and corporate markets especially in the emerging markets intensified. This caused massive bond redemption in advanced economies and emerging markets. The US dollar also strengthened against all currencies. As at 30 June 2013, the 5 and 10 years MGS benchmark closed at 3.49% and 3.68% respectively, an increase of 28 bps and 16 bps yoy while the Ringgit weakened to 3.2254 at the peak of the selloff. Corporate bond yields especially on quasi-sovereign names were also traded higher in tandem with MGS yields. Overall, trading activities remained active with flows skewed toward the high grades and AA1 segments. In general, the corporate bond market remained well supported, as the local system is still flush with liquidity.

INVESTMENT OUTLOOK

Going forward, risks on uncertainty in China due to the rebalancing in economy from investment and export-driven to one that is dependent on domestic consumption and prospects of US Federal Reserve tapering may contribute to short term volatility in the equity markets. In the meantime, market liquidity will be sustained by other major central banks, led by the BOJ and the ECB who are likely to maintain their extremely loose policies. The global economic outlook should continue to improve into 2014 with countries like Japan expected to undergo a cyclical recovery and the Eurozone to eventually come out from recession which will bode well for global equities. Domestically, economic growth will continue to be underpinned by domestic demand and the continuation in the implementation of projects under the Economic Transformation Programme initiative. The high foreign holdings of money market funds and MGS could create volatility to bond yields, the local currency and potentially some spill over impact on equities but weakness is likely to be temporary given that the economy is still awash with liquidity and strong participation by the government-linked funds. We continue to advocate sticking to good quality stocks with strong fundamentals that have corrected to attractive valuation levels.

As for fixed income, global interest rates are expected to be on an uptrend following the development in the US economy. Tracking the latest economic data, the US economy appears to be picking up, thus the Federal Reserve may scale back on QE as indicated earlier. With this, the US Treasury yield may continue to surge and cause further pull back of funds from emerging markets. In fact, this trend has already begun and is well reflected through the strengthening of the US dollar against most regional currencies. The Malaysian market, which has high foreign ownership; RM146.8 billion or 32.5% of total outstanding government bonds, was and will definitely not be spared from this. Nevertheless, we do not foresee that yields will shoot up to 2008 crisis level since there is ample liquidity in the system to support any selloff and furthermore there is a lack of supply of primary corporate bonds in the market at the moment. This should somehow limit a drastic upswing of the MGS yield curve and spread with corporate bonds. Besides, we are of the view that the unresolved Eurozone debt issue, Abenomics measures and China's sluggish growth story may also ease some pressure on bond yields and normalize the yield curve. On the contrary, we are also watchful for any potential upside risk from domestic inflation that may pressure the central bank to hike rates. Overall, we expect the bond market to be volatile in the coming financial year. In terms of investment strategy, the fund will position to invest whenever there is any selling exhaustion and will focus on primary issuances.

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2013

	Note	HLMT i-Balanced RM	HLMT i-Income RM	HLMT Global Recovery Income Plan RM	My Steady 10 Plan RM	HLMT i-Equity RM
ASSETS						
Investments:						
Equity securities quoted in Malaysia	3	246,764	-	-	-	781,870
Unquoted Islamic debt securities	3	3,327,524	2,389,645	-	-	-
Structured investments		-	-	24,272,277	3,942,161	-
Deposits with financial institutions		2,118,000	420,000	-	-	351,000
Total investments		5,692,288	2,809,645	24,272,277	3,942,161	1,132,870
Other assets:						
Investment receivables		26,682	17,383	-	-	1,785
Other receivables		-	-	-	-	153,260
Cash and cash equivalents		170,259	157,293	19,608	-	22,649
Total other assets		196,941	174,676	19,608	-	177,694
TOTAL ASSETS		5,889,229	2,984,321	24,291,885	3,942,161	1,310,564

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2013 (Continued)

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT Global Recovery Income Plan RM	My Steady 10 Plan RM	HLMT i-Equity RM
LIABILITIES					
Amount due to the Manager	4,855	1,785	-	-	-
Deferred tax liabilities	8,122	1,817	38,081	26,253	4,505
Provision for taxation	9,991	7,000	125,000	-	2,600
Other payables	211,455	14,385	4,043,863	362,040	-
TOTAL LIABILITIES	234,423	24,987	4,206,944	388,293	7,105
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS					
	5,654,806	2,959,334	20,084,941	3,553,868	1,303,459
REPRESENTED BY					
Value of unit	6,305,563	2,392,354	16,804,811	3,195,943	1,242,280
Undistributed (loss)/ income carried forward	(650,757)	566,980	3,280,130	357,925	61,179
	5,654,806	2,959,334	20,084,941	3,553,868	1,303,459
Net asset value attributable to certificate holders per unit	1.1774	1.2669	3.0775	1.0967	1.0813

The accompanying notes form an integral part of the financial statements

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2012

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT Global Recovery Income Plan RM	My Steady 10 Plan RM
ASSETS				
Investments:				
Equity securities quoted in Malaysia	148,444	-	-	-
Unquoted Islamic debt securities	2,341,428	2,036,542	-	-
Structured investments	-	-	26,031,288	3,922,860
Deposits with financial institutions	1,231,000	785,000	-	-
Total investments	3,720,872	2,821,542	26,031,288	3,922,860
Other assets:				
Amount due from the Manager	139,975	-	-	-
Investment receivables	16,225	6,868	-	-
Other receivables	1,964,102	83,246	3,506	-
Deferred tax asset	-	474	-	-
Cash and cash equivalents	72,664	130,114	19,608	-
Total other assets	2,192,966	220,702	23,114	-
TOTAL ASSETS	5,913,838	3,042,244	26,054,402	3,922,860

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2012 (Continued)

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT Global Recovery Income Plan RM	My Steady 10 Plan RM
LIABILITIES				
Amount due to the Manager	-	6,227	-	-
Deferred tax liabilities	4,286	-	178,801	24,709
Provision for taxation	8,293	9,000	111,000	-
Other payables	-	85,085	2,892,878	254,923
TOTAL LIABILITIES	12,579	100,312	3,182,679	279,632
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS				
	5,901,259	2,941,932	22,871,723	3,643,228
REPRESENTED BY				
Value of unit	5,996,507	2,480,979	19,518,552	3,303,060
Undistributed (loss)/ income carried forward	(95,248)	460,953	3,353,171	340,168
	5,901,259	2,941,932	22,871,723	3,643,228
Net asset value attributable to certificate holders per unit	1.1404	1.2158	3.3261	1.0912

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT Global Recovery Income Plan RM	My Steady 10 Plan RM	HLMT i-Equity RM
Investment income:					
Investment profits	158,649	127,068	1,670,014	-	12,398
Dividend income	3,330	-	-	-	12,920
Net realised gain on sale of investments	945	-	-	-	11,717
Unrealised capital gain on investments	47,948	28,626	588,877	19,301	56,313
Total income	210,872	155,694	2,258,891	19,301	93,348
Net realised loss on sale of investments	(14,000)	(18,366)	-	-	-
Investment management fees	(715,906)	(11,182)	-	-	(23,530)
Share of investment profits with the Manager	(14,891)	(10,870)	-	-	-
Unrealised loss on foreign exchange	-	-	(2,347,889)	-	-
Other outgo	(7,590)	(35)	-	-	(1,134)
Total outgo	(752,387)	(40,453)	(2,347,889)	-	(24,664)
Excess of (outgo over income)/ income over outgo before taxation	(541,515)	115,241	(88,998)	19,301	68,684
(Tax expense)/tax benefit	(13,994)	(9,214)	15,957	(1,544)	(7,505)
Excess of (outgo over income)/ income over outgo after taxation	(555,509)	106,027	(73,041)	17,757	61,179
Undistributed (loss)/ income brought forward	(95,248)	460,953	3,353,171	340,168	-
Undistributed (loss)/ income carried forward	(650,757)	566,980	3,280,130	357,925	61,179

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT Global Recovery Income Plan RM	My Steady 10 Plan RM
Investment income:				
Investment profits	128,317	125,854	1,384,558	-
Dividend income	2,981	-	-	-
Net realised gain on sale of investments	308	-	-	-
Unrealised capital gain on investments	11,050	-	260,862	308,860
Total income	142,656	125,854	1,645,420	308,860
Net realised loss on sale of investments	-	(950)	-	-
Unrealised capital loss on investments	-	(11,901)	-	-
Investment management fees	(256,740)	(12,561)	-	-
Share of investment profits with the Manager	(14,149)	(13,360)	-	-
Total outgo	(270,889)	(38,772)	-	-
Excess of (outgo over income)/ income over outgo before taxation	(128,233)	87,082	1,645,420	308,860
Taxation	(18,016)	(15,363)	(111,838)	(15,674)
Excess of (outgo over income)/ income over outgo after taxation	(146,249)	71,719	1,535,582	293,186
Undistributed income brought forward	51,001	389,234	1,819,589	46,982
Undistributed (loss)/ income carried forward	(95,248)	460,953	3,353,171	340,168

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN NET ASSET VALUE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT Global Recovery Income Plan RM	My Steady 10 Plan RM	HLMT i-Equity RM
Net asset value attributable to certificate holders at the beginning of the financial year/period	5,901,259	2,941,932	22,871,723	3,643,228	-
Amount received from certificate holders for the creation of units	1,870,736	303,990	-	-	1,242,373
Amount paid to certificate holders for cancellation of units	(1,561,680)	(392,615)	(2,713,741)	(107,117)	(93)
	6,210,315	2,853,307	20,157,982	3,536,111	1,242,280
Net realised (loss)/gain, net of tax	(599,621)	79,691	(614,808)	-	9,371
Net unrealised gain, net of tax	44,112	26,336	541,767	17,757	51,808
Net asset value attributable to certificate holders at end of financial year/period	5,654,806	2,959,334	20,084,941	3,553,868	1,303,459

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN NET ASSET VALUE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT Global Recovery Income Plan RM	My Steady 10 Plan RM
Net asset value attributable to certificate holders at the beginning of the financial year/period	4,122,989	2,727,771	23,548,132	3,520,910
Amount received from certificate holders for the creation of units	2,174,148	150,549	-	-
Amount paid to certificate holders for cancellation of units	(249,629)	(8,107)	(1,026,923)	(170,868)
	6,047,508	2,870,213	22,521,209	3,350,042
Net realised (loss)/gain, net of tax	(156,415)	82,668	1,293,589	9,035
Net unrealised gain/(loss), net of tax	10,166	(10,949)	239,993	284,151
Distribution to certificate holders	-	-	(1,183,068)	-
Net asset value attributable to certificate holders at end of financial year/period	5,901,259	2,941,932	22,871,723	3,643,228

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL INFORMATION

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activities of HLMT i-Balanced Fund, HLMT i-Income Fund, HLMT Global Recovery Income Plan (“GRIP”), My Steady 10 Plan and HLMT i-Equity (hereinafter referred to collectively as “the Funds”) are to invest in authorised investments.

The Manager of the Funds is Hong Leong MSIG Takaful Berhad, a company incorporated in Malaysia, whose principal activity is to manage family takaful including investment-linked business and all classes of general takaful businesses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of preparation

The financial information of the Funds have been prepared in accordance with the accounting policies described in Note 2 to the financial information and the Guidelines on the Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia (“BNM”).

The preparation of financial information requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information, and the reported amounts of income and expenses during the reported financial year. It also requires the Directors of the Manager to exercise their judgement in the process of applying the Funds’ accounting policies. Although these estimates are based on the Directors of the Manager’s best knowledge of current events and actions, actual results may differ from those estimates.

However, the Directors of the Manager are of the opinion that there are currently no areas where assumptions and estimates that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year and no accounting policies which requires significant judgement to be exercised.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Fair value through profit or loss financial assets

The Funds designate their investment portfolio into fair value through profit or loss ("FVTPL") financial assets at inception to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

Financial assets classified as FVTPL are initially recorded at fair value. Subsequent to initial recognition, the financial assets are remeasured at fair values with fair value adjustments and realised gains and losses recognised in statement of income and expenditure.

(c) Fair value of financial assets

The fair values of Malaysian Government Securities, Government Investment Issues and unquoted corporate securities are based on indicative fair market prices/index by reference to the quotations provided by banks and brokers.

The fair values of quoted securities are based on current market prices. If the market for a financial asset is not active, the Manager establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.

Structured investments are investments where part of the fund is invested in the fixed income instruments issued by financial institutions while the remaining fund are invested in instruments which linked to the performance of one or more prices, rates, indices, securities and other financial instruments. Structured investments are carried at fair values, determined by reference to quotations provided by the issuing financial institutions.

Cash at bank and deposits with licensed financial institutions are stated at approximately their carrying amount as at the date of statement of assets and liabilities.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currencies

(i) Functional and presentation currency

The financial information are presented in Ringgit Malaysia (RM), which is the Funds' functional and presentation currency.

(ii) Foreign currency transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and expenditure.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash balances and deposits held at call with Islamic financial institutions with original maturities of three month or less.

(f) Income recognition

Dividend income is recognised when the right to receive the dividend has been established.

Investment profit is recognised on a time proportion basis taking into account the effective yield of the asset.

Gains or losses arising from the disposal of investments are credited or charged to the statement of income and expenditure.

(g) Investment management fees

Investment management fees are calculated in accordance with the provisions of the investment-linked certificate document and are charged to the statement of income and expenditure when incurred.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Taxation

Taxation on the statement of income and expenditure comprises of current and deferred tax. Current tax is the expected amount of tax payable in respect of the taxable income for the financial year, using tax rates enacted or substantially enacted at the statement of assets and liabilities date, and any adjustment to tax payable in respect of previous financial years.

Deferred taxation is recognised in full using the liability method, on temporary differences at the statement of assets and liabilities date between the tax bases of assets and liabilities and their carrying amounts in the financial information. However, deferred tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

(i) Net creation of units

Net creation of units represents contribution paid by certificate holders as payment for new contract or subsequent payments to increase the amount of that contract. Net creation of units is recognised on a receipt basis.

(j) Net cancellation of units

Net cancellation of units represents cancellation of units arising from surrenders and withdrawals from certificate holders. Cancellation is recognised upon surrendering of the related takaful contract.

(k) Comparatives

There are no comparative figures for HLMT i-Equity as the fund's commencement date was within the current financial year. The figures for the statement of income and expenditure and statement of changes in net asset value and relevant notes are for the financial period from its date of commencement to 30 June 2013.

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

3. INVESTMENTS

	Quantity (unit)	Cost (RM)	Market Value As at 30.06.2013 (RM)	% of net asset value
HLMT i-BALANCE FUND				
<u>Unquoted islamic debt securities</u>				
Malaysian Government Securities & Cagamas:				
- Malaysia Investment Issue	500,000	499,795	504,414	8.92
- Cagamas MBS Berhad	1,000,000	922,700	1,009,870	17.86
	1,500,000	1,422,495	1,514,284	26.78
Islamic private debt securities				
- CIMB Islamic Bank Bhd	500,000	500,000	501,910	8.88
- Gamuda Bhd	300,000	300,930	302,910	5.36
- Imtiaz Sukuk Bhd	1,000,000	1,000,000	1,008,420	17.83
	1,800,000	1,800,930	1,813,240	32.07
Total unquoted Islamic debt securities	3,300,000	3,223,425	3,327,524	58.85
<u>Equity securities quoted in Malaysia:</u>				
Trading/Services:				
- Pharmaniaga Bhd	11,000	40,644	49,390	0.87
- Media Chinese International	31,900	34,895	36,685	0.65
- Dialog Group Bhd	28,560	34,927	80,539	1.42
- Hubline Bhd	100,000	26,577	4,125	0.07
	171,460	137,043	170,739	3.01
Industrial products:				
- Hiap Teck Venture Bhd	20,000	34,927	10,500	0.19
Properties:				
- YNH Property Bhd	32,927	77,375	65,525	1.16
Total equity securities quoted in Malaysia	224,387	249,345	246,764	4.36
Grand total	3,524,387	3,472,770	3,574,288	63.21

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

3. INVESTMENTS (Continued)

	Quantity (unit)	Cost (RM)	Market Value As at 30.06.2013 (RM)	% of net asset value
HLMT i-INCOME FUND				
<u>Unquoted islamic debt securities</u>				
Islamic private debt securities				
- CIMB Islamic Bank Bhd	500,000	500,000	501,910	16.96
- Imtiaz Sukuk Bhd	500,000	500,000	504,210	17.04
- Kimanis Power Sdn Bhd	500,000	503,945	517,350	17.48
- Binaring GSM Sdn Bhd	849,936	862,996	866,175	29.27
	2,349,936	2,366,941	2,389,645	80.75
Grand total	2,349,936	2,366,941	2,389,645	80.75
HLMT GLOBAL RECOVERY INCOME PLAN				
<u>Structured Investment</u>				
- Citigroup Global Markets Limited	23,354,732	23,796,269	24,272,277	120.85
MY STEADY 10 PLAN				
<u>Structured Investment</u>				
- Standard Chartered Saadiq	3,614,000	3,520,910	3,942,161	110.93

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

3. INVESTMENTS (Continued)

	Quantity (unit)	Cost (RM)	Market Value As at 30.06.2013 (RM)	% of net asset value
HLMT i-EQUITY FUND				
<u>Equity securities quoted in Malaysia:</u>				
Trading/Services:				
- Media Chinese International	100,000	113,401	115,000	8.82
- Pharmaniga Bhd	33,000	123,638	148,170	11.37
- Pos Malaysia Bhd	20,000	61,619	94,000	7.21
- Sime Darby Bhd	10,000	94,989	95,800	7.35
- Telekom Malaysia Bhd	20,000	109,673	108,000	8.29
- Tenaga Nasional Bhd	10,000	82,557	82,900	6.36
	193,000	585,877	643,870	49.40
Infrastructure:				
- Digi.Com Bhd	10,000	45,787	47,600	3.65
Plantation:				
- Felda Global Ventures	20,000	93,893	90,400	6.94
Grand total	223,000	725,557	781,870	59.99

4. PERFORMANCE TABLE

The performance tables of the Funds are set out on pages 3 to 12 of the fund performance report.

STATEMENT BY MANAGER

INVESTMENT-LINKED FUNDS, comprising
HLMT i-Balanced Fund
HLMT i-Income Fund
HLMT Global Recovery Income Plan
My Steady 10 Plan
HLMT i-Equity Fund
(hereinafter referred to collectively as “the Funds”)

I, Wan Mohd Fadzlullah bin Wan Abdullah, being the Chief Executive Officer of Hong Leong MSIG Takaful Berhad (“the Manager”), state that to the best knowledge and belief of the Manager, accompanying financial information set on pages 17 to 31 have been properly drawn up in accordance with the accounting policies prescribed in Note 2 to the financial information and the Guidelines on Investment-linked Insurance/Takaful Business issued by Bank Negara Malaysia.

On behalf of the Manager,

Wan Mohd Fadzlullah bin Wan Abdullah
Chief Executive Officer

Petaling Jaya
23 October 2013

REPORT OF THE AUDITORS

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HLMT i-Balanced Fund
HLMT i-Income Fund
HLMT Global Recovery Income Plan
My Steady 10 Plan
HLMT i-Equity Fund
(hereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION

We have audited the financial information of the Funds, which comprise the statements of assets and liabilities as at 30 June 2013, statements of income and expenditure, and changes in net asset value of the Funds for the financial period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 17 to 31.

Manager's Responsibility for the Financial Information

The Directors of the Manager ("the Manager") are responsible for the preparation of financial information in accordance with the accounting policies prescribed in Note 2 to the financial information and the Guidelines on Investment-linked Insurance/Takaful Business issued by Bank Negara Malaysia ("BNM") and for such internal control as the Manager determine are necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial information based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial information are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Funds' preparation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

REPORT OF THE AUDITORS (CONTINUED)

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HLMT i-Balanced Fund
HLMT i-Income Fund
HLMT Global Recovery Income Plan
My Steady 10 Plan
HLMT i-Equity Fund
(hereinafter referred to collectively as "the Funds")

Opinion

In our opinion, the financial information of the Funds have been properly prepared in accordance with the accounting policies prescribed in Note 2 to the financial information and the Guidelines on Investment-linked Insurance/Takaful Business issued by BNM.

OTHER MATTERS

This report is made solely to the certificate holders of the Funds, as a body in accordance with Guidelines on Investment-linked Insurance/Takaful Business issued by BNM and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
23 October 2013



HongLeong MSIG Takaful

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