



HLMT INVESTMENT-LINKED FUNDS
Fund Performance Report
for the financial year ended 30 June 2021

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CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Valued Certificate Holders,

Once again, it is our pleasure to present to you the Hong Leong MSIG Takaful Berhad ("HLMT") Investment-Linked Funds ("ILF") Annual Report for the financial year ending 30 June 2021. The year was uncharacteristically volatile where initial euphoria was superseded by strong headwinds arising from both domestic issues and the global pandemic.

The financial year started off with a gradual uplift seen across most major countries from the earlier containment measures imposed to control the then-unknown Covid-19 outbreak. Global growth was also showed initial signs of recovery albeit gradual and uneven pace. Monetary policies were continuously accommodative with major policymakers strongly committed towards a "low-for-longer" interest rate environment to support demand whilst anticipating labour market conditions to improve. Once the highly efficacious vaccines were made available to the developed markets, inoculations started to gain momentum and this provided a blueprint for the rest of the world to re-open and resume economic activities.

As the world started to reemerge from its various forms of lockdowns, the overall supply chain couldn't cope with the sudden surge of demand. The bottleneck situation on all segments of the value chain could not fulfill the pent-up demand and the overorder and restocking activities exacerbated these conditions, resulting in inflationary concerns.

While the developed market was shown a glimmer of hope with the increased pace of vaccination, the domestic market took a drastic turn due to a fresh spike in Covid-19 cases, vacillating open/lockdowns, Environmental, Social and Governance ("ESG") concerns and political uncertainties. The only bright spot was the ramped-up of vaccination efforts after initial vaccine delivery issues. The country is on track to reach herd immunity sometime in 4Q21 with key economic areas to be reopened as early as end-August 2021. This will enable most states in the country to transition to the fourth phase of the National Recovery Plan ("NRP") where most economic sectors will be reopened with more social activities allowed, including inter-state travel and domestic tourism.

Following the emergence of various new strains, it is likely that Covid-19 will be here to stay. Countries and corporates have also shifted their expectations from "eradicating before reopening" to "reopening and living with Covid-19". This will inevitably change how businesses are being conducted and further adoption of digitalisation will continue to be the trend going forward. In addition to that, investors are also placing increasing importance on investing in companies that adopt good ESG practices.

Despite the challenges ahead, our approach in HLMT has always been to take advantage of any volatility and market dips to enhance and strengthen our portfolios for the long term. This strategy has stood the test of time to ensure continuous outperformance over the long run and to support our commitment to help you achieve your financial goals.

Finally, we at HLMT would like to thank you for your continuous support and trust which has motivated us to strive for excellence in developing innovative Shariah-compliant products and serving our certificate holders with utmost dedication. Achieving all the awards, namely the Best Takaful Operator Malaysia by the International Business Magazines Awards 2021 & 2020, Most Innovative Family Takaful by the Global Business Outlook Awards 2021 & 2020, Most Innovative Covid-19 Relief Programme (Insurance) by Global Business Outlook Awards 2020 and Excellence in Insurance & Takaful by Global Halal Excellence Awards 2020 stand as testimonies to our commitment to you which would not be possible without your support.

In conclusion, I would like to once again convey my heartfelt appreciation to you for continuously trusting HLMT and choosing us as your Preferred Takaful Provider. We will constantly strive to elevate our standard of excellence and commitment in delivering the best offerings to enrich your life.

Mohd Asri Omar
Chief Executive Officer
Hong Leong MSIG Takaful Berhad

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 Shariah-compliant 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 Shariah-compliant equity securities.

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

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. The fund matured on 22 September 2020 and the maturity value were paid to the certificate holders.

HLMT Makmur Fund aims to achieve a consistent capital growth over a medium-to-long term investment horizon by investing in compliance with the Shariah requirements. The Fund will invest by feeding into Hong Leong Dana Makmur (Target Fund).

HLMT Maa'rof Fund aims to provide a convenient access into a diversified investment portfolio containing a balanced mixture of equities and sukuk that complies to the Shariah requirements. The Fund will invest by feeding into Hong Leong Dana Maa'rof (Target Fund).

INVESTMENT REVIEW

HLMT i-BALANCED FUND

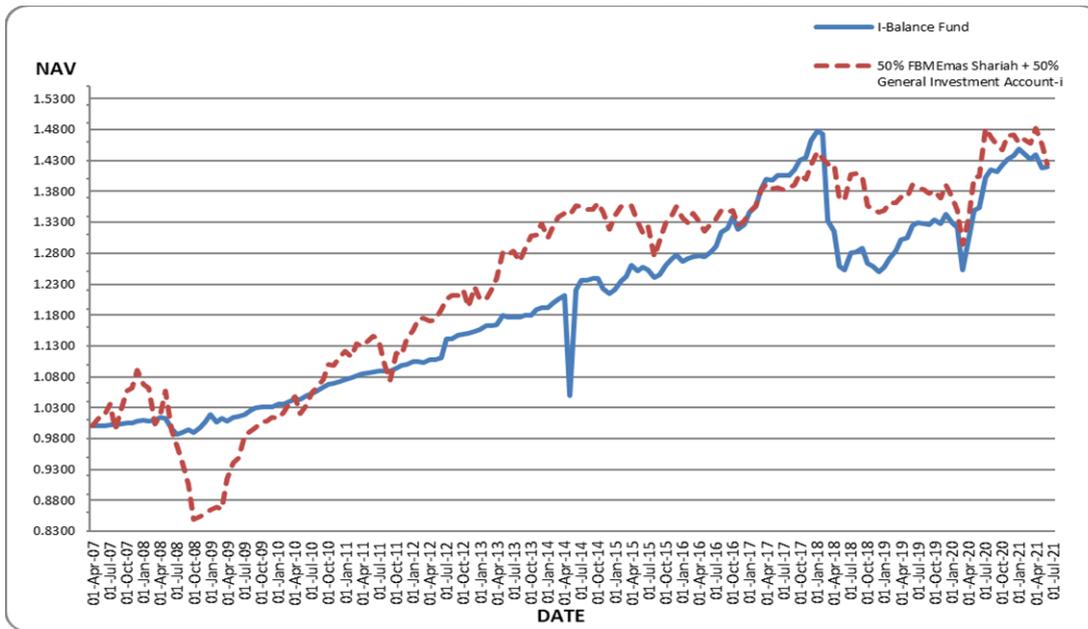
For the financial year under review, the fund was approximately 41% invested in Shariah-compliant equities and 42% in sukuks. Stocks that contributed to the outperformance during the financial year include Inari Amertron Bhd, UWC Bhd, Telekom Malaysia Bhd and Petronas Chemicals Group Bhd. Sentiment in the equity market continued to be dominated by the progress in vaccination globally as well as the political developments domestically. We continue to be invested in both recovery/ reopening themes, reflation beneficiaries and 5G/ technology names.

Fund management fee of 1.25% was charged to the Fund during the financial year.

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

As at 30 June 2021

Price Movement, Calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-BALANCED FUND (CONT'D)

Performance of the fund					
	2021	2020	2019	2018	2017
Total NAV (RM'000)	8,319	16,952	16,004	5,930	6,629
Number of units	5,862	12,525	12,078	4,734	4,715
NAV per unit (RM)	1.4190	1.3535	1.3251	1.2527	1.4059
Highest NAV per unit during financial year (RM)	1.4607	1.3704	1.3251	1.4772	1.4059
Lowest NAV per unit during financial year (RM)	1.3562	1.2092	1.2494	1.2523	1.2916
Total annual return of the fund - Capital growth (Note 1)	4.84%	2.14%	5.82%	-10.93%	9.75%
Average annual return – Fund					
- 1 year	4.84%	2.14%	5.82%	-10.93%	9.75%
- 3 year	4.24%	-1.26%	1.14%	-0.13%	4.81%
- 5 year	2.06%	1.49%	1.65%	1.25%	4.84%
Average annual return - Benchmark (50% FBM ESI + 50% GIA)					
- 1 year	1.39%	0.96%	1.77%	-1.44%	4.41%
- 3 year	1.38%	0.42%	1.55%	1.35%	0.72%
- 5 year	1.41%	1.36%	0.49%	1.37%	3.12%

Note 2

Performance of the fund				
Additional notes	2021	2020	2019	2018
Total annual return of the fund - Capital growth	4.81%	2.10%	2.95%	-0.82%
Average annual return – Fund				
- 1 year	4.81%	2.10%	2.95%	-0.82%
- 3 year	3.28%	1.40%	3.61%	2.82%
- 5 year	3.55%	2.70%	2.63%	2.54%

Notes:

Adjustments arising from timing differences in recognition of fees expenses were accounted for in FY 2017/18 resulting in an unfavourable return on the Fund performance as reflected in Note 1 above. However, these adjustments do not impact the actual performance of the Fund used in published prices for unit allocation. The mentioned adjustments were merely book reporting to rectify the timing differences of such entries. In a normalised comparison, the actual Fund performances based on published price were as per Note 2.

INVESTMENT REVIEW (CONT'D)

HLMT i-BALANCED FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2021	2020	2019	2018	2017
Deposits with Islamic financial institutions	17.02	8.89	29.89	-	16.38
Islamic Equity securities quoted in Malaysia	41.00	43.80	34.79	52.66	43.41
Unquoted Islamic bonds	41.98	47.31	35.32	47.34	40.21
Total	100.00	100.00	100.00	100.00	100.00

Islamic equities composition by sector					
	Weighting %				
	2021	2020	2019	2018	2017
Construction	4.67	5.20	4.71	3.42	5.78
Consumer Products	8.49	4.39	0.96	7.69	1.97
Finance	2.51	3.40	5.52	1.85	2.32
Industrial Products	15.18	23.40	19.56	13.23	18.88
Infrastructure	4.76	5.22	9.72	9.57	10.48
Mining	2.00	-	-	-	-
Plantation	3.00	4.19	1.94	0.91	6.53
Properties	5.86	5.24	5.08	6.86	9.25
REITS	4.18	6.05	8.59	3.12	3.43
Technology	19.28	10.17	1.62	1.43	-
Trading/Services	28.02	31.58	42.30	51.92	41.36
Utilities	2.05	1.16	-	-	-
Total	100.00	100.00	100.00	100.00	100.00

Unquoted sukuk composition by sector					
	Weighting %				
	2021	2020	2019	2018	2017
Construction	-	27.67	43.89	32.97	10.68
Finance	66.85	72.33	56.11	33.61	89.32
Government	-	-	-	33.42	-
Utilities	33.15	-	-	-	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT i-INCOME FUND

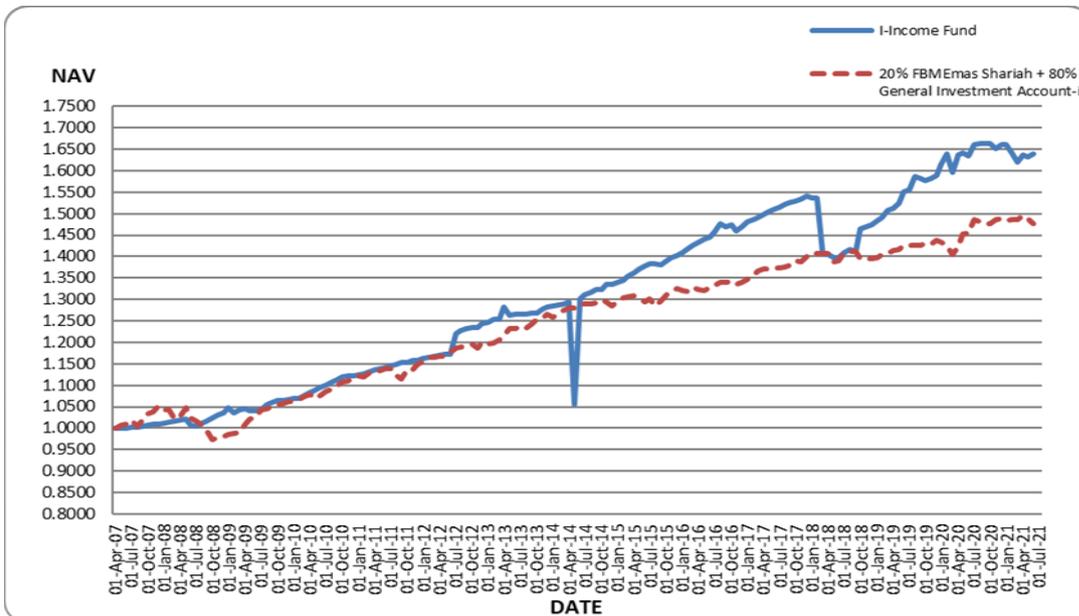
For the financial year under review, the fund was fully invested into sukuk and with the reversal of the sukuk's yield towards the end of the financial year, the return of the fund was impacted. This resulted to the underperformance against the benchmark for 1 year. Nevertheless, 3 year and 5 year return is still above the benchmark. The Fund was 69% invested into sukuku while 31% invested into Low Risk Asset.

Fund management fee of 1% was charged to the Fund during the financial year.

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

As at 30 June 2021

Price Movement, Calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-INCOME FUND (CONT'D)

Performance of the fund					
	2021	2020	2019	2018	2017
Total NAV (RM'000)	5,753	4,593	3,842	3,270	3,407
Number of units	3,508	2,810	2,479	2,338	2,257
NAV per unit (RM)	1.6400	1.6347	1.5499	1.3986	1.5096
Highest NAV per unit during financial year (RM)	1.6688	1.6466	1.5499	1.5420	1.5099
Lowest NAV per unit during financial year (RM)	1.6138	1.5433	1.4091	1.3983	1.4566
Total annual return of the fund - Capital growth (Note 1)	0.32%	5.47%	10.62%	-7.35%	4.47%
Average annual return – Fund					
- 1 year	0.32%	5.47%	10.62%	-7.35%	4.47%
- 3 year	5.45%	2.69%	2.30%	0.47%	5.06%
- 5 year	2.56%	3.46%	3.51%	2.01%	5.17%
Average annual return - Benchmark (20% FBM ESI + 80% GIA)					
- 1 year	1.52%	1.94%	2.59%	1.17%	3.48%
- 3 year	2.03%	1.90%	2.41%	2.36%	2.15%
- 5 year	2.15%	2.32%	2.04%	2.42%	3.13%

Note 2

Performance of the fund				
Additional notes	2021	2020	2019	2018
Total annual return of the fund - Capital growth	0.25%	5.99%	7.37%	3.08%
Average annual return – Fund				
- 1 year	0.25%	5.99%	7.37%	3.08%
- 3 year	4.49%	5.47%	4.68%	3.55%
- 5 year	4.04%	4.79%	4.60%	3.45%

Notes:

Adjustments arising from timing differences in recognition of fees expenses were accounted for in FY 2017/18 resulting in an unfavourable return on the Fund performance as reflected in Note 1 above. However, these adjustments do not impact the actual performance of the Fund used in published prices for unit allocation. The mentioned adjustments were merely book reporting to rectify the timing differences of such entries. In a normalised comparison, the actual Fund performances based on published price were as per Note 2.

INVESTMENT REVIEW (CONT'D)

HLMT i-INCOME FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2021	2020	2019	2018	2017
Deposits with Islamic financial institutions	-	-	-	-	-
Unquoted Islamic sukuk	100.00	100.00	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00	100.00

Unquoted sukuk composition by sector					
	Weighting %				
	2021	2020	2019	2018	2017
Finance	39.81	40.38	38.62	39.83	60.9
Government	20.38	13.69	16.46	21.85	13.99
Government Agency	10.68	13.68	16.53	13.73	-
Infrastructure	14.66	17.75	22.22	24.59	25.11
Telecommunication	-	4.86	6.17	-	-
Utilities	14.47	9.64	-	-	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT i-EQUITY FUND

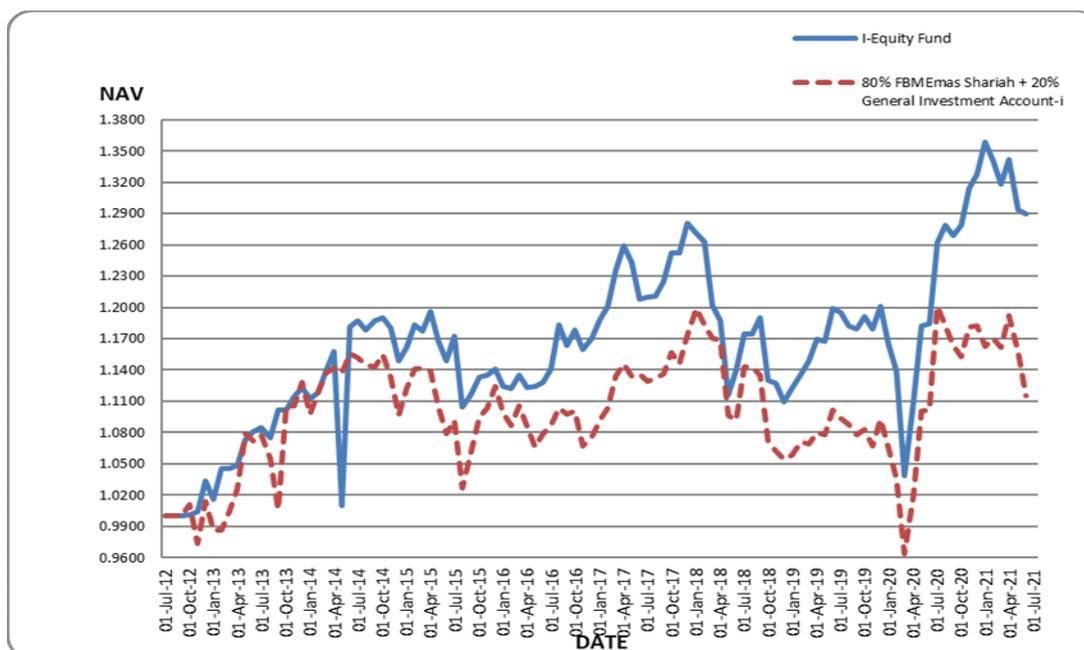
During the financial year under review, the fund had 86.69% in Shariah-compliant equities . For the first half of the financial year, the fund adopted a barbell strategy to be invested in both Covid-19 beneficiaries and recovery/ reopening names. As we progressed into the second half of the financial year, the fund rebalanced its strategy to be invested in both value names (mainly recovery/ reopenings names) and growth names (technology, digital platforms, Electronic Manufacturing Services). Core stocks in the portfolio include Inari Amertron Bhd, UWC Bhd, Telekom Malaysia Bhd and Petronas Chemicals Group Bhd.

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

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

As at 30 June 2021

Price Movement, Calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-EQUITY FUND (CONT'D)

Performance of the fund					
	2021	2020	2019	2018	2017
Total NAV (RM'000)	24,907	28,930	27,895	16,062	15,264
Number of units	19,319	24,420	23,260	14,096	12,631
NAV per unit (RM)	1.2893	1.1847	1.1993	1.1395	1.2084
Highest NAV per unit during financial year (RM)	1.3867	1.2183	1.1993	1.2805	1.2596
Lowest NAV per unit during financial year (RM)	1.1924	0.9675	1.1090	1.1166	1.1414
Total annual return of the fund - Capital growth (Note 1)	8.83%	-1.22%	2.96%	-5.70%	7.13%
Average annual return – Fund					
- 1 year	8.83%	-1.22%	2.96%	-5.70%	7.13%
- 3 year	4.20%	-0.66%	2.25%	-0.28%	0.77%
- 5 year	2.71%	0.61%	0.50%	1.06%	n/a
Average annual return - Benchmark (80% FBM ESI + 20% GIA)					
- 1 year	1.26%	-0.13%	-1.43%	-4.02%	5.24%
- 3 year	0.73%	-1.12%	-0.15%	0.31%	-0.61%
- 5 year	0.67%	0.33%	-1.46%	0.32%	n/a

Note 2

Performance of the fund				
Additional notes	2021	2020	2019	2018
Total annual return of the fund - Capital growth	8.76%	-1.02%	2.96%	-5.43%
Average annual return – Fund				
- 1 year	8.76%	-1.02%	2.96%	-5.43%
- 3 year	3.49%	-1.22%	2.25%	0.96%
- 5 year	2.85%	0.96%	0.50%	1.48%

Notes:

Adjustments arising from timing differences in recognition of fees expenses were accounted for in FY 2017/18 resulting in an unfavourable return on the Fund performance as reflected in Note 1 above. However, these adjustments do not impact the actual performance of the Fund used in published prices for unit allocation. The mentioned adjustments were merely book reporting to rectify the timing differences of such entries. In a normalised comparison, the actual Fund performances based on published price were as per Note 2.

INVESTMENT REVIEW (CONT'D)

HLMT i-EQUITY FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2021	2020	2019	2018	2017
Deposits with Islamic financial institutions	13.31	13.82	29.59	24.03	17.95
Islamic equity securities quoted in Malaysia	86.69	86.18	70.41	75.97	82.05
Total	100.00	100.00	100.00	100.00	100.00

Islamic Equities composition by sector					
	Weighting %				
	2021	2020	2019	2018	2017
Construction	4.78	5.47	5.63	4.09	8.80
Consumer products	8.67	4.30	1.46	5.74	1.11
Finance	2.38	3.36	6.18	2.67	2.33
Industrial products	15.36	22.73	16.55	11.77	16.87
Infrastructure	4.63	5.52	10.02	9.47	6.08
Mining	1.99	-	-	-	-
Plantation	2.99	3.98	2.16	2.38	2.53
Properties	5.98	5.18	4.95	7.84	7.19
REITS	4.54	6.22	7.90	2.75	2.11
Technology	18.52	10.40	2.75	2.99	5.25
Trading/Services	28.69	31.70	42.40	50.30	47.73
Utilities	1.47	1.14	-	-	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

MY STEADY 10 PLAN

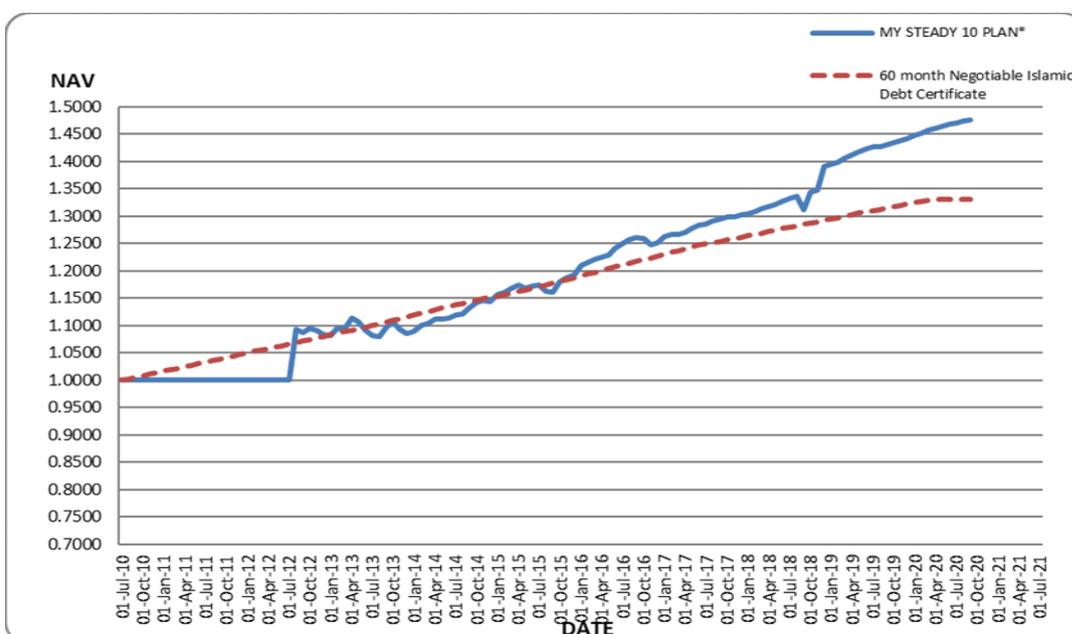
My Steady 10 Plan, a closed-ended 10 Years Fixed Income Shariah-compliant fund, pays a contracted gross income distribution with an indicative rate of 44.20% and is principal protected upon maturity at the end of 10 years. The underlying reference assets are depending on the Islamic rate.

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. The fund matured on 22 September 2020 and the maturity value were paid to all certificate holders.

As at 30 June 2021

Price Movement, Calculation indexed



INVESTMENT REVIEW

MY STEADY 10 PLAN (CONT'D)

Performance of the fund					
	2021	2020	2019	2018	2017
Total NAV (RM)	N/A	4,278	4,133	3,959	3,816
Number of units	N/A	2,915	2,915	2,915	2,915
NAV per unit (RM)	N/A	1.4677	1.4179	1.3582	1.3093
Highest NAV per unit during financial year (RM)	1.4752	1.4677	1.4179	1.3582	1.3093
Lowest NAV per unit during financial year (RM)	1.4683	1.4227	1.3638	1.3126	1.1662
Total annual return of the fund - Capital growth	N/A	3.16%	4.75%	3.74%	3.83%
Average annual return – Fund					
- 1 year	N/A	3.16%	4.75%	3.74%	3.83%
- 3 year	N/A	3.88%	4.10%	4.71%	5.34%
- 5 year	N/A	4.41%	4.90%	4.36%	5.54%
Average annual return - Benchmark (60 month NIDC)					
- 1 year	N/A	1.74%	2.43%	2.43%	3.27%
- 3 year	N/A	2.20%	2.71%	3.02%	3.19%
- 5 year	N/A	2.65%	2.88%	3.09%	3.23%

Portfolio composition by category of investment					
	Weighting %				
	2021	2020	2019	2018	2017
Structured Investment	N/A	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT MAKMUR FUND

The fund was launched on 13 April 2021 and feeds into Hong Leong Dana Makmur ("HLDM") unit trust fund. For the financial period under review, the Fund posted a return of -3.51% versus the benchmark return of -5.21%. The return for the underlying fund, HLDM was -8.38% during the period under review.

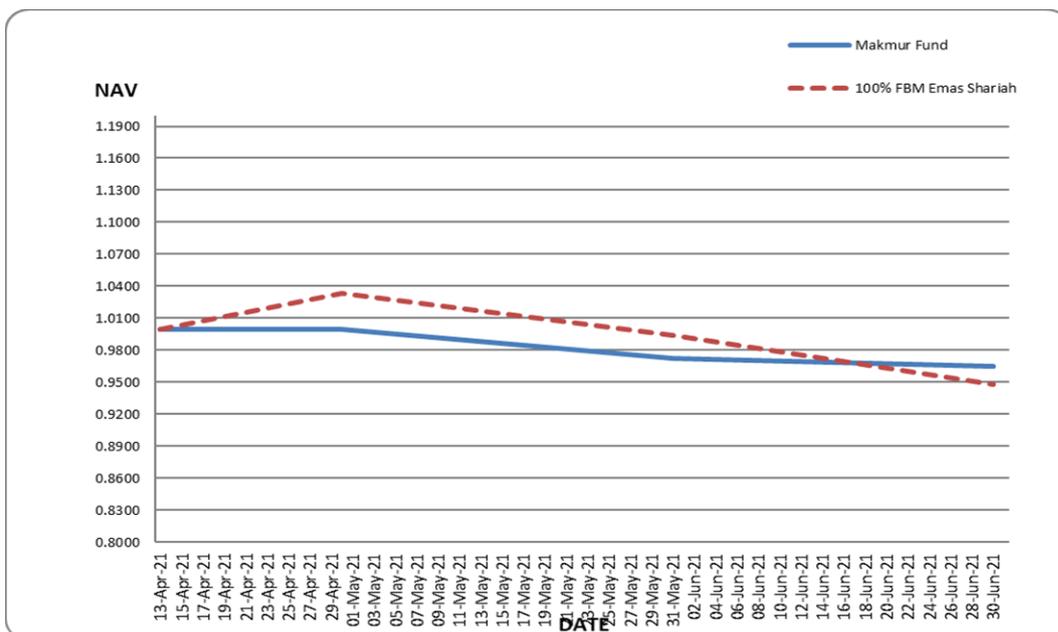
In HLDM's Shariah-compliant equity segment, the stocks that contributed to the outperformance includes D&O Green Technologies Bhd, Focus Point Holdings Bhd and Press Metal Bhd. Sentiment in the equity market are still dominated by the uncertainties in gross domestic product ("GDP") trajectory and uneven corporate earnings' growth, given the third wave in Covid-19 cases. However, improving vaccination rates and possible border re-opening could provide catalysts for the market in the near term. Domestically, investors will continue to monitor closely on the possible re-opening of economies and border coupled with vaccination rates to determine the market movement.

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

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

As at 30 June 2021

Price Movement, Calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT MAKMUR FUND (CONT'D)

Performance of the fund					
	2021	2020	2019	2018	2017
Total NAV (RM'000)	125	N/A	N/A	N/A	N/A
Number of units	129	N/A	N/A	N/A	N/A
NAV per unit (RM)	0.9649	N/A	N/A	N/A	N/A
Highest NAV per unit during financial year (RM)	1.0040	N/A	N/A	N/A	N/A
Lowest NAV per unit during financial year (RM)	0.9429	N/A	N/A	N/A	N/A
Total annual return of the fund - Capital growth	-3.51%	N/A	N/A	N/A	N/A
Average annual return – Fund					
- 1 year	-3.51%	N/A	N/A	N/A	N/A
- 3 year	0.00%	N/A	N/A	N/A	N/A
- 5 year	0.00%	N/A	N/A	N/A	N/A
Average annual return - Benchmark (100% FBM ESI)					
- 1 year	-5.21%	N/A	N/A	N/A	N/A
- 3 year	0.00%	N/A	N/A	N/A	N/A
- 5 year	0.00%	N/A	N/A	N/A	N/A

Portfolio composition by category of investment					
	Weighting %				
	2021	2020	2019	2018	2017
Cash and cash equivalents	6.81	N/A	N/A	N/A	N/A
Unquoted Unit Trust	93.19	N/A	N/A	N/A	N/A
Total	100.00	N/A	N/A	N/A	N/A

INVESTMENT REVIEW (CONT'D)

HLMT MAA'ROF FUND

The fund was launched on 13 April 2021 and feeds into Hong Leong Dana Maa'rof ("HLDM2") unit trust fund. For the financial period under review, the fund had yet to invest in HLDM2 as the fund was still building up its cash and cash equivalent asset to ensure an adequate level of liquidity for the fund.

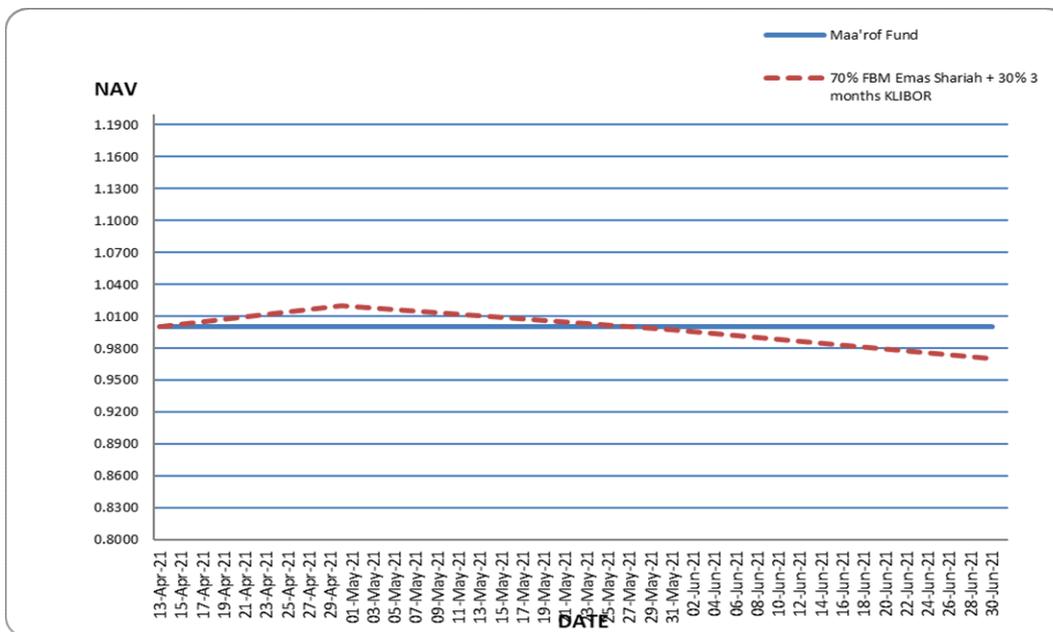
In HLDM2's Shariah-compliant equity segment, the stocks that contributed to the outperformance during the financial year includes D&O Green Technologies Bhd, Focus Point Holdings Bhd and Press Metal Bhd. Sentiment in the equity market are still dominated by the uncertainties in GDP trajectory and uneven corporate earnings' growth, given the third wave in Covid-19 cases. However, improving vaccination rates and possible border re-opening could provide catalysts for the market in the near term. As for the sukuk market, it is anticipated that Bank Negara Malaysia ("BNM") shall continue to maintain its Overnight Policy Rate ("OPR") at 1.75% for the remainder of the year as the central bank may leverage on other monetary tools to alleviate household debt service burden and ensuring banks are well-capitalized. Domestically, investors will continue to monitor closely on the possible re-opening of economies and border coupled with the vaccination rates to determine the market movement.

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

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

As at 30 June 2021

Price Movement, Calculation indexed



INVESTMENT REVIEW (CONT'D)

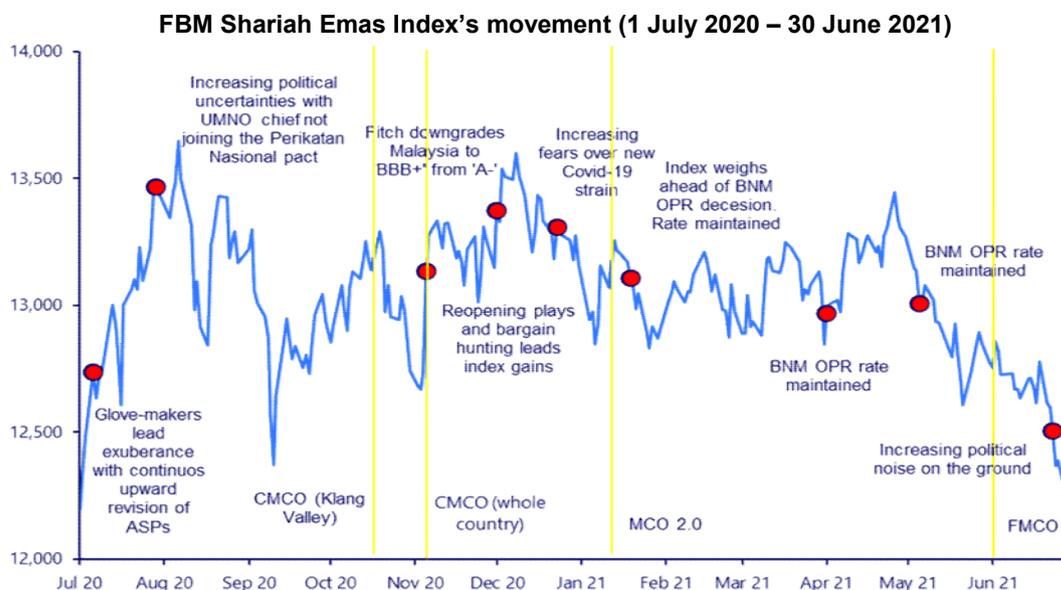
HLMT MAA'ROF FUND (CONT'D)

Performance of the fund					
	2021	2020	2019	2018	2017
Total NAV (RM'000)	3	N/A	N/A	N/A	N/A
Number of units	3	N/A	N/A	N/A	N/A
NAV per unit (RM)	1.0000	N/A	N/A	N/A	N/A
Highest NAV per unit during financial year (RM)	1.0000	N/A	N/A	N/A	N/A
Lowest NAV per unit during financial year (RM)	1.0000	N/A	N/A	N/A	N/A
Total annual return of the fund - Capital growth	0.00%	N/A	N/A	N/A	N/A
Average annual return – Fund					
- 1 year	N/A	N/A	N/A	N/A	N/A
- 3 year	N/A	N/A	N/A	N/A	N/A
- 5 year	N/A	N/A	N/A	N/A	N/A
Average annual return - Benchmark (70% FBM ESI + 30% KLIB3M)					
- 1 year	-2.96%	N/A	N/A	N/A	N/A
- 3 year	N/A	N/A	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 %				
	2021	2020	2019	2018	2017
Cash and cash equivalent	100	N/A	N/A	N/A	N/A

INVESTMENT REVIEW (CONT'D)

Equities Market



Source: CLSA Ltd

The local market for the financial period under review (July 2020 to June 2021) underwent a roller coaster ride. We started the financial year on a strong footing against our ASEAN peers by being ahead in terms of having Covid-19 cases under control. In addition to that, the big-4 glove players which formed close to 20% of the FBM Emas Shariah Index at the peak, continued its strong share price performance on the back of rising demand and average selling prices. As we moved towards the end of year 2020, investors started rotating to position for year 2021 where the reopening and recovery themes were expected to take centerstage post the successful development of the various vaccines. Market exuberance was aided by strong liquidity coming from the unprecedented stimulus packages introduced by various governments.

However, the initial euphoria could not sustain the reality that set in. This was following the mutation of Covid-19 resulting in different variants of the virus which led to the spike in new daily cases and the government was forced to reimpose another round of nationwide total lockdown. The lockdown had placed downward pressure on the government's official 2021 GDP growth target of 6% to 7.5% and fiscal deficit target of 6%. Both domestic and foreign investors continued to sideline the domestic market as political disturbances again grabbed headlines and concerns over the ESG issues with Malaysia facing cases relating to migrant workers.

Retail participation remained strong in the market with around 38% of average daily trading value in June 2021, local institutions at 44% and foreign investors at 18%. Foreign investors continued to be net sellers with a cumulative net foreign outflow of RM4.2b for 1H21 (January to June 2021), bringing foreign shareholding in Malaysia lower from 20.7% as at end December 2020 to 20.3% as at end June 2021. Average daily trading value for Bursa Malaysia had also come off from the peak of RM4.5b-RM5b to around RM2.5b-RM3b as at end June 2021. Sectors which continued to perform well into 1H21 were the technology, transport and industrial products sectors. The FBM Emas Shariah Index was up by 1.2% during the period under review to close at 12,178.28 points.

INVESTMENT REVIEW (CONT'D)

Fixed Income Market

The fixed income market was volatile for the financial year under review. Generally, market sentiment was driven by the progress in combating the Covid-19 pandemic, responses by policy makers, and expectations of economic recovery. Market participants were caught in the ever-evolving public health crisis characterised by discoveries of new Covid-19 strains, additional waves of infection and changes in mobility restriction measures. Meanwhile, headlines of promising developments unfolding in the development of viable and safe vaccines towards end 2020 began to emerge, supporting risk sentiment which prompted yields to inch upwards from the historic lows.

The local government securities ("govvies") market began the financial year on a positive note with the 25 basis points ("bps") OPR cut in July 2020. The yield movement of the local govvies was in tandem with the United States Treasuries ("UST") whereby it continued to trend lower amidst glaring economic headwinds. However, this was short lived as UST reversed from its low on the back of vaccine hopes and better-than-expected economic data. Though policy rates remained low, market participants continued to react towards the development on the public health, economy and political events which caused the market to be volatile.

Moving into second half of the financial year, foreign buying interest in local govvies renewed when FTSE Russell decided to remove Malaysia from its watch list and retain the country in its World Government Bond Index ("WGBI"). This has eliminated a key event risk for Malaysia ever since it was placed on the watchlist previously. Also, the positive rating actions by Moody's and Standard and Poor ("S&P") subsequent to the downgrade by Fitch in December 2020 supported foreign buying interest in local govvies. The rating affirmations signaled that Malaysia still has enough headroom to maintain its ratings while navigating through the pandemic.

Globally, a steady vaccine rollout coupled with a sizeable USD1.9 trillion stimulus package in the first half of year 2021 caused the yields on the UST to climb upwards; reflecting optimism in the prospect of economic recovery. Also, reflation trades began to emerge as market participants were of the view that surges in inflation reading could be coming onstream earlier than anticipated by the Federal Reserve ("Fed") despite lukewarm economic indicators released in the first half of year 2021. On the monetary policy front, the Fed has continuously reaffirmed its stance of maintaining an ultra-loose monetary policy and would not make any drastic shifts in its stance as it views inflationary pressure to be insufficient and transient. At the close of the financial year, yields on the UST began to ease as investors readjusted their inflation expectations to a more moderate tune. The 10-Year UST was hovering around the 1.50% level (financial year end 30 June 2020: 0.66%).

INVESTMENT OUTLOOK

Equity

The global equity markets will continue to be sensitive to economic data, inflation readings and movement in bond yields. Sustained inflation beyond the near-term transitory increases and/ or a sudden spike in bond yields will result in a very volatile market. Given the emergence of more contagious new variants, the sustainability of the United States of America (“USA”) and United Kingdom (“UK”) reopening will be closely followed by market participants. A sustained recovery would also suggest that tapering may be on the cards for some central bankers in order to manage the gradual withdrawal of liquidity from the system.

In Malaysia, the Covid-19 infection trend and pace of vaccination will continue to dictate market movements. Assuming daily vaccinations of 450,000 to 500,000 continue to be administered, Malaysia should be reaching close to 70%-80% of its population being fully vaccinated by 4Q21. This would boost confidence for the government to steer the country towards the recovery/ reopening phases. Political noise will continue to be an overhang with general elections possibly being held in 4Q21 or 1H22. ESG investing will also continue to be a major agenda for investors which could potentially lead to further de-rating in those non-ESG counters. While the market is expected to remain volatile, we remain invested via our barbell strategy which is to be invested in both the value and growth sectors. Value sectors will be mainly in the recovery/ reopening names while growth sectors are still very much focused in the technology/ 5G related names.

Fixed Income

The ongoing battle against the Covid-19 pandemic has yielded positive results with commendable vaccination progress in developed countries coupled with the gradual resumption to normalcy. Economic recovery particularly in the US would play a large part in setting the tone for global bond markets. Reflation expectations and trades are inevitable and the only question is on the timeline of it. To that end, a multitude of economic data releases will be key in assessing the likelihood of such reflation expectations taking hold. Additionally, policy tone from the Fed will also be crucial in gauging the timeline of tapering and the subsequent bearish sentiment that will follow in the UST market.

On the domestic front, risk sentiment will largely be contingent on the development of the public health landscape. Risk off sentiment will likely be prevalent in the near future as infection rates have yet to significantly abate despite onerous movement control measures being in place for a prolonged period of time. More debt funded stimulus packages can be expected on the back of heightened pressure on the government’s part to ease the financial difficulties of its constituents in enduring the lockdowns. Additionally, risk sentiment in the domestic bond market could also be influenced by the mounting political risk stemming from renewed talks of reshuffling in political alliances.

We are of the view that any weakness in the sukuk market will provide good opportunity for the Fund to rebuild its position for the second half of the year as we expect OPR to remain low for a prolonged period coupled with a potential rate cut within the next 6 to 12 months should the pandemic worsen.

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2021

	Note	HLMT i-Balanced		HLMT i-Income	
		2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Investments:					
Islamic equity securities quoted in Malaysia	5	3,070,758	7,050,780	-	-
Unquoted Islamic bonds	5	3,144,420	7,614,295	4,971,866	4,166,978
Accrued profit		35,557	68,375	58,181	44,470
Total investments		6,250,735	14,733,450	5,030,047	4,211,448
Other assets:					
Amount Due from the manager		16,995	-	7,751	-
Investment receivables		7,100	10,176	-	-
Other receivables		514	85,610	250	250
Cash and cash equivalents		2,144,786	2,177,659	743,224	434,399
Total other assets		2,169,395	2,273,445	751,225	434,649
TOTAL ASSETS		8,420,130	17,006,895	5,781,272	4,646,097
LIABILITIES					
Amount due to the manager		8,860	18,536	4,543	4,015
Deferred tax liabilities		33,017	6,968	11,110	20,282
Provision for taxation		59,509	29,097	13,056	24,286
Other payables		-	-	-	4,305
TOTAL LIABILITIES		101,386	54,601	28,709	52,888
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS		8,318,744	16,952,294	5,752,563	4,593,209
REPRESENTED BY					
Value of unit		9,091,942	18,631,379	4,595,974	3,346,952
Undistributed (loss)/income carried forward		(773,198)	(1,679,085)	1,156,589	1,246,257
		8,318,744	16,952,294	5,752,563	4,593,209
Number of units in calculation		5,862,488	12,524,779	3,507,586	2,809,748
Net asset value attributable to certificate holders per unit		1.4190	1.3535	1.6400	1.6347

The accompanying notes form an integral part of the financial statements

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES AS AT 30 JUNE 2021 (CONT'D)

	Note	HLMT i-Equity		My Steady 10 Plan*	
		2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Investments:					
Islamic equity securities quoted in Malaysia	5	20,860,373	24,241,815	-	-
Structured Investment	5	-	-	-	4,466,139
Total investments		20,860,373	24,241,815	-	4,466,139
Other assets:					
Amount Due from the manager		43,616	-	-	-
Deferred tax assets		-	69,865	-	-
Investment receivables		48,117	35,619	-	-
Other receivables		3,067	218,466	-	-
Cash and cash equivalents		4,163,071	4,473,470	-	-
Total other assets		4,257,871	4,797,420	-	-
TOTAL ASSETS		25,118,244	29,039,235	-	4,466,139
LIABILITIES					
Amount due to the manager		33,648	38,190	-	-
Deferred tax liabilities		157,532	-	-	108,171
Provision for taxation		19,851	38,846	-	13,854
Other payables		-	31,849	-	66,535
TOTAL LIABILITIES		211,031	108,885	-	188,560
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS		24,907,213	28,930,350	-	4,277,579
REPRESENTED BY					
Value of unit		23,771,929	30,203,307	-	3,074,015
Undistributed (loss)/income carried forward		1,135,284	(1,272,957)	-	1,203,564
		24,907,213	28,930,350	-	4,277,579
Number of units in calculation		19,318,589	24,419,859	-	2,914,576
Net asset value attributable to certificate holders per unit		1.2893	1.1847	-	1.4677

*My Steady 10 Plan matured on 22 September 2020.

The accompanying notes form an integral part of the financial statements

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2021 (CONT'D)

	Note	HLMT Makmur 2021 RM	2020 RM	HLMT Maa'rof 2021 RM	2020 RM
ASSETS					
Investments:					
Unit Trust Fund	5	115,010	-	-	-
Total investments		115,010	-	-	-
Other assets:					
Amount Due from the manager		1,181	-	7	-
Deferred tax assets		295	-	-	-
Cash and cash equivalents		8,409	-	2,933	-
Total other assets		9,885	-	2,940	-
TOTAL ASSETS		124,895	-	2,940	-
LIABILITIES					
Other payables		-	-	-	-
TOTAL LIABILITIES		-	-	-	-
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS					
		124,895	-	2,940	-
REPRESENTED BY					
Value of unit		131,744	-	3,035	-
Undistributed (loss) carried forward		(6,849)	-	(95)	-
		124,895	-	2,940	-
Number of units in calculation		129,439	-	2,940	-
Net asset value attributable to certificate holders per unit		0.9649	-	1.0000	-

The accompanying notes form an integral part of the financial statements

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	Note	HLMT i-Balanced		HLMT i-Income	
		2021 RM	2020 RM	2021 RM	2020 RM
Investment income:					
Investment profits		290,103	368,025	191,695	170,237
Dividend income		135,279	200,653	-	-
Net realised gain on sale of investments		1,567,587	364,384	-	22,500
Unrealised capital gain on investments		555,185	223,452	-	98,648
Total income		2,548,154	1,156,514	191,695	291,385
Net realised loss on sale of investments		(991,187)	(226,202)	(1,740)	(3,975)
Unrealised capital loss on investments		(229,574)	(343,398)	(114,652)	-
Investment management fees		(177,205)	(202,194)	(50,045)	(42,480)
Other outgo		(156,235)	(137,217)	(111,065)	(79,538)
Total outgo		(1,554,201)	(909,011)	(277,502)	(125,993)
Excess of income over outgo/ (outgo over income) before taxation		993,953	247,503	(85,807)	165,392
Tax expense		(88,066)	(9,302)	(3,861)	(24,609)
Excess of income over outgo/ (outgo over income) after taxation		905,887	238,201	(89,668)	140,783
Undistributed (loss)/profit brought forward		(1,679,085)	(1,917,286)	1,246,257	1,105,474
Undistributed (loss)/profit carried forward		(773,198)	(1,679,085)	1,156,589	1,246,257

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONT'D)

	Note	HLMT i-Equity		My Steady 10 Plan*	
		2021 RM	2020 RM	2021 RM	2020 RM
Investment income:					
Investment profits		94,119	156,747	-	-
Dividend income		710,712	699,493	-	-
Net realised gain on sale of investments		3,293,828	1,451,073	25,380	-
Unrealised capital gain on investments		3,004,327	108,237	-	157,546
Total income		7,102,986	2,415,550	25,380	157,546
Net realised loss on sale of investments		(2,883,618)	(769,663)	-	-
Unrealised capital loss on investments		(161,858)	(1,497,939)	-	-
Investment management fees		(456,395)	(412,925)	-	-
Other outgo		(948,098)	(691,981)	-	-
Total outgo		(4,449,969)	(3,372,508)	-	-
Excess of income over outgo/ (outgo over income) before taxation		2,653,017	(956,958)	25,380	157,546
Tax expense		(244,776)	45,747	(2,031)	(12,589)
Excess of income over outgo/ (outgo over income) after taxation		2,408,241	(911,211)	23,349	144,957
Undistributed (loss)/profit brought forward		(1,272,957)	(361,746)	1,203,564	1,058,607
Amount available for fund maturity distribution		-	-	(1,203,564)	-
Undistributed (loss)/profit carried forward		1,135,284	(1,272,957)	-	1,203,564

*My Steady 10 Plan matured on 22 September 2020.

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (CONT'D)

	Note	HLMT Makmur		HLMT Maa'rof	
		2021 RM	2020 RM	2021 RM	2020 RM
Investment income:					
Investment profits		-	-	-	-
Total income		-	-	-	-
Unrealised capital loss on investments		(3,690)	-	-	-
Investment management fees		(1)	-	-	-
Other outgo		(3,453)	-	(95)	-
Total outgo		(7,144)	-	(95)	-
Excess of income over outgo/ (outgo over income) before taxation		(7,144)	-	(95)	-
Tax expense		295	-	-	-
Excess of income over outgo/ (outgo over income) after taxation		(6,849)	-	(95)	-
Undistributed (loss) carried forward		(6,849)	-	(95)	-

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 2021**

	Note	HLMT i-Balanced		HLMT i-Income	
		2021 RM	2020 RM	2021 RM	2020 RM
Net asset value attributable to certificate holders at the beginning of the financial year		16,952,294	16,004,312	4,593,209	3,841,632
Amount received from certificate holders for the creation of units		2,582,232	2,210,998	2,305,502	1,377,678
Amount paid to certificate holders for cancellation of units		(12,121,671)	(1,501,217)	(1,056,480)	(766,884)
		7,412,855	16,714,093	5,842,231	4,452,426
Net income for the year, net of tax		668,343	367,449	28,845	66,744
Net unrealised (loss)/gain, net of tax		237,546	(129,248)	(118,513)	74,039
Net asset value attributable to certificate holders at the end of the financial year		8,318,744	16,952,294	5,752,563	4,593,209

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 2021 (CONT'D)**

	Note	HLMT i-Equity		My Steady 10 Plan*	
		2021 RM	2020 RM	2021 RM	2020 RM
Net asset value attributable to certificate holders at the beginning of the financial year		28,930,350	27,894,523	4,277,579	4,132,622
Amount received from certificate holders for the creation of units		16,486,279	10,721,110	-	-
Amount paid to certificate holders for cancellation of units		(22,917,657)	(8,774,072)	(4,300,929)	-
		<u>22,498,972</u>	<u>29,841,561</u>	<u>(23,350)</u>	<u>4,132,622</u>
Net (loss)/income for the year, net of tax		(189,452)	432,744	23,350	-
Net unrealised (loss)/gain, net of tax		2,597,693	(1,343,955)	-	144,957
Net asset value attributable to certificate holders at the end of the financial year		<u>24,907,213</u>	<u>28,930,350</u>	<u>-</u>	<u>4,277,579</u>

*My Steady 10 Plan matured on 22 September 2020.

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 2021 (CONT'D)**

	Note	HLMT Makmur		HLMT Maa'rof	
		2021 RM	2020 RM	2021 RM	2020 RM
Net asset value attributable to certificate holders at the beginning of the financial year		-	-	-	-
Amount received from certificate holders for the creation of units		137,975	-	3,285	-
Amount paid to certificate holders for cancellation of units		(6,231)	-	(250)	-
		131,744	-	3,035	-
Net (loss) for the year, net of tax		(3,455)	-	(95)	-
Net unrealised (loss), net of tax		(3,394)	-	-	-
Net asset value attributable to certificate holders at the end of the financial year		124,895	-	2,940	-

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 i-Equity Fund, My Steady 10 Plan, HLMT Makmur Fund and HLMT Maa'rof Fund (hereinafter referred to collectively as "the Funds") are to invest in authorised Shariah-compliant investments.

The Manager of the Funds is HLMT, a company incorporated in Malaysia, whose principal activity is to manage Family Takaful including investment-linked business. There has been no significant change in the nature of the principal activity during the financial year.

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 Business (BNM/RH/PD 029-36) issued by 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.

(b) Fair value through profit or loss financial assets ("FVTPL")

The Funds designate their investment portfolio into fair value through profit or loss 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.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Fair value of financial assets

The fair values of Government Investment Issues ("GII"), collective investment schemes, unquoted corporate securities are based on indicative fair market prices/index by reference to the quotations provided by financial institutions 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 Islamic 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 Islamic financial instruments. Structured investments are carried at fair values, determined by reference to quotations provided by the issuing Islamic financial institutions.

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

(d) Functional and presentation currency

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

(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.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

2 . SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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 receipt of surrender and withdrawal form from certificate holders.

3 . PERFORMANCE TABLE

The performance tables of the Funds are set out on pages 4 to 18 of the fund performance report.

4 . COMPARATIVES

There are no comparative figures for HLMT Makmur Fund and HLMT Maa'rof Fund as this is the first set of financial information since its establishment on 13 April 2021.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

5. INVESTMENTS

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2021 (RM)	% of net asset value
HLMT i-BALANCED FUND				
<u>Unquoted Islamic bonds:</u>				
Islamic bonds:				
- AmIslamic Bank Bhd	500,000	502,750	512,570	6.16%
- Infracap Resources Sdn Bhd	500,000	500,050	522,500	6.28%
- Malayan Banking Bhd	500,000	520,900	534,645	6.43%
- RHB Islamic Bank Bhd	500,000	500,000	515,345	6.19%
- Sarawak Energy Bhd	500,000	537,900	532,425	6.40%
- Sarawak Hidro Sdn Bhd	500,000	495,100	526,935	6.33%
Total unquoted Islamic bonds	3,000,000	3,056,700	3,144,420	37.79%
<u>Islamic Equity securities quoted in Malaysia:</u>				
Construction:				
- AME Elite Consortium Bhd	30,000	53,589	77,700	0.93%
- Gamuda Bhd	21,000	76,154	65,730	0.79%
	51,000	129,743	143,430	1.72%
Consumer Products:				
- Duopharma Biotech Bhd	32,721	44,449	99,145	1.19%
- Mr D.I.Y. Group (M) Bhd	14,000	22,637	50,260	0.60%
- PPB Group Bhd	3,000	58,658	54,900	0.66%
- QL Resources Bhd	10,000	51,924	56,500	0.68%
	59,721	177,668	260,805	3.13%
Finance:				
- BIMB Holdings Bhd	19,900	71,233	77,212	0.93%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

5. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2021 (RM)	% of net asset value
HLMT i-BALANCED FUND (CONT'D)				
<u>Islamic equity securities quoted in Malaysia: (cont'd)</u>				
Industrial products:				
- ATA IMS Bhd	27,000	28,826	66,150	0.80%
- Hartalega Holdings Bhd	7,000	103,624	51,450	0.62%
- Malayan Cement Bhd	25,000	69,935	72,500	0.87%
- Petronas Chemical Group Bhd	13,000	67,723	104,780	1.26%
- Scientex Incorporated Bhd	18,000	54,489	75,240	0.90%
- Top Glove Corporation Bhd	23,000	154,051	95,910	1.15%
	113,000	478,648	466,030	5.60%
Infrastructure:				
- DIGI.com Bhd	15,000	70,140	61,950	0.74%
- TIME Dotcom Bhd	6,000	58,293	84,360	1.01%
	21,000	128,433	146,310	1.75%
Mining:				
- Malaysia Mining Corporation Bhd	34,000	36,290	61,540	0.74%
Plantation:				
- Sime Darby Plantation Bhd	23,119	110,702	92,014	1.11%
Properties:				
- Sime Darby Property Bhd	83,000	64,480	49,800	0.60%
- SP Setia Bhd	36,000	33,081	38,160	0.46%
- Sunway Bhd	45,724	66,899	79,560	0.96%
- Sunway Bhd - ICPS	8,944	8,944	12,253	0.15%
	173,668	173,404	179,773	2.17%
REITS:				
- AXIS Real Estate Investment Trust	39,222	71,138	74,914	0.90%
- KLCC Property Holdings Bhd	8,000	62,630	53,360	0.64%
	47,222	133,768	128,274	1.54%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

5. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2021 (RM)	% of net asset value
HLMT i-BALANCED FUND (CONT'D)				
<u>Islamic equity securities quoted in Malaysia: (cont'd)</u>				
Technology:				
- Dufu Technology Corp Bhd	10,000	16,402	45,400	0.55%
- GHJ Systems Bhd	33,000	56,087	59,400	0.71%
- Inari Amertron Bhd	47,000	82,889	148,990	1.79%
- JHM Consolidation Bhd	18,000	38,101	33,300	0.40%
- Pentamaster Corporation Bhd	7,000	33,580	32,410	0.39%
- SAM Engineering & Equipment (M) Bhd	10,000	67,171	71,100	0.85%
- UNISEM (M) Bhd	8,000	45,199	58,720	0.71%
- UWC Bhd	28,000	55,587	142,800	1.72%
	161,000	395,016	592,120	7.12%
Trading/Services:				
- Axiata Group Bhd	21,005	73,248	78,559	0.94%
- Bermaz Auto Bhd	53,600	102,542	82,008	0.99%
- Dialog Group Bhd	25,076	79,326	72,470	0.87%
- IHH Healthcare Bhd	24,000	132,866	131,280	1.58%
- MY EG Services Bhd	39,000	74,024	69,420	0.83%
- Sime Darby Bhd	40,459	77,216	88,201	1.06%
- Tenaga Nasional Bhd	15,000	182,592	146,850	1.77%
- Telekom Malaysia Bhd	18,000	75,225	109,260	1.31%
- Westports Holdings Bhd	11,000	40,569	46,310	0.56%
- Yinson Holdings Bhd	7,200	39,710	36,072	0.43%
	254,340	877,318	860,430	10.34%
Utilities:				
- Mega First Corporation Bhd	18,000	36,075	62,820	0.76%
Total equity securities quoted in Malaysia	975,970	2,748,298	3,070,758	36.91%
Grand total	3,975,970	5,804,996	6,215,178	74.70%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

5. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2021 (RM)	% of net asset value
HLMT i-INCOME FUND				
<u>Unquoted Islamic bonds:</u>				
Government Investment Issues & Cagamas:				
- Malaysia Investment Issue 04.08.2037	500,000	497,785	544,465	9.46%
- Malaysia Investment Issue 15.07.2036	500,000	498,510	469,000	8.15%
- Projek Lebuhraya Usahasama Bhd	500,000	490,750	530,870	9.23%
	1,500,000	1,487,045	1,544,335	26.84%
Islamic bonds:				
- Amlslamic Bank Bhd	500,000	502,750	512,570	8.91%
- Infracap Resources Sdn Bhd	300,000	300,030	313,500	5.45%
- Malayan Banking Bhd	500,000	500,000	534,645	9.29%
- Malaysia Airports Holdings Bhd	400,000	400,000	418,520	7.28%
- Pengurusan Air SPV Bhd	400,000	400,000	400,080	6.95%
- Putrajaya Bina Sdn Bhd	300,000	299,430	310,347	5.39%
- RHB Islamic Bhd	600,000	621,000	618,414	10.75%
- Sarawak Energy Bhd	300,000	322,740	319,455	5.55%
	3,300,000	3,345,950	3,427,531	59.57%
Grand total	4,800,000	4,832,995	4,971,866	86.41%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

5. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2021 (RM)	% of net asset value
HLMT i-EQUITY FUND				
<u>Islamic equity securities quoted in Malaysia:</u>				
Construction:				
- AME Elite Consortium Bhd	212,000	382,046	549,080	2.20%
- Gamuda Bhd	143,000	518,338	447,590	1.80%
	355,000	900,384	996,670	4.00%
Consumer Products:				
- Duopharma Biotech Bhd	227,663	304,771	689,819	2.77%
- Mr D.I.Y. Group (M) Bhd	94,000	151,994	337,460	1.35%
- PPB Group Bhd	23,000	436,728	420,900	1.69%
- QL Resources Bhd	64,000	348,454	361,600	1.45%
	408,663	1,241,947	1,809,779	7.26%
Finance:				
- BIMB Holdings Bhd	127,900	457,157	496,252	1.99%
Industrial Products:				
- ATA IMS Bhd	201,000	222,953	492,450	1.98%
- Hartalega Holdings Bhd	47,000	759,736	345,450	1.39%
- Malayan Cement Bhd	168,000	469,962	487,200	1.96%
- Petronas Chemical Group Bhd	90,100	469,627	726,206	2.92%
- Scientex Incorporated Bhd	121,000	353,289	505,780	2.03%
- Top Glove Corporation Bhd	155,000	940,078	646,350	2.60%
	782,100	3,215,645	3,203,436	12.88%
Infrastructure:				
- DIGI.com Bhd	108,000	516,222	446,040	1.79%
- TIME Dotcom Bhd	37,000	332,151	520,220	2.09%
	145,000	848,373	966,260	3.88%
Mining:				
- Malaysia Mining Corporation Bhd	229,000	244,372	414,490	1.66%
Plantation:				
- Sime Darby Plantation Bhd	156,810	779,210	624,104	2.51%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

5. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2021 (RM)	% of net asset value
HLMT i-EQUITY FUND (CONT'D)				
<u>Islamic equity securities quoted in Malaysia: (cont'd)</u>				
Properties:				
- Sime Darby Property Bhd	559,000	443,905	335,400	1.35%
- SP Setia Bhd	264,000	245,543	279,840	1.12%
- Sunway Bhd	313,798	472,824	546,009	2.19%
- Sunway Bhd - ICPS	62,759	62,759	85,980	0.35%
	1,199,557	1,225,031	1,247,229	5.01%
REITS:				
- AXIS Real Estate Investment Trust	254,391	454,110	485,887	1.95%
- KLCC Property Holdings Bhd	69,000	541,076	460,230	1.85%
	323,391	995,186	946,117	3.80%
Technology:				
- Dufu Technology Corp Bhd	66,000	108,256	299,640	1.20%
- GHJ Systems Bhd	143,600	242,424	258,480	1.04%
- Inari Amertron Bhd	307,000	478,506	973,190	3.91%
- JHM Consolidation Bhd	125,000	265,932	231,250	0.93%
- Pentamaster Corporation Bhd	49,000	235,024	226,870	0.91%
- SAM Engineering & Equipment (M) Bhd	71,000	510,204	504,810	2.03%
- UNISEM (M) Bhd	56,000	315,765	411,040	1.65%
- UWC Bhd	188,000	363,308	958,800	3.85%
	1,005,600	2,519,419	3,864,080	15.52%
Trading/Services:				
- Axiata Group Bhd	156,529	692,227	585,418	2.35%
- Bermaz Auto Bhd	389,000	812,454	595,170	2.39%
- Dialog Group Bhd	167,000	478,963	482,630	1.94%
- IHH Healthcare Bhd	168,000	993,672	918,960	3.69%
- MY EG Services Bhd	256,000	482,094	455,680	1.83%
- Sime Darby Bhd	256,398	547,063	558,948	2.24%
- Tenaga Nasional Bhd	108,000	1,372,576	1,057,320	4.25%
- Telekom Malaysia Bhd	123,000	473,113	746,610	3.00%
- Westports Holdings Bhd	84,000	323,688	353,640	1.42%
- Yinson Holdings Bhd	46,000	188,375	230,460	0.93%
	1,753,927	6,364,225	5,984,836	24.04%
Utilities:				
- Mega First Corporation Bhd	88,000	176,126	307,120	1.23%
Grand total	6,574,948	18,967,075	20,860,373	83.78%
HLMT MAKMUR FUND				
<u>Unquoted Unit Trust</u>				
- Hong Leong Dana Makmur	148,477	118,700	115,010	92.09%

STATEMENT BY MANAGER

INVESTMENT-LINKED FUNDS, comprising
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
MY STEADY 10 PLAN
HLMT MAKMUR FUND
HLMT MAA'ROF FUND

(hereinafter referred to collectively as "the Funds")

I, Mohd Asri Omar, being the Chief Executive Officer of HLMT ("the Manager"), states that to the best knowledge and belief of the Manager, accompanying financial information set on pages 22 to 39 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 Business issued by BNM.

On behalf of the Manager,

Mohd Asri Omar
Chief Executive Officer

Petaling Jaya
15 September 2021

REPORT OF THE AUDITORS

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HONG LEONG MSIG TAKAFUL BERHAD INVESTMENT-LINKED FUNDS CONSISTING OF
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
MY STEADY 10 PLAN
HLMT MAKMUR FUND
HLMT MAA'ROF 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 2021, statements of income and expenditure and the statements of 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 22 to 39.

In our opinion, the accompanying financial information of the Funds for the financial year ended 30 June 2021 are prepared, in all material respects, in accordance with the accounting policies set out in Note 2 to the financial information and the Guidelines on Investment-Linked Business issued by Bank Negara Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial information" section of our report. We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial information in Malaysia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters – basis of accounting

We draw attention to Note 2 to the financial information, which describes the basis of accounting. The financial information is prepared to assist the Funds to meet the requirements of the Guidelines on Investment-Linked Insurance/Takaful Business issued by Bank Negara Malaysia. As a result, the financial information may not be suitable for another purpose. Our report is intended solely for the policyholders of the Funds and should not be distributed to or used by parties other than the policyholders of the Funds. Our opinion is not modified in respect of this matter.

REPORT OF THE AUDITORS (CONT'D)

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HONG LEONG MSIG TAKAFUL BERHAD INVESTMENT-LINKED FUNDS CONSISTING OF
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
MY STEADY 10 PLAN
HLMT MAKMUR FUND
HLMT MAA'ROF FUND

(hereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION (CONT'D)

Responsibilities of the Manager of the Funds and those charged with governance for the financial information

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

The Manager of the Funds is responsible for the preparation of the financial information of the Funds 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 and for such internal control as the Manager determines is necessary to enable the preparation of financial information of the Funds that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Funds, the Manager is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

REPORT OF THE AUDITORS (CONTINUED)

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
MY STEADY 10 PLAN
HLMT MAKMUR FUND
HLMT MAA'ROF FUND
(hereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION (CONTINUED)

Auditors' responsibilities for the audit of the financial information (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

REPORT OF THE AUDITORS (CONTINUED)

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS OF
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
MY STEADY 10 PLAN
HLMT MAKMUR FUND
HLMT MAA'ROF FUND
(thereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION (CONTINUED)

Auditors' responsibilities for the audit of the financial information (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
15 September 2021

Hong Leong MSIG Takaful Berhad

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