



هونغ ليونغ م.س.أ.ج. تكافل

HongLeong MSIG Takaful

INVESTMENT-LINKED FUNDS
Fund Performance Report
for the financial year ended 30 June 2015



CONTENTS

	PAGE
Chief Executive Officer's Message	1
Fund Objectives	2
Investment Review	
HLMT i-Balanced Fund	3 - 4
HLMT i-Income Fund	5 - 6
My Steady 10 Plan	7 - 8
HLMT i-Equity Fund	9 - 10
Equities and Fixed Income Market	11 - 13
Investment Outlook	14
Financial Information	
Statement of Assets and Liabilities	15 - 18
Statement of Income and Expenditure	19 - 20
Statement of Changes in Net Asset Value	21 - 22
Notes to the Financial Information	23 - 31
Statement by Manager	32
Independent Auditors' Report	33 - 34

CHIEF EXECUTIVE OFFICER'S MESSAGE

السلام عليكم ورحمة الله وبركاته

Dear Valued Certificate Holders,

We are pleased to present to you Hong Leong MSIG Takaful Berhad ("HLM Takaful") fund performance report for the financial year ended 30 June 2015. 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 challenging during the financial year, with FBM Shariah Index declined 1,178 points by the financial year end. Despite the performance of the stock market during the year, we are delighted to share with you that for the financial year ended 30 June 2015, three of our Investment Linked Funds, namely HLMT i-Income Fund, HLMT i-Balanced Fund, and MY Steady 10 Plan, have registered a growth in the net asset value per unit, with HLMT i-Income and HLMT i-Balanced Funds registering higher growth of average annual return than benchmark. HLMT i-Equity Fund, despite registering a negative growth in net asset value, still outperforms the benchmark. You may find the detailed report in the investment review section in page 3 to 13.

Moving forward, we will remain committed to work towards improving your life by meeting your protection and investment need. The financial year 2015/2016 will be an exciting period for HLM Takaful as we implement various initiatives and strategies in our effort to expand our business. On behalf of HLM Takaful, I thank you for choosing HLM Takaful as your preferred Takaful provider. 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.

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

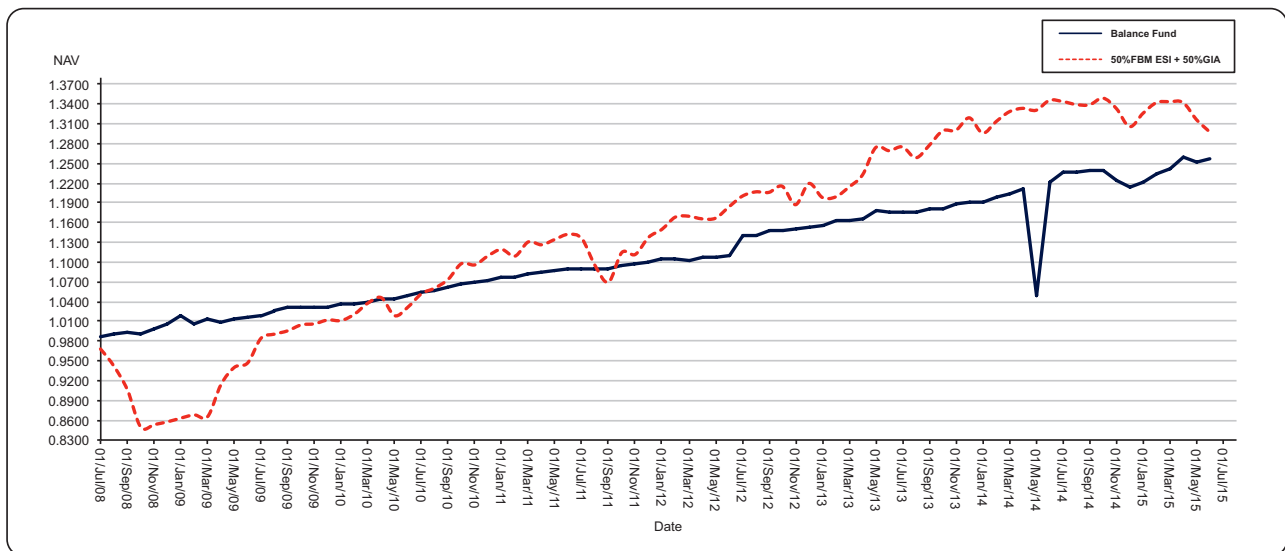
For the financial period under review, the Fund achieved a return of 2.95%, higher than benchmark return of -3.58%. This was due to the conservative investment approach taken considering the small size of the fund and need to protect capital with the more bearish view of equity markets. As at end of the financial year, 16.61% of the net asset value was invested in Low Risk Assets, 46.53% in Islamic PDS and 24.10% in Shariah compliant equities.

Fund management fee of 1.25% and administrative charge of RM5 per month were 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 2015

Price Movement, Calculation Indexed





INVESTMENT REVIEW

HLMT i-BALANCED FUND (CONTINUED)

Performance of the fund					
	2015	2014	2013	2012	2011
Total NAV (RM)	6,023,480	5,886,028	5,654,806	5,901,259	4,122,989
Number of units	4,791,451	4,820,202	4,802,939	5,174,837	3,667,155
NAV per unit (RM)	1.2571	1.2211	1.1774	1.1404	1.1243
Highest NAV per unit during financial year (RM)	1.2598	1.1923	1.1795	1.1459	1.1243
Lowest NAV per unit during financial year (RM)	1.2144	1.1557	1.1414	1.1258	1.0488
Total annual return of the fund					
- Capital growth	2.95%	2.51%	2.20%	1.98%	3.78%
- Income distribution	-	-	-	-	-
Average annual return - Fund					
- 1 year	2.95%	2.51%	2.20%	1.98%	3.78%
- 3 year	4.23%	2.23%	2.65%	2.99%	3.01%
- 5 year	3.69%	3.50%	3.74%	3.68%	n/a
Average annual return - Benchmark (50%FBM ESI+50%GIA)					
- 1 year	-3.58%	6.03%	7.23%	3.62%	9.82%
- 3 year	3.11%	5.61%	7.14%	7.71%	3.53%
- 5 year	4.69%	9.25%	10.25%	6.02%	n/a

Portfolio composition by category of investment					
	Weighting %				
	2015	2014	2013	2012	2011
Equity securities quoted in Malaysia	24.22	20.99	4.33	3.99	4.80
Unquoted Islamic debt securities	63.75	64.68	58.46	62.93	70.10
Deposits with financial institutions	12.03	14.33	37.21	33.08	25.10
	100.00	100.00	100.00	100.00	100.00

Equities and unit trusts composition by sector					
	Weighting %				
	2015	2014	2013	2012	2011
Trading / Services	45.88	44.50	69.19	49.42	51.77
Industrial Products	11.73	17.31	4.26	7.54	10.88
Plantation	2.89	3.96	-	-	-
Construction	6.28	19.06	-	-	-
Properties	11.20	15.17	26.55	43.04	37.35
Consumer Products	11.57	-	-	-	-
Industrial Products	10.45	-	-	-	-
	100.00	100.00	100.00	100.00	100.00

Unquoted Islamic debt securities composition by sector					
	Weighting %				
	2015	2014	2013	2012	2011
Government	-	-	15.16	44.08	40.74
Government Agency	-	-	-	12.82	-
Consumer Products	-	-	-	-	20.10
Financial	92.11	92.16	75.74	43.10	39.16
Construction	7.89	7.84	9.10	-	-
	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

HLMT i-INCOME FUND

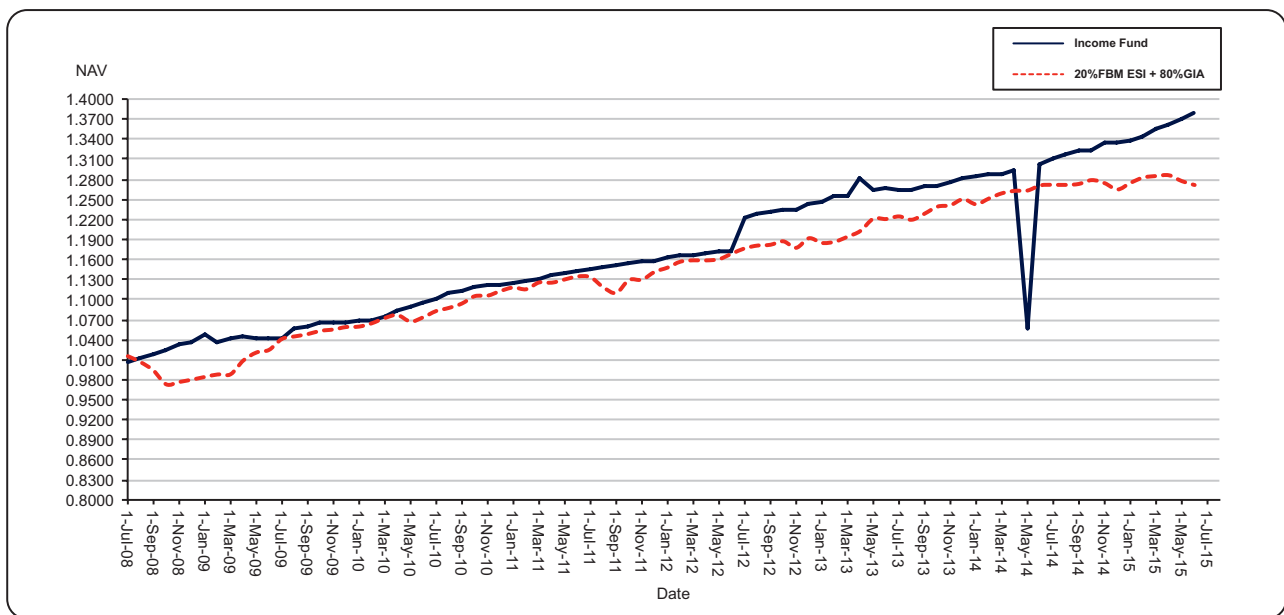
For the financial period under review, the Fund achieved a return of 5.91%, higher than the benchmark return of 0.04%. This was mainly because the fund had no exposure in equities which has been a drag on returns. As at end of the financial year, the fund was fully invested in Islamic PDS.

Fund management fee of 1% and administrative charge of RM5 per month were 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 was no distribution made and proposed during the year.

As at 30 June 2015

Price Movement, Calculation Indexed



INVESTMENT REVIEW

HLMT i-INCOME FUND (CONTINUED)

Performance of the fund					
	2015	2014	2013	2012	2011
Total NAV (RM)	3,119,674	2,958,923	2,959,334	2,941,932	2,727,771
Number of units	2,263,055	2,273,146	2,335,896	2,419,754	2,308,030
NAV per unit (RM)	1.3785	1.3017	1.2669	1.2158	1.1819
Highest NAV per unit during financial year (RM)	1.3785	2.5717	1.2826	1.2171	1.1819
Lowest NAV per unit during financial year (RM)	1.3103	1.2465	1.2208	1.1861	1.0949
Total annual return of the fund					
- Capital growth	5.91%	1.59%	3.38%	2.78%	4.27%
- Income distribution	-	-	-	-	-
Average annual return - Fund					
- 1 year	5.91%	1.59%	3.38%	2.78%	4.27%
- 3 year	5.53%	2.58%	3.47%	4.09%	4.26%
- 5 year	4.72%	4.02%	5.24%	5.22%	n/a
Average annual return - Benchmark (20%FBM ESI+80%GIA)					
- 1 year	0.04%	4.13%	4.43%	3.01%	3.90%
- 3 year	2.85%	3.85%	4.37%	4.48%	1.43%
- 5 year	3.44%	5.79%	6.00%	4.53%	n/a

Portfolio composition by category of investment					
	Weighting %				
	2015	2014	2013	2012	2011
Unquoted Islamic debt securities	100.00	100.00	85.05	72.18	90.24
Deposits with financial institutions	-	-	14.95	27.82	9.76
	100.00	100.00	100.00	100.00	100.00

Unquoted Islamic debt securities composition by sector					
	Weighting %				
	2015	2014	2013	2012	2011
Government	-	-	-	25.73	21.01
Government Agency	14.98	16.93	-	4.91	-
Telecommunication	-	9.02	36.25	49.48	41.73
Trading & Services	-	-	-	-	-
Infrastructure	-	-	21.65	-	-
Consumer Products	-	-	-	-	20.58
Financial	72.68	74.05	42.10	19.88	16.68
Transportation	12.34	-	-	-	-
	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

MY STEADY 10 PLAN

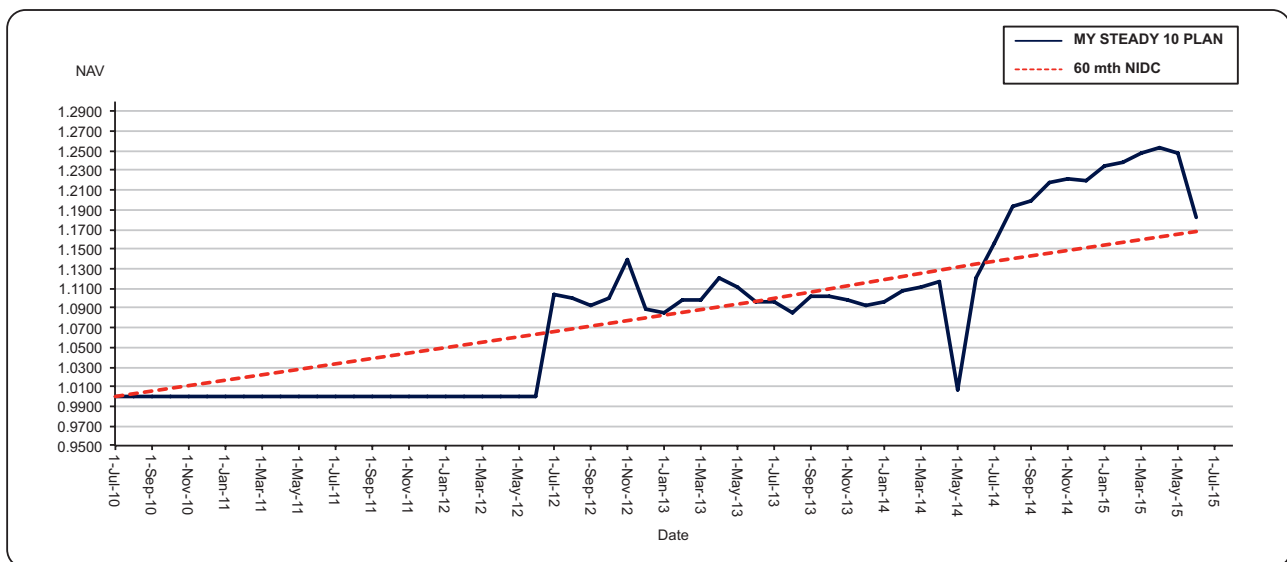
My Steady 10 Plan, a closed-ended 10 Years Fixed Income Shariah-compliant fund, pays a contracted gross income distribution with an indicative rate of 44.20% and is principal protected upon maturity at the end of 10 years. The underlying reference assets are depending on the Islamic rate.

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

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

As at 30 June 2015

Price Movement, Calculation Indexed



INVESTMENT REVIEW

MY STEADY 10 PLAN (CONTINUED)

Performance of the fund					
	2015	2014	2013	2012	2011 11 months
Total NAV (RM)	3,565,052	3,607,499	3,553,868	3,643,228	3,520,910
Number of units	3,012,776	3,220,960	3,240,600	3,338,800	3,509,668
NAV per unit (RM)	1.1833	1.1200	1.0967	1.0912	1.0032
Highest NAV per unit during financial year (RM)	1.2541	1.1210	1.1390	1.0912	1.0032
Lowest NAV per unit during financial year (RM)	1.1556	1.0858	1.0864	1.0032	1.0000
Total annual return of the fund					
- Capital growth	5.62%	2.07%	9.08%	0.00%	0.30%
- Income distribution	-	-	-	-	-
Average annual return - Fund					
- 1 year	5.62%	2.07%	9.08%	0.00%	0.30%
- 3 year	5.76%	3.65%	n/a	n/a	n/a
- 5 year	n/a	n/a	n/a	n/a	n/a
Average annual return - Benchmark (20%FBM ESI+80%GIA)					
- 1 year	2.91%	3.46%	3.15%	3.20%	2.78%
- 3 year	3.17%	3.27%	n/a	n/a	n/a
- 5 year	n/a	n/a	n/a	n/a	n/a

Portfolio composition by category of investment					
	Weighting %				
	2015	2014	2013	2012	2011
Structured investment	100.00	100.00	100.00	100.00	100.00
	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

HLMT i-EQUITY FUND

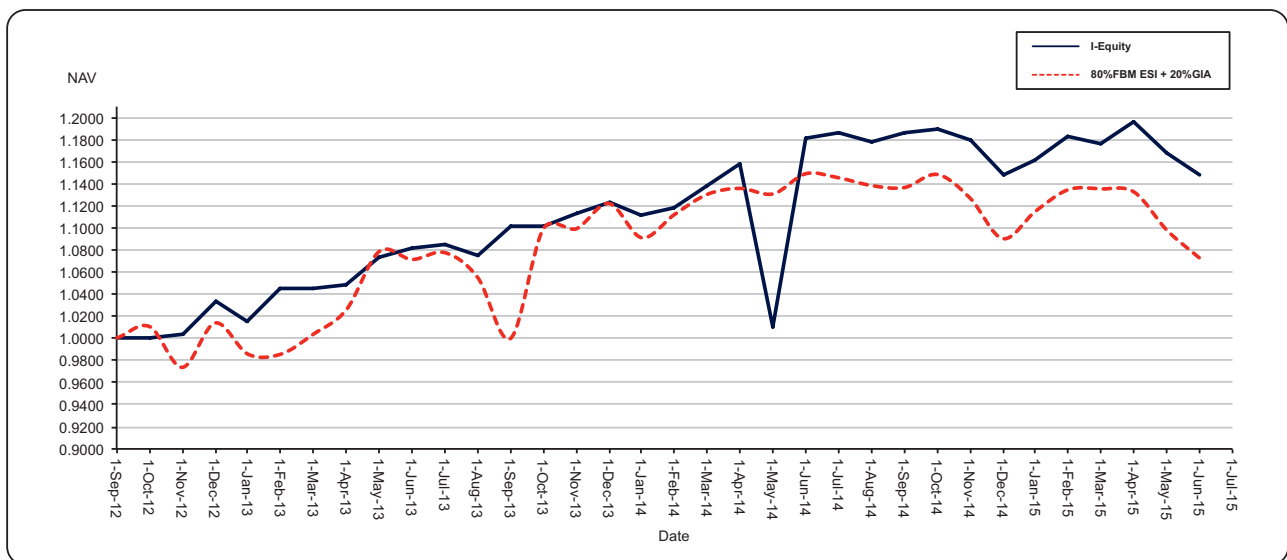
For the financial period under review, the Fund managed to achieve a return of -2.71% which although was a contraction, bettered the benchmark FBM Shariah's drop of 6.6%. As at end of the financial year, 45.36% of the net asset value was invested in Shariah compliant equities in line with the more bearish outlook for equities.

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

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

As at 30 June 2015

Price Movement, Calculation Indexed



INVESTMENT REVIEW

HLMT i-EQUITY FUND (CONTINUED)

Performance of the fund			
	2015	2014	2013 10 months
Total NAV (RM)	2,807,926	1,934,272	1,303,459
Number of units	2,443,388	1,638,151	1,205,476
NAV per unit (RM)	1.1492	1.1808	1.0813
Highest NAV per unit during financial year (RM)	1.1960	1.1232	1.0813
Lowest NAV per unit during financial year (RM)	1.1488	1.0156	1.0004
Total 10 months return of the fund			
- Capital growth	-2.71%	8.09%	7.97%
- Income distribution			-
Average annual return - Fund			
- 1 year/10 months	-2.71%	8.09%	7.97%
- 3 year	n/a	n/a	n/a
- 5 year	n/a	n/a	n/a
Average annual return - Benchmark (80% FBM ESI+20%GIA)			
- 1 year/10 months	-6.66%	7.24%	7.16%
- 3 year	n/a	n/a	n/a
- 5 year	n/a	n/a	n/a

Portfolio composition by category of investment			
	Weighting %		
	2015	2014	2013
Equity securities quoted in Malaysia	62.53	61.91	69.02
Deposits with financial institutions	37.47	38.09	30.98
	100.00	100.00	100.00

Equities and unit trusts composition by sector			
	Weighting %		
	2015	2014	2013
Trading / Services	66.99	65.42	82.35
Properties	11.49	10.84	-
Construction	7.33	8.37	-
Infrastructure	4.21	5.09	6.09
Plantation	4.76	10.28	11.56
Consumer Products	5.22	-	-
	100.00	100.00	100.00

INVESTMENT REVIEW

Equities Market

FBM Shariah Index (1 July 2014 – 30 June 2015)



Source: Bloomberg

For the financial period under review, the direction of global equity markets was inherently dictated by the speculation over the timeline of the US Federal Reserve's (FED) normalization of its monetary policy as this has no precedent. Compounding this was the divergent monetary policies of Japan and the Eurozone which were going in opposite directions by keeping rates close to zero while pumping the system with liquidity. Meanwhile, signs that economic recovery was patchy especially in Eurozone and China also added to the market volatility.

As for Malaysia, the FBMKLCI was the worst performing index among its regional peers on a financial year to date basis in US Dollar terms. The FBM Shariah Index, which mirrored the performance of FBMKLCI, declined by 1,178 points to close at 12,208.85 points by financial year end. The Shariah index started on a strong note, scaling a new all-time high of 13,515.17 points in early July 2014 when it benefitted from the reversal of capital back to emerging markets following weak growth in the advanced economies as well as a 25 bps hike in the overnight policy rate (OPR) by Bank Negara Malaysia (BNM). However, the rally was short-lived when the local bourse succumbed to foreign selling which was sparked by a surge in geopolitical risks following the tragic crash of MH17. This led to sanctions against Russia that was further exacerbated when the US launched air strikes against ISIS in Syria. Local investor sentiment was also frail given the lack of fresh leads coupled with another disappointing corporate earnings reporting season in August 2014.

Moving into the second quarter of the financial year, the much anticipated year end window dressing activities did not materialize. The Shariah index along with global markets descended into panic mode contributed by the following factors: 1) persistent decline in oil prices, breaching the US\$55/barrel mark, 2) the imminent end of quantitative easing, 3) the strength of the US dollar and 4) concerns over a faltering global economic recovery from growing deflationary concerns in Europe and Japan after the International Monetary Fund downgraded global economic growth forecast to 3.8% in 2015 from its previous forecast of 4%. Despite some support from the local funds, the outflow of foreign funds from the market continued to weigh the index down and saw the Ringgit weaken to RM3.50 against the US dollar.

INVESTMENT REVIEW (CONTINUED)

Equities Market (Continued)

Investor sentiment improved at the beginning of 2015 when the European Central Bank (ECB) unveiled its quantitative easing US\$1 trillion bond-buying programme. Positive comments from the Secretary-General of the Organisation of Petroleum Exporting Countries (OPEC) that oil prices may have reached a floor and could move higher also helped sentiment as Malaysia's economy is very dependent on oil related-receipts. On the domestic front, the Prime Minister announced a revised Budget for 2015 to adjust for the assumption of the average Brent crude oil price used from US\$105/barrel to US\$55/barrel.

However, the rally could not be sustained after another quarter of disappointing corporate results. Investor sentiment was further hit when rating agency Fitch warned of a possible downgrade in Malaysia's sovereign rating. This was despite the ongoing subsidy rationalization measures taken by the government with the "managed float" system for fuel pricing and also the implementation of the Goods and Services Tax (GST) in April 2015.

By the last quarter of the financial year, the FBMS index regained some momentum to hit 13,353.55 points on 24th April on the back of the strengthening Ringgit and improving oil prices. But again the uptrend faltered and the index fell further to as low as 12,159.33 points on the back of heightened political noise and the sentiment being weighed down by the media's exposure of 1MDB's alleged mismanagement. As such, even the tabling of the 11th Malaysian Plan (11MP) failed to create any excitement in the market as investors were generally feeling cautious.

Malaysia was not alone in the challenges facing its financial markets as Asean markets had a tough year too. Indonesia saw its Rupiah depreciate significantly against the US dollar while the delays in infrastructure execution did not help investor sentiment. Thailand was also affected by internal political issues with the military government in power resulting in many of the necessary pump-priming activities being either delayed or paused due to the lack of funding.

During the year, we also saw the economy in Hong Kong being affected by long drawn protests which significantly affected its consumer sector. China, on the other hand, saw a tremendous jump in its equity market with the CSI300 index appreciating by as much as 150% at one time before closing the financial year with a 96% gain. The Chinese market was extremely volatile, punctuated by trading days of sharp rises and declines together with the implementation of haphazard policies. As such, the central bank announced market friendly reforms in an effort to stem any further sharp drop in the stock market that could threaten to drag economic growth which could, in turn, erode confidence in the government.

INVESTMENT REVIEW (CONTINUED)

Fixed Income Market

The Malaysian bond market was volatile throughout the financial year under review. In the first half of the financial year, Government Islamic Instrument (GII) weakened substantially in tandem with the Malaysian Government Securities (MGS) due to heavy offshore selling arising from the risk-off environment. As the Eurozone, China and Japan continued to grapple with slowing growth, emerging markets including Malaysia, were hit by the rapid decline in oil prices, strengthening of the US dollar, improving US data as well as the attractiveness of US Treasuries (UST).

On the local front, the onetime OPR hike by BNM to 3.25% from 3.00% in July 2014 which was the first OPR change since July 2011 also contributed to the rise of short term MGS yields since investors lengthened their portfolio duration. The heavy sell-off in MGS, particularly in the month of August 2014, resulted in the 10y MGS's high-low spread surging to 52.5 bps, causing the percentage of foreign holdings of MGS to slip from 48.4% as at July 2014 to 45.9% as at December 2014.

Moving into 2015, the global sovereign bond markets rallied following a series of monetary easing by global central banks in response to the ECB's quantitative easing announcement in January 2015. However, the rally reversed its course in the last quarter of the financial year, wiping out the earlier gains. The rout in global sovereign bonds was led by the 10-year German Bund, which rose to close to 1.00% within two months, from the low of 0.10% as fears of deflation subsided following ECB President Mario Draghi raising the year's inflation outlook to 0.3% from 0% amid the improving economic growth outlook.

However, in the Asian government bond space, foreign inflows were seen supporting the market. Interest in MGS remained strong with foreign holdings rising again to RM166.8 billion, or 48.5% as at end of June 2015. This was despite the Ringgit coming under pressure driven by the expected FED rate hike which was compounded by domestic ongoing political and economic challenges. The Ringgit thus saw a 20% depreciation against the Greenback since the start of the financial year. However, stable foreign ownership of MGS suggests that foreign investors are mostly represented by sovereign funds which are less sensitive to exchange rate considerations. Similarly, ample liquidity and lack of primary supply in Malaysia continue to keep yields low.

As for primary issuance of corporate bonds, investors turned towards the banking and power sectors for possible yield pickup. Despite most of the Asian central banks easing their monetary policies, BNM continued to keep its policy rate steady at 3.25% in the second half of the financial year. Meanwhile the financial year ended with a surprise rating reaffirmation by Fitch on Malaysia's sovereign ratings while the outlook was revised to 'Stable' from 'Negative' which was a welcome relief, removing the overhang of a rating downgrade which had weighed down on investor sentiment since the start of 2015.

INVESTMENT OUTLOOK

Going forward, we continue to expect a challenging year ahead for the market which will still be affected by external and domestic events. Primarily all eyes will be on the possible first FED rate hike in 2015 which most pundits expect in September. Of course the pace of the subsequent hikes is also an important factor to consider as it has an impact on most financial instruments especially fixed income, currencies and also equities which have, since the Financial Crisis of 2008, benefitted from this long duration of extremely low rates.

Meanwhile external political events such as the breakdown in Greek bailout talks leading to a possible Greek exit from the Eurozone will continue to weigh down on sentiment. Uncertainty over the viability of the European Union both from an economic and political point remains. Another consideration is the performance of China's equity markets as the movement of the local bourse has been extremely volatile which in turn affects the performance of other North Asian markets especially Hong Kong. Going into the second half of 2015, we expect this volatility to continue despite more market friendly reforms as investors grapple with mixed macroeconomic data and weaker corporate earnings whilst the equity markets go through a de-leveraging process from the unwinding of margin accounts.

Domestically with the overhang from the Fitch rating downgrade removed, the key re-rating catalysts for the domestic Shariah index are earnings growth and stabilization in oil prices. However, in the near term we expect corporate earnings in 2Q and 3Q 2015 to continue to be soft due to the weakness in consumer sentiment following the implementation of the GST in April 2015. Malaysia may also face further challenges due to the drop in commodity prices and slower demand for both liquefied natural gas and manufactured exports.

As such, we continue to adopt a defensive and prudent stance, viewing any significant pullback as an opportunity to position our portfolio for the longer term. Our core focus remains on companies which offer good earnings growth potential in this period of anemic corporate earnings. We also like companies with certainty of earnings that offer steady dividend returns. Among the sectors that we favour are the construction and the plantation sectors. The construction sector should continue to benefit from the roll out of major infrastructure projects while the plantation sector may see more interest on the back of early signs of stabilizing output production and potential development of El Nino. We also like the exporters which are main beneficiaries of the weaker Ringgit.

As for fixed income outlook, reversal of capital flows and decline in foreign holding of MGS is expected to remain a concern notwithstanding the optimism from Fitch's outlook on Malaysia. Local bond market players are expected to switch their focus to external developments that will likely reduce the attractiveness of MGS such as the risk of further upward move on UST yields by way of US embarking on rate normalization and the divergence in monetary policies in the US against Asian markets.



FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2015

	Note	HLMT i-Balanced RM	HLMT i-Income RM	My Steady 10 Plan RM	HLMT i-Equity RM
ASSETS					
Investments:					
Equity securities quoted in Malaysia	3	1,451,590	-	-	1,273,613
Unquoted Islamic debt securities	3	3,803,181	3,400,457	-	-
Structured investments	3	-	-	4,233,627	-
Accrued profit		18,219	19,002	-	-
Deposits with financial institutions		721,122	-	-	763,130
Total investments		5,994,112	3,419,459	4,233,627	2,036,743
Other assets:					
Deferred tax assets		-	-	-	-
Investment receivables		6,024	-	-	800
Other receivables		-	-	-	526,613
Cash and cash equivalents		363,919	-	-	252,430
Total other assets		369,943	-	-	779,843
TOTAL ASSETS		6,364,055	3,419,459	4,233,627	2,816,586



STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2015 (CONTINUED)

	HLMT i-Balanced RM	HLMT i-Income RM	My Steady 10 Plan RM	HLMT i-Equity RM
LIABILITIES				
Deferred tax liabilities	7,812	2,321	49,571	4,060
Provision for taxation	16,391	12,000	-	4,600
Other payables	316,372	285,464	619,003	-
TOTAL LIABILITIES	340,575	299,785	668,574	8,660
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS	6,023,480	3,119,674	3,565,052	2,807,926
REPRESENTED BY				
Value of unit	7,621,410	2,330,444	2,938,979	2,992,734
Undistributed (loss)/ income carried forward	(1,597,930)	789,230	626,073	(184,808)
	6,023,480	3,119,674	3,565,052	2,807,926
Net asset value attributable to certificate holders per unit	1.2571	1.3785	1.1833	1.1492

The accompanying notes form an integral part of the financial statements



STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2014

	HLMT i-Balanced RM	HLMT i-Income RM	My Steady 10 Plan RM	HLMT i-Equity RM
ASSETS				
Investments:				
Equity securities quoted in Malaysia	1,227,434	-	-	1,124,972
Unquoted Islamic debt securities	3,764,508	2,943,426	-	-
Structured investments	-	-	4,023,653	-
Accrued Profit	18,219	17,995	-	-
Deposits with financial institutions	838,000	-	-	692,000
Total investments	5,848,161	2,961,421	4,023,653	1,816,972
Other assets:				
Deferred tax assets	-	800	-	-
Investment receivables	19,285	17,995	-	2,054
Other receivables	-	-	-	82,525
Cash and cash equivalents	244,199	183,348	-	47,953
Total other assets	263,484	202,143	-	132,532
TOTAL ASSETS	6,111,645	3,163,564	4,023,653	1,949,504



STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2014 (CONTINUED)

	HLMT i-Balanced RM	HLMT i-Income RM	My Steady 10 Plan RM	HLMT i-Equity RM
LIABILITIES				
Deferred tax liabilities	9,516	-	32,772	13,507
Provision for taxation	15,391	8,000	-	1,725
Other payables	200,710	196,641	383,382	-
TOTAL LIABILITIES	225,617	204,641	416,154	15,232
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS	5,886,028	2,958,923	3,607,499	1,934,272
REPRESENTED BY				
Value of unit	7,002,573	2,331,282	3,174,601	1,867,031
Undistributed (loss)/ income carried forward	(1,116,545)	627,641	432,898	67,241
	5,886,028	2,958,923	3,607,499	1,934,272
Net asset value attributable to certificate holders per unit	1.2211	1.3017	1.1200	1.1808

The accompanying notes form an integral part of the financial statements



STATEMENT OF INCOME AND EXPENDITURE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	HLMT i-Balanced RM	HLMT i-Income RM	My Steady 10 Plan RM	HLMT i-Equity RM
Investment income:				
Investment profits	184,812	149,544	-	18,096
Dividend income	43,985	-	-	42,246
Net realised gain on sale of investments	-	-	-	-
Unrealised capital gain on investments	-	39,036	209,974	-
Other income	1,704	-	-	9,447
Total income	230,501	188,580	209,974	69,789
Net realised loss on sale of investments	(25,040)	-	-	-
Unrealised capital loss on investments	(21,293)	-	-	(118,090)
Investment management fees	(648,717)	(10,302)	-	(186,156)
Other outgo	(1,565)	(434)	-	(15,024)
Total outgo	(696,615)	(10,736)	-	(319,270)
Excess of (outgo over income)/income over outgo before taxation	(466,114)	177,844	209,974	(249,481)
Tax expense	(15,271)	(16,255)	(16,799)	(2,568)
Excess of (outgo over income)/income over outgo after taxation	(481,385)	161,589	193,175	(252,049)
Undistributed (loss)/income brought forward	(1,116,545)	627,641	432,898	67,241
Undistributed (loss)/income carried forward	(1,597,930)	789,230	626,073	(184,808)

The accompanying notes form an integral part of the financial statements



STATEMENT OF INCOME AND EXPENDITURE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	HLMT i-Balanced RM	HLMT i-Income RM	My Steady 10 Plan RM	HLMT i-Equity RM
Investment income:				
Investment profits	201,607	121,772	-	43,685
Net realised gain on sale of investments	3,555	-	-	-
Unrealised capital gain on investments	17,422	-	81,492	112,524
Other income	-	2,618	-	-
Total income	222,584	124,390	81,492	156,209
Net realised loss on sale of investments	-	(10,552)	-	-
Unrealised capital loss on investments	-	(32,721)	-	-
Investment management fees	(674,571)	(11,980)	-	(134,807)
Other outgo	(281)	(107)	-	(5,125)
Total outgo	(674,852)	(55,360)	-	(139,932)
Excess of (outgo over income)/income over outgo before taxation	(452,268)	69,030	81,492	16,277
Tax expense	(13,520)	(8,369)	(6,519)	(10,215)
Excess of (outgo over income)/income over outgo after taxation	(465,788)	60,661	74,973	6,062
Undistributed (loss)/income brought forward	(650,757)	566,980	357,925	61,179
Undistributed (loss)/income carried forward	(1,116,545)	627,641	432,898	67,241

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 2015

	HLMT i-Balanced RM	HLMT i-Income RM	My Steady 10 Plan RM	HLMT i-Equity RM
Net asset value attributable to certificate holders at the beginning of the financial year	5,886,028	2,958,923	3,607,499	1,934,272
Amount received from certificate holders for the creation of units	1,023,351	18,062	-	1,199,318
Amount paid to certificate holders for cancellation of units	(404,514)	(18,900)	(235,622)	(73,615)
	6,504,865	2,958,085	3,371,877	3,059,975
Net (expense)/income for the period, net of tax	(461,796)	125,675	-	(143,406)
Net unrealised (loss)/gain, net of tax	(19,589)	35,914	193,175	(108,643)
	6,023,480	3,119,674	3,565,052	2,807,926

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 2014

	HLMT i-Balanced RM	HLMT i-Income 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	5,654,806	2,959,334	3,553,868	1,303,459
Amount received from certificate holders for the creation of units	1,045,315	(226,267)	-	740,860
Amount paid to certificate holders for cancellation of units	(348,305)	165,195	(21,342)	(116,109)
Net realised (loss)/gain, net of tax	6,351,816 (481,816)	2,898,262 90,765	3,532,526 -	1,928,210 (97,460)
Net unrealised (loss)/gain, net of tax	16,028	(30,104)	74,973	103,522
Net asset value attributable to certificate holders at end of financial year/period	5,886,028	2,958,923	3,607,499	1,934,272

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, My Steady 10 Plan and HLMT i-Equity Fund (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. Deferred tax is recognised in the Statement of Income and Expenditure.

(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.



NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

3. INVESTMENTS

	Quantity (unit)	Cost (RM)	Market Value As at 30.06.2015 (RM)	% of net asset value
HLMT I-BALANCED FUND				
<u>Unquoted Islamic debt securities</u>				
Malaysian Government Securities & Cagamas:				
- Cagamas MBS Berhad	1,000,000	922,700	1,000,200	16.61
Islamic private debt securities:				
- BGSM Management Sdn Bhd	500,000	503,870	510,253	8.47
- CIMB Islamic Bank Berhad	500,000	500,000	497,045	8.25
- Gamuda Berhad	300,000	300,930	300,033	4.98
- Hong Leong Islamic Bank	500,000	500,025	501,000	8.32
- Imtiaz Sukuk Berhad	1,000,000	1,000,000	994,650	16.51
	2,800,000	2,804,825	2,802,981	46.53
Total unquoted Islamic debt securities	3,800,000	3,727,525	3,803,181	63.14
<u>Equity securities quoted in Malaysia:</u>				
Trading/Services:				
- Alam Maritim Resources Bhd	80,000	120,693	42,800	0.71
- Dialog Group Bhd	57,576	34,927	91,546	1.52
- Media Chinese International	31,900	34,895	19,300	0.32
- Pharmaniaga Bhd	35,000	153,405	249,550	4.14
- Westports Holdings Bhd	50,000	126,250	211,500	3.51
- UMW Oil & Gas Corporation Berhad	30,000	91,904	51,300	0.85
	284,476	562,074	665,995	11.05
Industrial products:				
- CB Industrial Product Holding Quoted	40,000	93,480	80,000	1.33
- CB Industrial Product Holding Warrants	6,666	-	3,033	0.05
- DRB-HICOM BHD	50,000	125,188	79,500	1.32
- Hiap Teck Venture Bhd	20,000	34,927	7,800	0.13
	116,666	253,595	170,333	2.83



NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

3. INVESTMENTS (CONTINUED)

	Quantity (unit)	Cost (RM)	Market Value As at 30.06.2015 (RM)	% of net asset value
HLMT i-BALANCED FUND (CONTINUED)				
<u>Equity securities quoted in Malaysia: (continued)</u>				
Plantation:				
- Boustead Plantations Bhd	30,000	48,480	42,000	0.70
Construction:				
- Crest Builder Holdings Bhd	80,000	121,832	91,200	1.51
Consumer Products:				
- UMW Holdings Bhd	10,000	108,183	101,400	1.69
- Padini Holdings Bhd	50,000	72,958	66,500	1.10
	60,000	181,141	167,900	2.79
Industrial Products:				
- Top Glove Corporation Bhd	22,800	109,353	151,620	2.52
Properties:				
- Titijaya Land Berhad	50,000	75,750	99,500	1.65
- YNH Property Bhd	33,180	77,375	63,042	1.05
	83,180	153,125	162,542	2.70
Total equity securities quoted in Malaysia	677,122	1,429,600	1,451,590	24.10
Grand total	4,477,122	5,157,125	5,254,771	87.24

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

3. INVESTMENTS (CONTINUED)

	Quantity (unit)	Cost (RM)	Market Value As at 30.06.2015 (RM)	% of net asset value
HLMT I-INCOME FUND				
<u>Unquoted Islamic debt securities</u>				
Islamic private debt securities:				
- BGSM Management Sdn Bhd	460,930	469,924	468,206	15.01
- CIMB Islamic Bank Berhad	500,000	500,000	497,045	15.93
- Imtiaz Sukuk Berhad	500,000	500,000	497,325	15.94
- RHB Islamic Bank Berhad	500,000	500,000	508,060	16.29
- P. Tabung Pendidikan Tinggi	500,000	501,490	509,225	16.32
- Hong Leong Islamic Bank	500,000	500,025	501,000	16.06
- Malaysia Airports Holdings	400,000	400,000	419,596	13.45
	3,360,930	3,371,439	3,400,457	109.00
Grand total	3,360,930	3,371,439	3,400,457	109.00
MY STEADY 10 PLAN				
<u>Structured Investment</u>				
- Standard Chartered Saadiq	3,614,000	3,520,910	4,233,626	118.75

NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

3. INVESTMENTS (CONTINUED)

	Quantity (unit)	Cost (RM)	Market Value As at 30.06.2015 (RM)	% of net asset value
HLMT I-EQUITY FUND				
<u>Equity securities quoted in Malaysia:</u>				
Trading/Services:				
- Alam Maritim Resources Bhd	20,000	30,519	10,700	0.38
- Media Chinese International	100,000	113,401	60,500	2.15
- Pharmaniaga Bhd	33,000	123,638	235,290	8.38
- Pos Malaysia Bhd	20,000	61,619	85,600	3.05
- Sime Darby Bhd	10,000	94,989	85,200	3.03
- Tenaga Nasional Bhd	10,000	82,557	126,400	4.50
- Telekom Malaysia Bhd	20,950	114,884	137,013	4.88
- Dayang Enterprise Holdings Bhd	50,000	140,347	112,500	4.01
	263,950	761,954	853,203	30.38
Properties:				
- Titijaya Land Berhad	50,000	75,750	99,500	3.54
- SP Setia Bhd	15,100	51,471	46,810	1.67
	65,100	127,221	146,310	5.21
Construction:				
- Gamuda Bhd	20,000	88,734	93,400	3.33
Infrastructure:				
- Digi.Com Bhd	10,000	45,787	53,600	1.91



NOTES TO THE FINANCIAL INFORMATION (CONTINUED)

3. INVESTMENTS (CONTINUED)

	Quantity (unit)	Cost (RM)	Market Value As at 30.06.2015 (RM)	% of net asset value
HLMT I-EQUITY FUND (CONTINUED)				
<u>Equity securities quoted in Malaysia:</u> (continued)				
Consumer Products:				
- Padini Holdings Bhd	50,000	72,958	66,500	2.37
Plantation:				
- Boustead Plantations Bhd	20,000	32,320	28,000	1.00
- Felda Global Ventures	20,000	93,893	32,600	1.16
	40,000	126,213	60,600	2.16
Grand total	449,050	1,222,867	1,273,613	45.36

4. PERFORMANCE TABLE

The performance tables of the Funds are set out on pages 3 to 10 of the fund performance report.



STATEMENT BY MANAGER

INVESTMENT-LINKED FUNDS, comprising
HLMT i-Balanced Fund
HLMT i-Income Fund
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”), states that to the best knowledge and belief of the Manager, accompanying financial information set on pages 15 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
15 September 2015

REPORT OF THE AUDITORS

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HLMT i-Balanced Fund
HLMT i-Income Fund
My Steady 10 Plan
HLMT i-Equity Fund
(thereinafter 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 2015, statements of income and expenditure, and changes in net asset value of the Funds for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 15 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
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
15 September 2015



Hong Leong MSIG Takaful Berhad (738090-M)

Head Office:

Level 5, Tower B, PJ City Development, No. 15A, Jalan 219, Seksyen 51A
46100 Petaling Jaya, Selangor Darul Ehsan

Tel: +603 7650 1800

Fax: +603 7620 6730

Customer Service Hotline: +603 7650 1800

Email: ReachUs@takaful.hongleong.com.my

Website: www.hlmsigtakaful.com.my

EAST COAST

Kota Bharu

Lot 10910, Wisma Seri Setia,
Jalan Dusun Muda, Seksyen 26,
15200 Kota Bharu,
Kelantan
Tel: +609-743 2080
Fax: +609-743 5599

Kuantan

1st Floor, B28, Lorong Tun Ismail 1,
25000 Kuantan, Pahang Darul Makmur
Tel: +609-516 3120 / +609-516 3125
Fax: +609-516 3121

SOUTHERN

Melaka

No. 67, 67-1 & 67-2, Jalan KL 3/8,
Taman Kota Laksamana,
Seksyen III, 75200 Melaka
Tel: +606-286 2350
Fax: +606-286 2370

EAST MALAYSIA

Kuching

2nd Floor, 22B & 22C, Jalan Rubber,
Lot 342 & 343, Seksyen 9,
93400 Kuching, Sarawak
Tel: +6082-236 871
Fax: +6082-236 925

Hong Leong MSIG Takaful Berhad (738090-M)

Level 5, Tower B, PJ City Development,

No. 15A, Jalan 219, Seksyen 51A,

46100 Petaling Jaya, Selangor

Tel: +603-7650 1800

Fax: +603-7620 6730

www.hlmsigtakaful.com.my