



HLMT INVESTMENT-LINKED FUNDS
Fund Performance Report
for the financial year ended 30 June 2023

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CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Valued Certificate Holders,

Once again, it is our pleasure to present to you the HLMT Investment-Linked Funds Annual Report for the financial year ending 30 June 2023 with an upbeat note as we started the financial year with global economic reopening from Covid-19 lockdowns. However, the path to recovery has not been without any speed bumps both externally and domestically. Geopolitically, the Ukraine-Russia conflict and US-Sino tensions remain the focus with governments looking inward in protecting their own domestic interests. As such, this has caused disruptions to the supply of main commodities that have led to elevated inflationary pressures. To tame mounting inflation, the US Federal Reserve hiked rates a total of 7 times from 1.50-1.75% to 5.00-5.25% during our financial year. Hikes in interest rate yielded results, taming US inflation from 8.5% in July 2022 to 3.0% in June 2023. As we kickstarted financial year 2024, volatility continued to persist until we are able to clearly ascertain the Fed's pivot in terms of the direction of interest rates.

Despite the challenges, HLMT registered a robust business growth trajectory with a 20% y-o-y increase in its gross contribution to RM654 million in FY2023. The improvement in the gross contribution was underpinned by robust agency channel expansion over the past years.

At HLMT, our approach has always been to take advantage of any challenging periods and market dips to enhance and build our portfolios for the longer term. This strategy has ensured outperformance over the long run and supports our commitment to help you achieve your financial

Besides, HLMT also has been implementing various efforts to reinforce its business sustainability through several initiatives related to Environmental, Social and Governance (ESG) and climate-related risks. Among others, HLMT has incorporated ESG factors into its investment policy, launched a new ESG investment-linked funds.

As part of the commitments towards successful implementation of Value Based Intermediation for Takaful (VBiT), HLMT is in the midst of transforming its product and services delivery along its maturity continuum aiming to optimise involvement in building a financially resilient nation. We will also continue to support Bank Negara Malaysia (BNM)'s aspiration to make takaful coverage accessible to all by having diverse choices for different segments of customers, including "digital first" solutions by adopting the underpinning thrusts under VBiT Framework which covers Financial Resilience, Community Empowerment, Good Self-Governance, Best Conduct and Capacity Building aspects.

Finally, we at HLMT would like to thank you for your continuous support and thrust which has empowered us to be one your preferred Takaful provider winning multiple awards notably Best Takaful Operator consecutively from year 2020 to 2022 from International Business Magazine Awards and Excellence in Takaful Insurance Services for year 2022 from Global Halal Excellence Awards. We will constantly strive to elevate our standards of excellence and commitment in delivering the best products and services 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.

HLMT Global Shariah ESG Fund aims to provide medium to long term capital growth by investing in globally diversified Shariah-compliant portfolio of companies with a focus on Environment, Social and Governance criteria in the investment process. The Fund will invest by feeding into Hong Leong Global Shariah ESG Fund (Target Fund).

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

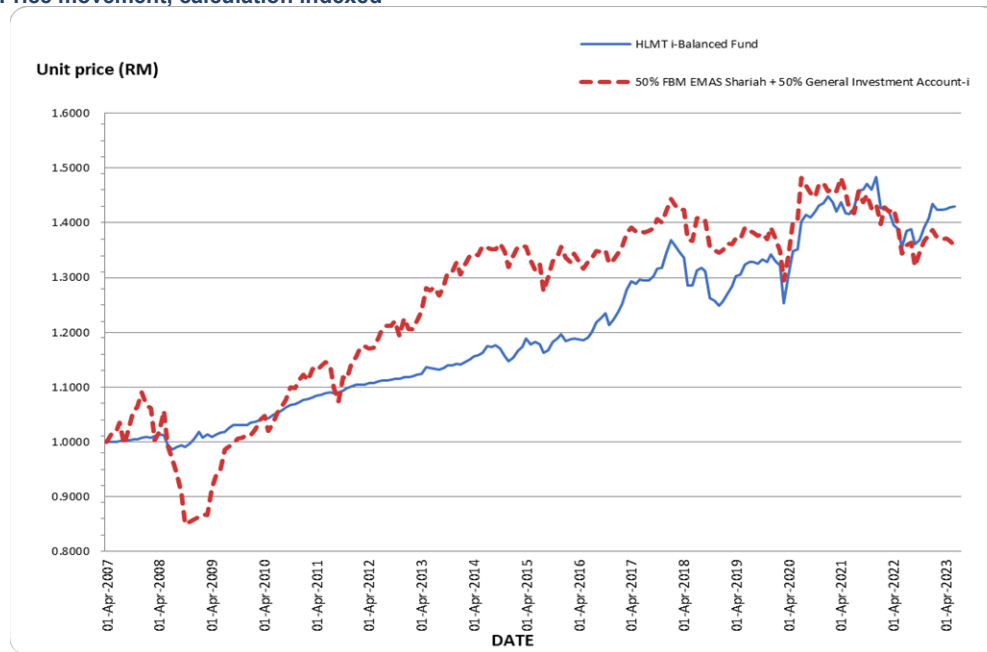
During the financial year under review, the fund outperformed the benchmark due to employing an appropriate asset allocation with approximately 33% invested in Shariah-compliant equities and 62% in sukuk. The higher allocation to sukuk boded well for the fund due to the downward trending sukuk yield. For equities, the top 3 stocks that outperformed during the financial year were Tenaga, Gamuda and Timedotcom. Going forward, we will continue to maintain our tilt towards sukuk taking into account the higher probability of sukuk remaining an attractive asset class for investors seeking stability and diversification.

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 2023

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-BALANCED FUND (CONT'D)

Performance of the fund					
	2023	2022	2021	2020	2019
Total NAV (RM'000)	10,157	9,044	8,319	16,952	16,004
Number of units	7,104	6,690	5,862	12,525	12,078
NAV per unit (RM)	1.4298	1.3519	1.4190	1.3535	1.3251
Highest NAV per unit during financial year (RM)	1.4410	1.4850	1.4607	1.3704	1.3251
Lowest NAV per unit during financial year (RM)	1.3460	1.3517	1.3562	1.2092	1.2494
Total annual return of the fund - Capital growth (Note 1)	5.76%	-4.73%	4.84%	2.14%	5.82%
Average annual return – Fund					
- 1 year	5.76%	-4.73%	4.84%	2.14%	5.82%
- 3 year	1.84%	0.67%	4.24%	-1.26%	1.14%
- 5 year	2.69%	-0.78%	2.06%	1.49%	1.65%
Average annual return - Benchmark (50% FBM ESI + 50% GIA)					
- 1 year	0.96%	-5.59%	1.39%	0.96%	1.77%
- 3 year	-1.13%	-1.13%	1.38%	0.42%	1.55%
- 5 year	-0.14%	-0.62%	1.41%	1.36%	0.49%

Note 2

Performance of the fund					
Additional notes	2023	2022	2021	2020	2019
Total annual return of the fund - Capital growth	5.43%	-4.28%	4.81%	2.10%	2.95%
Average annual return – Fund					
- 1 year	5.43%	-4.28%	4.81%	2.10%	2.95%
- 3 year	1.89%	0.80%	3.28%	1.40%	3.61%
- 5 year	2.14%	0.90%	3.55%	2.70%	2.63%

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 %				
	2023	2022	2021	2020	2019
Deposits with Islamic Financial Institutions	5.29	24.36	17.02	8.89	29.89
Islamic Equity Securities Quoted in Malaysia	32.81	32.62	41.00	43.80	34.79
Unquoted Islamic Sukuk	61.90	43.02	41.98	47.31	35.32
Total	100.00	100.00	100.00	100.00	100.00

Islamic equities composition by sector					
	Weighting %				
	2023	2022	2021	2020	2019
Construction	5.30	5.82	4.67	4.87	4.70
Consumer Products & Services	6.55	12.00	10.81	12.41	10.99
Energy	2.66	2.19	5.54	3.62	8.38
Financial Services	3.36	4.78	2.51	3.40	5.52
Health Care	6.35	9.04	12.30	12.18	9.12
Industrial Products & Services	20.57	16.01	17.16	20.61	15.19
Plantation	4.07	3.28	3.00	4.19	1.95
Property	2.18	2.59	2.86	3.43	5.08
Real Estate Investment Trusts	6.36	4.45	4.18	6.05	8.59
Technology	21.10	19.73	17.75	7.97	1.62
Telecommunications & Media	9.80	10.57	10.88	10.79	14.23
Transportation & Logistics	-	1.75	1.51	1.08	3.14
Utilities	11.70	7.79	6.83	9.40	11.49
Total	100.00	100.00	100.00	100.00	100.00

Unquoted sukuk composition by sector					
	Weighting %				
	2023	2022	2021	2020	2019
Construction	-	-	-	27.67	43.89
Finance	60.51	65.11	66.85	72.33	56.11
Government Agency	10.52	15.68	-	-	-
Utilities	20.69	19.21	33.15	-	-
Telecommunication Services	8.28	-	-	-	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT i-INCOME FUND

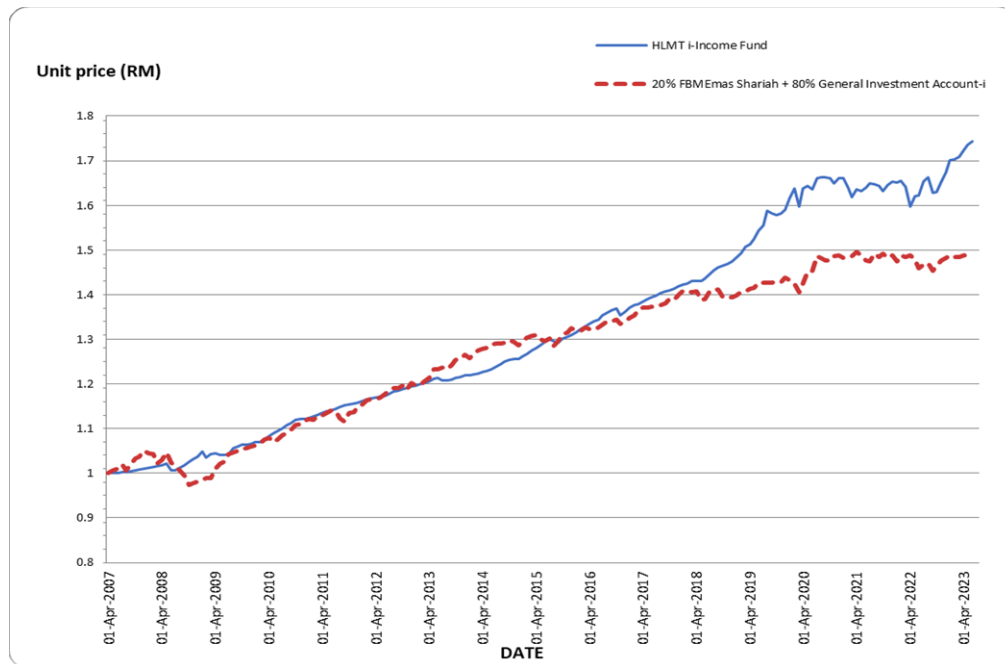
During the financial year under review, the fund was about 97% invested where 78% was in sukuk and 22% in low-risk assets. The financial year to date return of the fund outperformed the benchmark due to the downward trending sukuk yields. On a longer horizon, the 3-year return & 5-year return of the fund was also above the benchmark performance.

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 2023

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-INCOME FUND (CONT'D)

Performance of the fund					
	2023	2022	2021	2020	2019
Total NAV (RM'000)	8,915	7,099	5,753	4,593	3,842
Number of units	5,115	4,394	3,508	2,810	2,479
NAV per unit (RM)	1.7428	1.6154	1.6400	1.6347	1.5499
Highest NAV per unit during financial year (RM)	1.7430	1.6582	1.6688	1.6466	1.5499
Lowest NAV per unit during financial year (RM)	1.6231	1.5877	1.6138	1.5433	1.4091
Total annual return of the fund - Capital growth (Note 1)	7.90%	-1.50%	0.32%	5.47%	10.62%
Average annual return – Fund					
- 1 year	7.90%	-1.50%	0.32%	5.47%	10.62%
- 3 year	2.16%	1.39%	5.45%	2.69%	2.30%
- 5 year	4.46%	1.36%	2.56%	3.46%	3.51%
Average annual return - Benchmark (20% FBM ESI + 80% GIA)					
- 1 year	1.82%	-1.15%	1.52%	1.94%	2.59%
- 3 year	0.72%	0.76%	2.03%	1.90%	2.41%
- 5 year	1.34%	1.21%	2.15%	2.32%	2.04%

Note 2

Performance of the fund					
Additional notes	2023	2022	2021	2020	2019
Total annual return of the fund - Capital growth	7.43%	-1.02%	0.25%	5.99%	7.37%
Average annual return – Fund					
- 1 year	7.43%	-1.02%	0.25%	5.99%	7.37%
- 3 year	2.15%	1.69%	4.49%	5.47%	4.68%
- 5 year	3.94%	3.08%	4.04%	4.79%	4.60%

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 %				
	2023	2022	2021	2020	2019
Deposits with Islamic Financial Institutions	2.89	9.39	-	-	-
Unquoted Islamic Sukuk	97.11	90.61	100.00	100.00	100.00
Total	100.00	100.00	100.00	100.00	100.00

Unquoted sukuk composition by sector					
	Weighting %				
	2023	2022	2021	2020	2019
Construction	8.11	-	-	-	-
Finance	35.05	35.27	39.81	40.38	38.62
Government	11.72	14.88	20.38	13.69	16.46
Government Agency	10.31	13.08	10.68	13.68	16.53
Industrial Products	-	4.82	-	-	-
Infrastructure	-	-	14.66	17.75	22.22
Plantation	2.92	3.76	-	-	-
Telecommunication	1.21	-	-	4.86	6.17
Utilities	30.68	28.18	14.47	9.64	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT i-EQUITY FUND

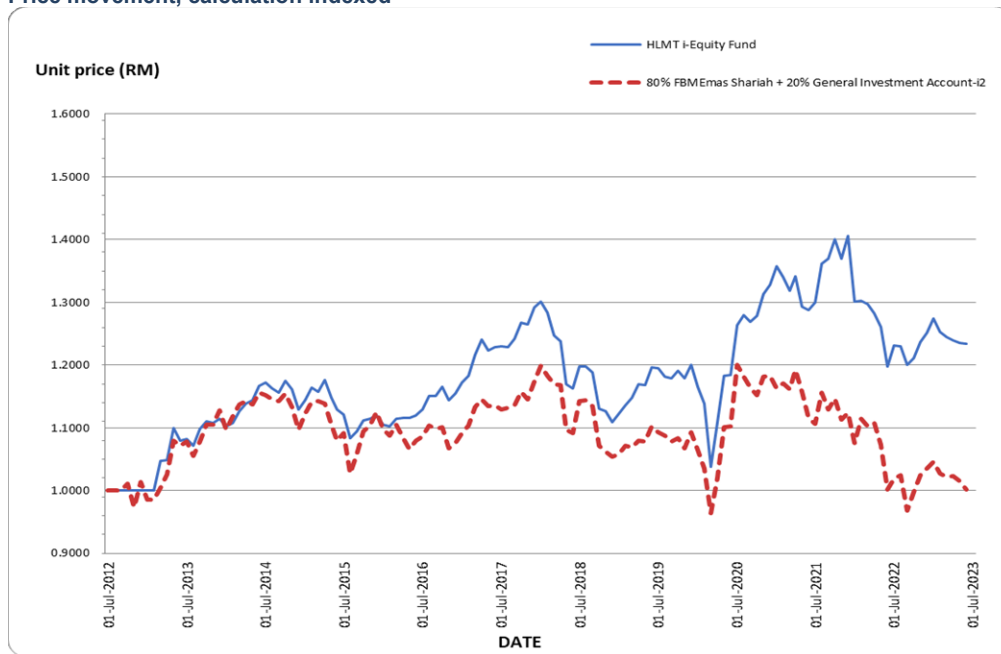
At the end of the financial year under review, 73% of the fund was invested in Shariah-compliant equities. Throughout the financial year, the fund's higher cash level was deployed on market weakness. The top 3 stocks that outperformed during the financial year were Tenaga, Gamuda and Timedotcom. Going forward, we will continue to maintain a trading stance in invested levels as we foresee that the market to remain volatile until the pivot in Fed fund rates occur and economic growth strengthens.

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 2023

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT i-EQUITY FUND (CONT'D)

Performance of the fund					
	2023	2022	2021	2020	2019
Total NAV (RM'000)	31,986	28,445	24,907	28,930	27,895
Number of units	25,903	23,941	19,319	24,420	23,260
NAV per unit (RM)	1.2348	1.1881	1.2893	1.1847	1.1993
Highest NAV per unit during financial year (RM)	1.2852	1.4143	1.3867	1.2183	1.1993
Lowest NAV per unit during financial year (RM)	1.1729	1.1881	1.1924	0.9675	1.1090
Total annual return of the fund					
- Capital growth (Note 1)	3.93%	-7.85%	8.83%	-1.22%	2.96%
Average annual return – Fund					
- 1 year	3.93%	-7.85%	8.83%	-1.22%	2.96%
- 3 year	1.39%	-0.31%	4.20%	-0.66%	2.25%
- 5 year	1.17%	-0.34%	2.71%	0.61%	0.50%
Average annual return					
- Benchmark (80% FBM ESI + 20% GIA)					
- 1 year	-0.02%	-10.21%	1.26%	-0.13%	-1.43%
- 3 year	-3.13%	-3.13%	0.73%	-1.12%	-0.15%
- 5 year	-1.71%	-2.49%	0.67%	0.33%	-1.46%

Note 2

Performance of the fund					
Additional notes	2023	2022	2021	2020	2019
Total annual return of the fund					
- Capital growth	3.11%	-7.06%	8.76%	-1.02%	2.96%
Average annual return – Fund					
- 1 year	3.11%	-7.06%	8.76%	-1.02%	2.96%
- 3 year	1.39%	0.01%	3.49%	-1.22%	2.25%
- 5 year	1.21%	-0.52%	2.85%	0.96%	0.50%

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 %				
	2023	2022	2021	2020	2019
Deposits with Islamic Financial Institutions	27.48	30.49	13.31	13.82	29.59
Islamic Equity Securities Quoted in Malaysia	72.52	69.51	86.69	86.18	70.41
Total	100.00	100.00	100.00	100.00	100.00

Islamic equities composition by sector					
	Weighting %				
	2023	2022	2021	2020	2019
Construction	4.99	5.77	4.78	4.85	5.64
Consumer Products & Services	8.74	12.06	10.90	11.26	9.12
Energy	3.34	2.16	5.40	3.61	8.23
Financial Services	3.02	4.61	2.38	3.36	6.18
Health Care	6.24	9.25	12.47	12.42	9.04
Industrial Products & Services	18.81	15.87	17.49	20.99	14.42
Plantation	3.88	3.17	2.99	3.98	2.16
Property	2.14	2.66	2.95	3.59	4.95
Real Estate Investment Trusts	5.93	4.92	4.53	6.22	7.90
Technology	21.01	19.42	16.85	8.18	2.75
Telecommunications & Media	10.28	10.68	11.02	11.05	13.99
Transportation & Logistics	-	1.70	1.70	1.11	4.55
Utilities	11.62	7.73	6.54	9.38	11.07
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW (CONT'D)

HLMT GLOBAL SHARIAH ESG FUND

The fund was launched on 16 January 2023 and feeds into Hong Leong Global Shariah ESG ("HLGSESGF") unit trust fund. For the financial year under review, the Fund posted a return of -0.17%. While the benchmark S&P 1200 Global Shariah Index posted a +24.26% in a 1-year period, it is not comparable as HLGSESGF was launched in January 2023 and started to invest into equities end-May 2023.

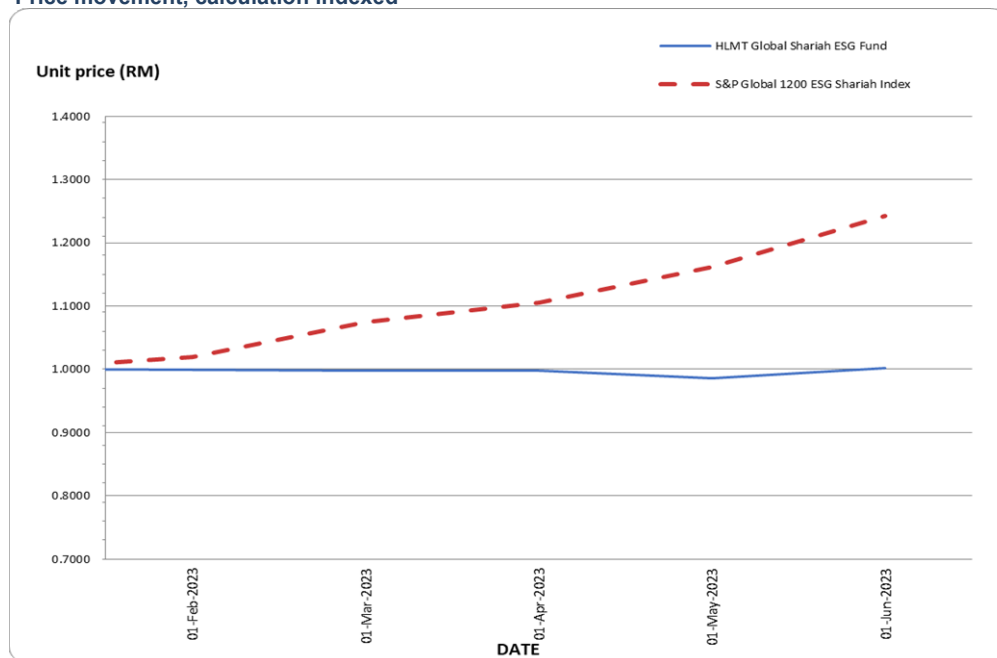
Overall sentiment in the global equity market was rather divided during the period under review, with advanced economies trending higher and emerging economies in negative territories in general. Tighter monetary policy globally dominated the headline news, stemmed from the threat of high inflation and possible slowdown in economy. However, market seems more upbeat on the advanced economies as compared to media reporting, as evidence in the stocks' return this year. While the U.S Federal Reserve paused its rate hike in May, markets are expecting two more rate hikes towards the end of the year, with the first one being in July. Valuations are looking stretched at this current juncture and we expect a sideways market in the US and a possible rotation towards emerging markets in the near to mid-term.

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 2023

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT GLOBAL SHARIAH ESG FUND (CONT'D)

Performance of the fund					
	2023	2022	2021	2020	2019
Total NAV (RM'000)	62	N/A	N/A	N/A	N/A
Number of units	62	N/A	N/A	N/A	N/A
NAV per unit (RM)	0.9983	N/A	N/A	N/A	N/A
Highest NAV per unit during financial year (RM)	1.0065	N/A	N/A	N/A	N/A
Lowest NAV per unit during financial year (RM)	0.9858	N/A	N/A	N/A	N/A
Total annual return of the fund					
- Capital growth	-0.17%	N/A	N/A	N/A	N/A
Average annual return – Fund					
- 1 year	-0.17%	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					
(S&P Global 1200 ESG Shariah)					
- 1 year	24.26%	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 %				
	2023	2022	2021	2020	2019
Cash and cash equivalents	3.64	N/A	N/A	N/A	N/A
Unquoted Unit Trust	96.36	N/A	N/A	N/A	N/A
Total	100.00	N/A	N/A	N/A	N/A

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 year under review, the Fund posted a return of 7.34% versus the benchmark return of -0.85%. The return for the underlying fund, HLDM was 8.16% during the period under review.

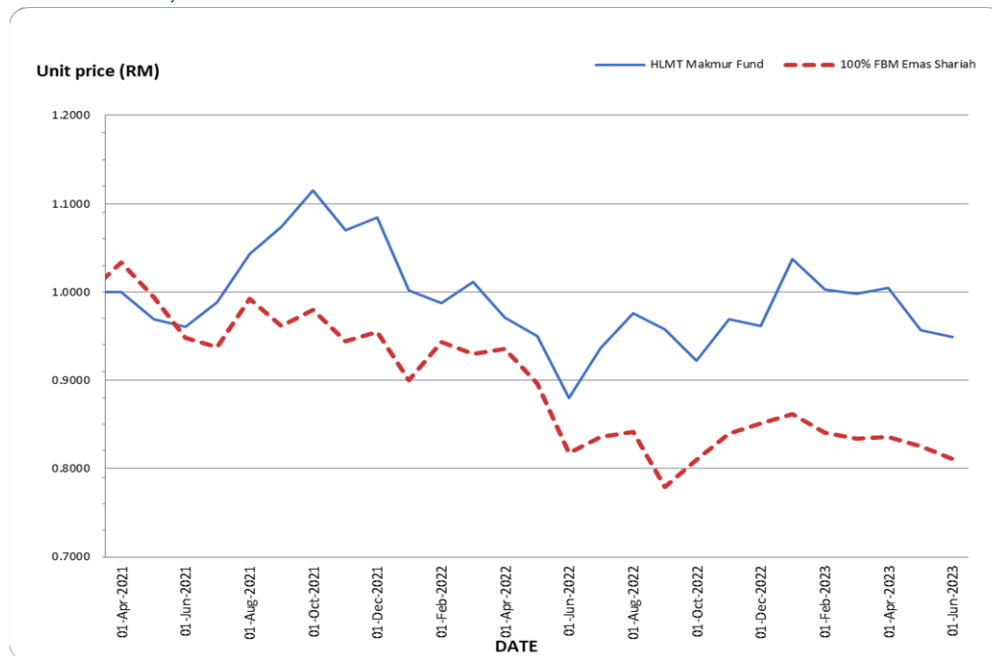
In HLDM's Shariah-compliant equity segment, the stocks that contributed positively during the financial year includes Focus Point, LGMS and Cnenergiz. Overall sentiment in the global equity market was rather divided during the period under review, with advanced economies trending higher and emerging economies in negative territories in general. Tighter monetary policy globally dominated the headline news, stemmed from the threat of high inflation and possible slowdown in economy. While the domestic 1Q23 corporate results slightly disappoints mainly due to lower margins from higher labor and material input costs, we believe that 2H23 to be better. We expect better corporate results and improved market performance in 2H23, driven by easing inflation and more settled domestic politics post-state elections in July.

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 2023

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

HLMT MAKMUR FUND (CONT'D)

Performance of the fund					
	2023	2022	2021	2020	2019
Total NAV (RM'000)	5,951	2,456	125	N/A	N/A
Number of units	6,282	2,783	129	N/A	N/A
NAV per unit (RM)	0.9473	0.8825	0.9649	N/A	N/A
Highest NAV per unit during financial year (RM)	1.0716	1.1468	1.0040	N/A	N/A
Lowest NAV per unit during financial year (RM)	0.8197	0.8589	0.9429	N/A	N/A
Total annual return of the fund					
- Capital growth	7.34%	-8.54%	-3.51%	N/A	N/A
Average annual return – Fund					
- 1 year	7.34%	-8.54%	-3.51%	N/A	N/A
- 3 year	-1.79%	N/A	N/A	N/A	N/A
- 5 year	N/A	N/A	N/A	N/A	N/A
Average annual return					
- Benchmark					
(100% FBM ESI)					
- 1 year	-0.85%	-13.75%	-5.21%	N/A	N/A
- 3 year	-6.76%	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 %				
	2023	2022	2021	2020	2019
Cash and cash equivalents	0.54	5.39	6.81	N/A	N/A
Unquoted Unit Trust	99.46	94.61	93.19	N/A	N/A
Total	100.00	100.00	100.00	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 year under review, the Fund posted a return of 6.11% versus the benchmark return of -0.95%. The return for the underlying fund, HLDM2 was 6.42% during the period under review.

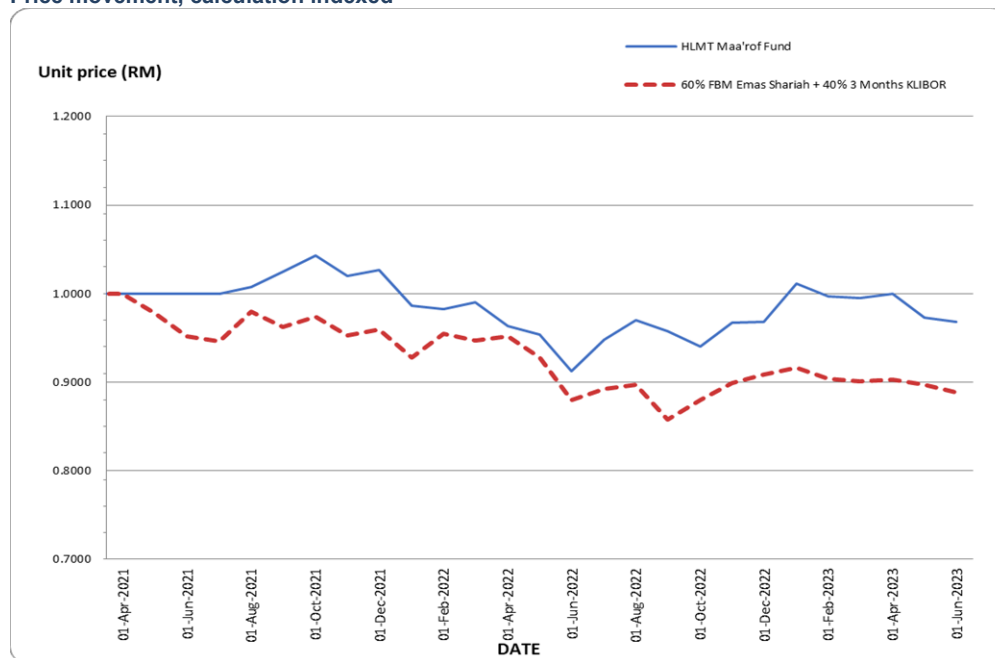
In HLDM's Shariah-compliant equity segment, the stocks that contributed positively during the financial year includes Focus Point, LGMS and Cnnergenz. Overall sentiment in the global equity market was rather divided during the period under review, with advanced economies trending higher and emerging economies in negative territories in general. Tighter monetary policy globally dominated the headline news, stemmed from the threat of high inflation and possible slowdown in economy. While the domestic 1Q23 corporate results slightly disappoints mainly due to lower margins from higher labor and material input costs, we believe that 2H23 to be better. We expect better corporate results and improved market performance in 2H23, driven by easing inflation and more settled domestic politics post-state elections in July. As for the fixed income/bond space, the OPR is back to pre-covid level at 3%. Going forward we do not expect any rate hike domestically. However, we don't discount the possibility of a 25bps in 2H23 if core inflation rate continues to be sticky.

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 2023

Price movement, calculation indexed



INVESTMENT REVIEW (CONT'D)

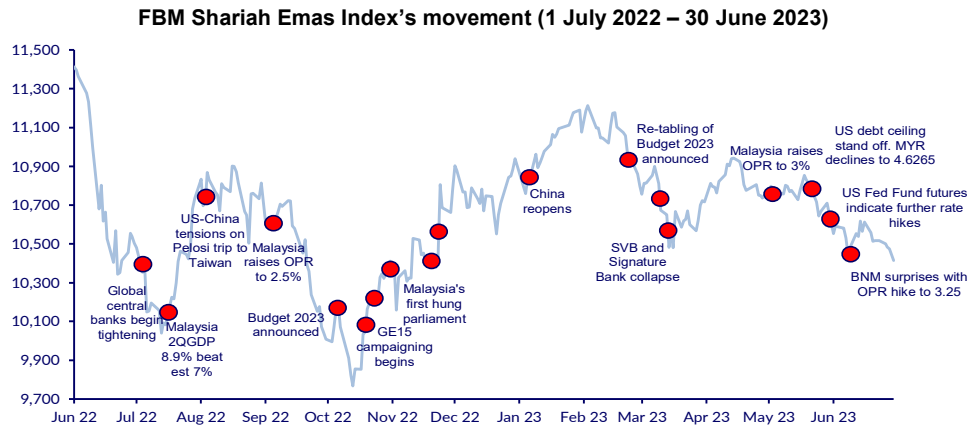
HLMT MAA'ROF FUND (CONT'D)

Performance of the fund					
	2023	2022	2021	2020	2019
Total NAV (RM'000)	1,221	562	3	N/A	N/A
Number of units	1,265	617	3	N/A	N/A
NAV per unit (RM)	0.9659	0.9103	1.0000	N/A	N/A
Highest NAV per unit during financial year (RM)	1.0293	1.0582	1.0000	N/A	N/A
Lowest NAV per unit during financial year (RM)	0.8853	0.9062	1.0000	N/A	N/A
Total annual return of the fund					
- Capital growth	6.11%	-8.97%	-	N/A	N/A
Average annual return – Fund					
- 1 year	6.11%	-8.97%	0.00%	N/A	N/A
- 3 year	-1.15%	N/A	N/A	N/A	N/A
- 5 year	N/A	N/A	N/A	N/A	N/A
Average annual return					
- Benchmark					
(60% FBM ESI + 40% KLIB3M)					
- 1 year	0.95%	-7.22%	-2.96%	N/A	N/A
- 3 year	-3.13%	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 %				
	2023	2022	2021	2020	2019
Cash and cash equivalents	0.71	2.62	100.00	N/A	N/A
Unquoted Unit Trust	99.29	97.38	-	N/A	N/A
Total	100.00	100.00	100.00	N/A	N/A

INVESTMENT REVIEW (CONT'D)

Equities Market



Source: CLSA Ltd

For the financial year 2023, Malaysia was not spared from surging inflation, which reached a peak of 4.7% year-on-year (yoy) in August 2022. Bank Negara Malaysia acted swiftly by hiking its interest rates by a total of four times to 3.0% in May 2023. Subsequently, the inflation rate was brought back to a more manageable level of 2.4% yoy in June 2023. Owing to global and domestic economic, political, and geopolitical factors, it is unsurprising that the Malaysian Ringgit (MYR) experienced a bout of volatility. The USD to MYR exchange rate started the financial year at 4.41 on 1 July 2022, weakened to 4.75 on 4 Nov 2022, subsequently strengthened to 4.24 on 30 Jan 2023, and closed the year at 4.67 on 30 June 2023.

At the same time, Malaysia held its 15th General Election (GE15) on 19 Nov 2022. The elections were the first in which 18 to 20-year-olds were eligible to vote, following a constitutional amendment to reduce the voting age from 21 to 18. The election resulted in a hung parliament, the first in Malaysia's history. After obtaining support from parties such as Barisan Nasional and Gabungan Parti Sarawak, Pakatan Harapan's chairman Anwar Ibrahim was appointed and sworn in as the 10th Prime Minister and the dubbed 'unity government' was formed.

Subsequently, Malaysia's 2023 budget was re-tabled in February 2023 with few amendments to the initial version, resulting in a muted market reaction. Nonetheless, there was optimism of the general economy post full reopening. Resumption in travel buoyed the tourism industry while the uptrend in interest rates brought some banking stock prices above pre-Covid levels. The continuous production cuts by OPEC+ bolstered support for oil prices leading to increased activity by Petronas which benefited oil services companies in Malaysia. The US-Sino tensions continued to attract foreign direct investment (FDI) into Malaysia especially within the technology sector. In terms of foreign equity flows, FY2023 turned to outflows driven mainly by a combination of interest rate differentials, MYR weakness, and political noise.

The Shariah index was lower by -0.85% during the period under review to close at 10,414.87 points.

INVESTMENT REVIEW (CONT'D)

Fixed Income Market

During the financial year under review, sukuk markets across the globe experienced substantial volatility driven by central banks' responses to persistently high inflation and market's reaction to leading economic indicators. In the United States (US), the rapid surge in the Consumer Price Index (CPI) prompted the Federal Reserve (Fed) to implement seven interest rate hikes, totaling 350bps during the review period. Consequently, yields surged, and the 2-year US Treasury (UST) yield surpassed 5.0% (8 Mar 2023: 5.07%) for the first time in 15 years.

However, market sentiment underwent a dramatic shift towards the end of 3QFY2023 due to investors' concerns about potential contagion risk from Silicon Valley Bank's ("SVB") failure and uncertainties surrounding the Fed's policy rate. This led to a brief drop in the 2-year UST yield but the rally was short-lived, and yields swiftly reversed upward when Fed officials continued to make hawkish comments, leading to expectations of further tightening. Consequently, the yield curve inverted, with the UST 2Y-10Y yield spread peaking at 106bps by the end of June 2023. Historically, yield curve inversion often has been seen as a potential signal of an impending recession.

On the local front, Malaysia's government sukuk generally move in tandem with the UST, but there was a divergence in the second half of the financial year when Bank Negara Malaysia (BNM) decided to pause its rate hike cycle. During this time, the Government Investment Issue (GII) experienced rallies across various tenures resulting in a flattened yield curve. This performance was supported by Malaysia's robust economic performance post-pandemic and relatively lower inflation readings leading to BNM taking a measured approach to its tightening cycle. In total, BNM raised interest rates four times, totaling 100 bps, with the Overnight Policy Rate (OPR) concluding at 3% by the end of FY2023.

Throughout the period, political events including the 15th General Election in November 2022, also influenced the movement in local sukuk yields. Initially, yields increased due to political uncertainties, but they subsequently trended lower as the political situation stabilized. Furthermore, BNM's decision to pause rate hikes early in 2023, combined with risk-off events stemming from fears of crisis contagion among US and European banks, contributed to the downward trajectory of yields. Additionally, the inclusion of specific long-dated Malaysian Government Securities (MGS) into the JP Morgan Global Bond Index and the reaffirmation of Malaysia's sovereign credit ratings with a stable outlook by S&P Global Ratings spurred additional buying and index rebalancing trades, leading to further flattening of the yield curve.

Towards the end of the financial year, domestic sukuk yields decreased across various tenures. Notably, the 3-, 5-, 10-, and 30-year GII settled at 3.466%, 3.695%, 3.891%, and 4.291%, respectively, reflecting declines compared to the preceding period.

INVESTMENT OUTLOOK

Equity

For the rest of 2023, the market will continue to monitor global economic data such as Purchasing Manager Index (PMIs), inflation rate, unemployment, and narrative from FOMC members in search of clues to future policy directions. Despite numerous hikes by central banks globally, unemployment rates remain relatively low, underpinning strength in consumption especially in the US. Communication from FOMC members continues to reiterate its commitment to rein in inflation and thus, further tightening of monetary policy, if necessary. Geopolitically, focus will be on the US-Sino relationship as well as developments within Russia and Ukraine. As for the Hong Kong & China markets, investors will focus on follow through stimulus actions by the government amid the property slump and weak economic data.

INVESTMENT OUTLOOK (CONT'D)

Equity (Cont'd)

In Malaysia, six state elections concluded in August 2023 with no change in control of the respective states. Nonetheless, opposition coalition was able to gain more popularity among voters. With the state elections behind us, expectations are for Malaysia's Prime Minister Anwar Ibrahim ("PM") to carry out reform agendas and push through initiatives under the 'Madani' economy framework. With more political stability in sight, we are optimistic that foreign inflows would gradually ease into our country. Recent initiatives include Malaysia's National Energy Transition Roadmap (NETR) phase 1 with a target to increase installed Renewable Energy (RE) capacity to 40% in 2035 and 70% by 2050. Also, Malaysia, together with Singapore, is looking to establish a Johor-Singapore Special Economic Zone (JSSEZ) in Iskandar Malaysia. PM also mooted the idea of a fast-lane facility as well as a special 15% income tax rate to be granted to eligible skilled workers and companies. Moving forward, NETR phase 2 is expected to be announced in the later part of 2023. Other anticipated initiatives are the New Industrial Master Plan 2030, mid-term review of the 12th Malaysia Plan, Budget 2024, and the Fiscal Responsibility Act.

All in all, we are mindful that our financial year 2024 will be another challenging one with many moving parts. We remain defensive, investing in value, growth and dividend-yielding names. Sectors that we continue to favour include selected recovery/reopening names (travel and consumer related), selective commodities, utilities (defensive with yield) and 5G/ technology (trade diversion).

Fixed Income

Currently, central banks around the world are adopting varying approaches in their policy rate settings. Some central banks like the US and UK are taking a more aggressive approach to combat inflation threats, by implementing rate hikes. On the other hand, several Asian central banks are adopting a more cautious approach, assessing the economic impact of their previous rate hikes.

Inflationary pressures are expected to persist in terms of general pricing for goods and services, but official inflation figures are anticipated to gradually decline due to the high base effect. Global investors are closely monitoring the developments in the Russia-Ukraine war, which could have implications for the global supply chain. The ongoing China-US trade war is also causing cautious sentiment among investors with a still fragile risk appetite. Additionally, the performance of China's economy, particularly the development of its property sector, is being closely watched by global investors to gauge the trajectory of the post-Covid global economic recovery.

Given these developments, fixed income investments will remain an attractive asset class for investors seeking stability and diversification. However, there might be short-term weaknesses in bond prices due to the ongoing global rate tightening cycle. Asian currencies, including Malaysia's, may be affected by major trading currencies like the USD during this period, but the outlook is expected to improve over time.

In Malaysia, sukuk yields are currently considered reasonable compared to the current policy rate. However, the upcoming monetary policy decisions by Bank Negara Malaysia (BNM) focusing on inflation and subsidies in the next 6 to 12 months will play a crucial role in shaping market sentiment. Furthermore, local political developments could introduce uncertainties, potentially contributing to market fluctuations. As a result, we will closely monitor these factors when making investment decisions in the fixed income space.

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2023

	Note	HLMT i-Balanced		HLMT i-Income	
		2023	2022	2023	2022
		RM	RM	RM	RM
Asset Investment:					
Islamic equity securities quoted in Malaysia	4	3,331,729	2,922,554	-	-
Unquoted islamic sukuk	4	6,287,355	3,854,248	8,657,435	6,286,532
Accrued profit		65,439	49,230	90,204	72,933
Total investments		9,684,523	6,826,032	8,747,639	6,359,465
Other Assets:					
Amount due from the manager		2	-	-	-
Deferred tax assets		5,627	30,417	-	11,717
Investment receivables		2,576	3,431	-	-
Other receivables		-	514	-	250
Cash and cash equivalents		489,092	2,322,045	217,544	800,046
Total Other Assets		497,297	2,356,407	217,544	812,013
Total Assets		10,181,820	9,182,439	8,965,183	7,171,478
Liabilities					
Amount due to the manager		10,527	106,600	13,376	54,595
Deferred tax liabilities		-	-	14,320	-
Provision for taxation		14,720	31,454	22,700	18,042
Other payables		-	-	-	-
Total Liabilities		25,247	138,054	50,396	72,637
Net Assets Attributable To Certificate Holders		10,156,573	9,044,385	8,914,787	7,098,841
Represented By					
Value of unit		11,152,967	10,383,786	7,572,293	6,153,635
Undistributed (loss)/income carried forward		(996,394)	(1,339,401)	1,342,493	945,206
		10,156,573	9,044,385	8,914,786	7,098,841
Number Of Units In Calculation		7,103,643	6,690,328	5,115,111	4,394,470
Net Asset Value Attributable To Certificate Holders Per Unit		1.4298	1.3519	1.7428	1.6154

The accompanying notes form an integral part of the financial statements

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

As at 30 June 2023

	Note	HLMT i-Equity		HLMT Global Shariah ESG	
		2023 RM	2022 RM	2023 RM	2022 RM
Asset Investment:					
Islamic equity securities quoted in Malaysia	4	23,197,789	19,529,228	-	-
Unit Trust Fund	4	-	-	59,414	-
Total investments		23,197,789	19,529,228	59,414	-
Other Assets:					
Amount due from the manager		6,049	-	22	-
Deferred tax assets		93,478	174,414	-	-
Investment receivables		18,950	22,728	-	-
Other receivables		-	3,067	-	-
Cash and cash equivalents		8,661,622	9,052,696	2,316	-
Provision for taxation		47,367	-	-	-
Total Other Assets		8,827,466	9,252,905	2,338	-
Total Assets		32,025,255	28,782,133	61,752	-
Liabilities					
Amount due to the manager		39,252	205,815	46	-
Deferred tax liabilities		-	-	9	-
Provision for taxation		-	131,554	16	-
Total Liabilities		39,252	337,369	71	-
Net Assets Attributable To Certificate Holders		31,986,003	28,444,764	61,681	-
Represented By					
Value of unit		33,934,446	30,525,798	67,801	-
Undistributed (loss)/income carried forward		(1,948,442)	(2,081,034)	(6,120)	-
		31,986,004	28,444,764	61,681	-
Number of units in calculation		25,903,256	23,941,332	61,784	-
Net Asset Value Attributable To Certificate Holders Per Unit		1.2348	1.1881	0.9983	-

The accompanying notes form an integral part of the financial statements

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES (CONT'D)

As at 30 June 2023

	Note	HLMT Makmur		HLMT Maa'rof	
		2023 RM	2022 RM	2023 RM	2022 RM
Asset Investment:					
Unit Trust Fund	4	5,914,325	2,294,130	1,211,901	547,277
Total investments		5,914,325	2,294,130	1,211,901	547,277
Other assets:					
Amount due from the manager		4,280	29,425	893	-
Deferred tax assets		36,771	34,881	6,739	5,691
Cash and cash equivalents		10,001	99,794	5,080	10,855
Total Other Assets		51,052	164,100	12,712	16,546
Total Assets		5,965,377	2,458,230	1,224,613	563,823
Liabilities					
Amount due to the manager		4,674	1,873	975	616
Provision for taxation		10,231	385	2,173	1,195
Total Liabilities		14,905	2,258	3,148	1,811
Net Assets Attributable To Certificate Holders		5,950,472	2,455,971	1,221,465	562,012
Represented By					
Value of unit		6,517,482	2,959,569	1,272,105	622,916
Undistributed (loss)/income carried forward		(567,010)	(503,598)	(50,641)	(60,904)
		5,950,472	2,455,971	1,221,465	562,012
Number of units in calculation		6,281,902	2,782,916	1,264,589	617,382
Net Asset Value Attributable To Certificate Holders Per Unit		0.9472	0.8825	0.9659	0.9103

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE

For the financial year ended 30 June 2023

	HLMT i-Balanced		HLMT i-Income	
	2023 RM	2022 RM	2023 RM	2022 RM
Investment income:				
Investment profits	272,536	194,778	347,069	251,442
Dividend income	126,147	80,004	-	-
Net realised gain on sale of investments	93,585	187,408	570	19,190
Unrealised capital gain on investments	313,344	3,225	325,463	-
Total Income	805,612	465,415	673,102	270,632
Net realised loss on sale of investments	(181,331)	(1,145)	-	-
Unrealised capital loss on investments	(3,479)	(796,154)	-	(285,334)
Investment management fees	(120,808)	(111,228)	(79,358)	(64,598)
Other outgo	(130,911)	(155,101)	(158,272)	(136,867)
Total Outgo	(436,529)	(1,063,628)	(237,630)	(486,799)
Excess of income over outgo/ (outgo over income) before taxation	369,083	(598,213)	435,472	(216,167)
Tax expense	(26,076)	32,010	(38,185)	4,784
Excess of income over outgo/ (outgo over income) after taxation	343,007	(566,203)	397,287	(211,383)
Undistributed (loss)/profit brought forward	(1,339,401)	(773,198)	945,206	1,156,589
Undistributed (loss)/profit carried forward	(996,394)	(1,339,401)	1,342,493	945,206

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE (CONT'D)

For the financial year ended 30 June 2023

	HLMT i-Equity		HLMT Global Shariah ESG	
	2023 RM	2022 RM	2023 RM	2022 RM
Investment income:				
Investment profits	255,737	89,859	-	-
Dividend income	835,409	541,936	-	-
Net realised gain on sale of investments	514,073	1,446,476	-	-
Unrealised capital gain on investments	1,021,643	24,158	114	-
Total Income	2,626,862	2,102,429	114	-
Net realised loss on sale of investments	(1,262,796)	(10,013)	(10)	-
Unrealised capital loss on investments	(9,949)	(4,173,485)	-	-
Investment management fees	(469,647)	(425,532)	(144)	-
Other outgo	(783,355)	(910,629)	(6,054)	-
Total Outgo	(2,525,747)	(5,519,659)	(6,209)	-
Excess of income over outgo/ (outgo over income) before taxation	101,115	(3,417,230)	(6,095)	-
Tax expense	31,477	200,912	(25)	-
Excess of income over outgo/ (outgo over income) after taxation	132,592	(3,216,318)	(6,120)	-
Undistributed (loss)/profit brought forward	(2,081,034)	1,135,284	-	-
Undistributed (loss)/profit carried forward	(1,948,442)	(2,081,034)	(6,120)	-

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE (CONT'D)

For the financial year ended 30 June 2023

	HLMT Makmur		HLMT Maa'rof	
	2023 RM	2022 RM	2023 RM	2022 RM
Investment income:				
Dividend income	160,966	7,082	43,723	15,724
Total Income	160,966	7,082	43,723	15,724
Net realised loss on sale of investments	(600)	(2,458)	-	(788)
Unrealised capital loss on investments	(31,722)	(424,229)	(13,100)	(71,137)
Investment management fees	(42,096)	(1,822)	(8,865)	(3,264)
Other outgo	(147,449)	(109,524)	(11,569)	(5,840)
Total Outgo	(221,867)	(538,033)	(33,534)	(81,029)
Excess of income over outgo/ (outgo over income) before taxation	(60,901)	(530,951)	10,189	(65,305)
Tax expense	(2,511)	34,202	74	4,496
Excess of income over outgo/ (outgo over income) after taxation	(63,412)	(496,749)	10,263	(60,809)
Undistributed (loss)/profit brought forward	(503,598)	(6,849)	(60,904)	(95)
Undistributed (loss) carried forward	(567,010)	(503,598)	(50,641)	(60,904)

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 2023

	HLMT i-Balanced		HLMT i-Income	
	2023 RM	2021 RM	2023 RM	2021 RM
Net asset value attributable to certificate holders at the beginning of the financial year	9,044,385	8,318,744	7,098,841	5,752,563
Amount received from certificate holders for the creation of units	2,317,543	2,604,276	2,658,504	2,616,824
Amount paid to certificate holders for cancellation of units	(1,548,804)	(1,312,431)	(1,239,762)	(1,059,163)
	9,813,124	9,610,589	8,517,583	7,310,224
Net income for the year, net of tax	59,218	194,715	110,009	69,167
Net unrealised (loss)/gain, net of tax	284,231	(760,919)	287,194	(280,550)
Net asset value attributable to certificate holders at the end of the financial year	10,156,573	9,044,385	8,914,786	7,098,841

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D)

For the financial year ended 30 June 2023

	HLMT i-Equity		HLMT Global Shariah ESG	
	2023 RM	2022 RM	2023 RM	2022 RM
Net asset value attributable to certificate holders at the beginning of the financial year	28,444,764	24,907,213	-	-
Amount received from certificate holders for the creation of units	15,594,185	16,482,683	75,243	-
Amount paid to certificate holders for cancellation of units	(12,189,149)	(9,728,814)	(7,442)	-
	31,849,800	31,661,082	67,801	-
Net (loss)/income for the year, net of tax	(910,577)	732,097	(6,209)	-
Net unrealised (loss)/gain, net of tax	1,046,781	(3,948,415)	88	-
Net asset value attributable to certificate holders at the end of the financial year	31,986,004	28,444,764	61,681	-

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D)

For the financial year ended 30 June 2023

	HLMT Makmur		HLMT Maa'rof	
	2023 RM	2022 RM	2023 RM	2022 RM
Net asset value attributable to certificate holders at the beginning of the financial year	2,455,971	124,895	562,012	2,940
Amount received from certificate holders for the creation of units	4,189,939	3,073,067	709,274	651,937
Amount paid to certificate holders for cancellation of units	(632,035)	(245,242)	(60,086)	(32,056)
	6,013,875	2,952,720	1,211,200	622,821
Net (loss) for the year, net of tax	(29,179)	(106,722)	23,289	5,832
Net unrealised (loss), net of tax	(34,224)	(390,027)	(13,024)	(66,641)
Net asset value attributable to certificate holders at the end of the financial year	5,950,472	2,455,971	1,221,465	562,012

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, HLMT Global Shariah ESG Fund, 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 3 to 15 of the fund performance report.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4 . INVESTMENTS

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2023 (RM)	% of Net Asset Value
HLMT i-BALANCED FUND				
Unquoted Islamic Sukuk:				
Islamic Sukuk:				
- Ambank Islamic Bhd	500,000	502,750	501,160	4.93%
- CIMB Group Holdings Berhad	250,000	250,000	251,875	2.48%
- Digi Telecommunications Sdn Bhd	500,000	501,100	520,985	5.13%
- Infracap Resources Sdn Bhd	500,000	500,050	523,365	5.15%
- Malayan Banking Bhd	500,000	520,900	507,250	4.99%
- Malaysia Rail Link Sdn Bhd	650,000	650,000	661,278	6.51%
- Public Islamic Bank Bhd	1,000,000	1,000,000	1,014,660	9.99%
- Public Islamic Bank Bhd	500,000	500,000	504,590	4.97%
- RHB Islamic Bank Berhad	500,000	500,000	501,510	4.94%
- Sarawak Energy Berhad	500,000	537,900	537,545	5.29%
- Sarawak Hidro Sdn Bhd	500,000	495,100	505,650	4.98%
- Tenaga Nasional Berhad	250,000	250,000	257,488	2.54%
Total Unquoted Islamic Sukuk	6,150,000	6,207,800	6,287,355	61.90%
Islamic Equity Securities Quoted in Malaysia:				
Construction:				
- AME Elite Consortium Berhad	45,000	53,589	59,400	0.58%
- AME Elite Consortium Berhad-Warrants	10,000	-	750	0.01%
- Gamuda Bhd	26,443	94,073	116,349	1.15%
	81,443	147,661	176,499	1.74%
Consumer Products & Services:				
- Farm Fresh Berhad	27,000	38,563	34,020	0.33%
- QL Resources Bhd	17,000	86,638	91,120	0.90%
- Sime Darby Bhd	45,459	88,106	93,191	0.92%
	89,459	213,307	218,331	2.15%
Energy:				
- Dialog Group Bhd	43,076	125,745	88,737	0.87%
	43,076	125,745	88,737	0.87%
Financial Services:				
- BIMB Holdings Bhd	37,400	120,035	72,930	0.72%
- Syarikat Takaful Malaysia Keluarga Berhad	11,712	26,849	38,884	0.38%
	49,112	146,884	111,814	1.10%
Healthcare:				
- Duopharma Biotech Bhd	54,073	65,980	70,295	0.69%
- IHH Healthcare Bhd	24,000	132,866	141,360	1.39%
	78,073	198,845	211,655	2.08%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4 . INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2023 (RM)	% of Net Asset Value
HLMT i-BALANCED FUND (CONT'D)				
<u>Islamic Equity Securities Quoted in Malaysia: (cont'd)</u>				
Industrial Products & Services:				
- Aurelius Technologies Berhad	26,000	60,219	60,060	0.59%
- Kobay Technology Bhd	11,000	37,648	20,900	0.21%
- Malayan Cement Berhad	35,000	97,104	107,450	1.06%
- Petronas Chemicals Group Berhad	8,000	43,486	48,000	0.47%
- Sam Engineering & Equipment (M) Berhad	22,000	71,307	100,980	1.00%
- Scientex Berhad	29,000	92,533	100,050	0.99%
- SKP Resources Bhd	17,000	18,628	18,530	0.18%
- Sunway Berhad	63,524	95,547	100,368	0.99%
- Sunway Berhad - ICPS	8,944	8,944	13,416	0.13%
- V.S Industry Bhd	127,000	131,676	115,570	1.13%
	347,468	657,092	685,324	6.75%
Plantation:				
- Kuala Lumpur Kepong Bhd	2,000	42,166	43,920	0.43%
- Sime Darby Plantation Bhd	22,119	105,650	91,794	0.91%
	24,119	147,816	135,714	1.34%
Properties:				
- Sime Darby Property Berhad	114,000	83,765	53,010	0.52%
- SP Setia Bhd	36,000	33,081	19,620	0.20%
	150,000	116,846	72,630	0.72%
REITS:				
- AME Real Estate Investment Trust	29,000	33,020	34,800	0.35%
- AXIS Real Estate Investment Trust	39,489	71,607	72,265	0.71%
- KLCC Property Holdings Bhd	15,000	112,751	104,850	1.03%
	83,489	217,378	211,915	2.09%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4 . INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2023 (RM)	% of Net Asset Value
HLMT i-BALANCED FUND (CONT'D)				
<u>Islamic Equity Securities Quoted in Malaysia: (cont'd)</u>				
Technology:				
- CTOS Digital Berhad	76,000	104,857	105,640	1.04%
- D&O Green Technologies Bhd	24,000	108,171	88,320	0.87%
- Frontken Corporation Berhad	24,000	69,791	75,600	0.74%
- GHL Systems Berhad	42,000	68,770	32,340	0.32%
- Inari Amertron Berhad	43,000	96,506	117,820	1.16%
- ITMAX System Berhad	34,000	36,766	47,600	0.47%
- JHM Consolidation Bhd	27,000	50,919	20,115	0.20%
- MY EG Services Bhd	79,123	74,827	59,342	0.58%
- Pentamaster Corporation Bhd	22,000	104,099	108,240	1.07%
- Unisem (M) Bhd	16,000	45,199	47,840	0.47%
	387,123	759,905	702,857	6.92%
Telecommunications & Media:				
- Axiata Group Berhad	21,005	73,248	55,663	0.55%
- Celcomdigi Berhad	15,000	70,140	61,650	0.61%
- Telekom Malaysia Bhd	20,332	88,811	99,830	0.98%
- Time Dotcom Bhd	21,000	71,374	109,200	1.07%
	77,337	303,573	326,343	3.21%
Utilities:				
- Gas Malaysia Berhad	12,000	36,251	36,000	0.35%
- Mega First Corporation Bhd	18,000	36,075	55,260	0.55%
- Tenaga Nasional Bhd	33,000	356,206	298,650	2.94%
	63,000	428,532	389,910	3.84%
Total Equity Securities Quoted In Malaysia	1,473,699	3,463,585	3,331,729	32.81%
Grand total	7,623,699	9,671,385	9,619,084	94.71%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2023 (RM)	% of Net Asset Value
HLMT i-INCOME FUND				
<u>Unquoted Islamic Sukuk:</u>				
Government Investment Issues & Cagamas:				
- Malaysia Investment Issue 04.08.2037	500,000	497,785	542,155	6.08%
- Malaysia Investment Issue 15.07.2036	500,000	498,510	472,870	5.30%
- Malaysia Rail Link Sdn Bhd	350,000	350,000	356,073	4.00%
- Projek Lebuhraya Usahasama Bhd	500,000	490,750	536,850	6.02%
	1,850,000	1,837,045	1,907,948	21.40%
Islamic Sukuk:				
- Ambank Islamic Bhd	500,000	502,750	501,160	5.62%
- CIMB Group Holdings Berhad	500,000	500,000	503,750	5.65%
- Digi Telecommunications Sdn Bhd	100,000	100,220	104,197	1.17%
- Gamuda Berhad	700,000	700,000	702,499	7.88%
- Infracap Resources Sdn Bhd	300,000	300,030	314,019	3.52%
- Kuala Lumpur Kepong Bhd	250,000	250,000	252,400	2.83%
- Malayan Banking Bhd	500,000	500,000	507,250	5.69%
- Pengerang LNG (Two) Sdn Bhd	500,000	444,650	456,890	5.13%
- Pengurusan Air SPV Bhd	400,000	400,000	389,544	4.37%
- Pengurusan Air SPV Bhd	150,000	150,000	151,896	1.70%
- Public Islamic Bank Bhd	500,000	500,000	504,590	5.66%
- Public Islamic Bank Bhd	100,000	100,000	101,466	1.14%
- RHB Islamic Bank Berhad	600,000	621,000	601,812	6.75%
- Sarawak Energy Berhad	300,000	322,740	322,527	3.62%
- Tenaga Nasional Berhad	250,000	250,000	257,488	2.89%
- TNB Power Generation Sdn Bhd	1,000,000	1,000,000	1,078,000	12.09%
	6,650,000	6,641,390	6,749,488	75.71%
Grand Total	8,500,000	8,478,435	8,657,435	97.11%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2023 (RM)	% of Net Asset Value
HLMT i-EQUITY FUND				
Islamic Equity Securities Quoted In Malaysia:				
Construction:				
- AME Elite Consortium Berhad	318,000	382,046	419,760	1.31%
- AME Elite Consortium Berhad-Warrants	70,666	-	5,300	0.02%
- Gamuda Bhd	166,334	593,449	731,870	2.29%
	555,000	975,495	1,156,930	3.62%
Consumer Products & Services:				
- Bermaz Auto Berhad	140,000	245,438	312,200	0.98%
- Farm Fresh Berhad	174,000	245,992	219,240	0.69%
- Guan Chong Berhad	125,000	325,910	288,750	0.90%
- QL Resources Bhd	114,000	597,059	611,040	1.91%
- Sime Darby Bhd	290,398	621,006	595,316	1.86%
	843,398	2,035,404	2,026,546	6.34%
Energy:				
- Dialog Group Bhd	376,000	977,985	774,560	2.42%
	376,000	977,985	774,560	2.42%
Financial Services:				
- BIMB Holdings Bhd	234,900	749,306	458,055	1.43%
- Syarikat Takaful Malaysia Keluarga Berhad	73,285	164,926	243,306	0.76%
	308,185	914,233	701,361	2.19%
Healthcare:				
- Duopharma Biotech Bhd	352,646	442,859	458,440	1.43%
- IHH Healthcare Bhd	168,000	993,672	989,520	3.09%
	520,646	1,436,532	1,447,960	4.52%
Industrial Products & Services:				
- Aurelius Technologies Berhad	127,000	293,080	293,370	0.92%
- Kobay Technology Bhd	72,000	246,372	136,800	0.43%
- Malayan Cement Berhad	227,000	630,251	696,890	2.18%
- Petronas Chemicals Group Berhad	50,100	275,798	300,600	0.94%
- Sam Engineering & Equipment (M) Berhad	137,000	430,233	628,830	1.96%
- Scientex Berhad	194,000	602,396	669,300	2.09%
- SKP Resources Bhd	140,000	153,401	152,600	0.48%
- Sunway Berhad	412,398	630,021	651,589	2.04%
- Sunway Berhad - ICPS	62,759	62,759	94,139	0.29%
- V.S Industry Bhd	813,000	845,687	739,830	2.31%
	2,235,257	4,169,998	4,363,947	13.64%
Plantation:				
- Kuala Lumpur Kepong Bhd	14,000	295,162	307,440	0.96%
- Sime Darby Plantation Berhad	142,810	707,147	592,662	1.85%
	156,810	1,002,309	900,102	2.81%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4 . INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2023 (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 Berhad	756,000	565,876	351,540	1.10%
- SP Setia Bhd	264,000	245,543	143,880	0.45%
	1,020,000	811,419	495,420	1.55%
REITS:				
- AME Real Estate Investment Trust	191,600	218,051	229,920	0.72%
- AXIS Real Estate Investment Trust	256,125	457,162	468,709	1.46%
- KLCC Property Holdings Bhd	97,000	741,606	678,030	2.12%
	544,725	1,416,819	1,376,659	4.30%
Technology:				
- CTOS Digital Berhad	490,000	677,490	681,100	2.13%
- D&O Green Technologies Bhd	154,000	703,086	566,720	1.77%
- Frontken Corporation Berhad	162,000	471,791	510,300	1.60%
- GHJ Systems Berhad	282,000	463,804	217,140	0.68%
- Inari Amertron Berhad	373,000	683,648	1,022,020	3.19%
- ITMAX System Berhad	228,000	246,546	319,200	1.00%
- JHM Consolidation Bhd	181,000	345,617	134,845	0.42%
- MY EG Services Bhd	519,375	487,368	389,531	1.22%
- Pentamaster Corporation Bhd	142,000	676,720	698,640	2.18%
- Unisem (M) Bhd	112,000	315,765	334,880	1.05%
	2,643,375	5,071,835	4,874,376	15.24%
Telecommunications & Media				
- Axiata Group Berhad	156,529	692,227	414,802	1.30%
- Celcomdigi Berhad	108,000	516,222	443,880	1.39%
- Telekom Malaysia Bhd	137,146	550,260	673,387	2.10%
- Time Dotcom Bhd	164,000	586,774	852,800	2.67%
	565,675	2,345,484	2,384,869	7.46%
Utilities:				
- Gas Malaysia Berhad	78,000	239,539	234,000	0.73%
- Mega First Corporation Bhd	103,000	229,350	316,210	0.99%
- Tenaga Nasional Bhd	237,000	2,609,796	2,144,850	6.71%
	418,000	3,078,685	2,695,060	8.43%
Grand total	10,187,071	24,236,199	23,197,789	72.52%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market Value as at 30.06.2023 (RM)	% of Net Asset Value
HLMT GLOBAL SHARIAH ESG FUND				
<u>Unit Trust Fund</u>				
- Hong Leong Global Shariah ESG	59,372	59,300	59,414	96.32%
HLMT MAKMUR FUND				
<u>Unit Trust Fund</u>				
- Hong Leong Dana Makmur	8,767,153	6,373,742	5,914,325	99.39%
HLMT MAA'ROF FUND				
<u>Unit Trust Fund</u>				
- Hong Leong Dana Maa'rof	2,322,978	1,296,165	1,211,901	99.22%

STATEMENT BY MANAGER

INVESTMENT-LINKED FUNDS, comprising
HLMT i-BALANCED FUND
HLMT i-INCOME FUND
HLMT i-EQUITY FUND
HLMT GLOBAL SHARIAH ESG FUND
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 21 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
13 September 2023

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
HLMT GLOBAL SHARIAH ESG FUND
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 2023, 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 21 to 39.

In our opinion, the accompanying financial information of the Funds for the financial year ended 30 June 2023 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
HLMT GLOBAL SHARIAH ESG FUND
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 (CONT'D)

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

REPORT ON THE FINANCIAL INFORMATION (CONT'D)

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 (CONT'D)

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

REPORT ON THE FINANCIAL INFORMATION (CONT'D)

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
13 September 2023

Hong Leong MSIG Takaful

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