



HLMT INVESTMENT-LINKED FUNDS
Fund Performance Report
for the financial year ended 30 June 2019

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CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Valued Certificate Holders,

We are pleased to present you Hong Leong MSIG Takaful Berhad's (HLMT) fund performance report for the financial year ended 30 June 2019. Our Investment Linked Funds are namely HLMT i-Balanced Fund, HLMT i-Income Fund, HLMT i-Equity Fund and MY Steady 10 Plan.

We started off the financial year on a rather challenging note. Domestic investors were adjusting to the new political landscape post the surprising outcome of the 14th General Election. The new government policies adjustment resulted in major infrastructure and government projects being reviewed, either terminated or being deferred; broadband prices were cut by more than 30% and the minimum wage revised upward by 10-20% to RM1,100 per month effective 1 January 2019. The outcome of policy reviews were expected to result in an earnings reset for corporate Malaysia to a lower base in 2019. Elsewhere, investors' sentiment were also weighed by the trade spat between the US and China as well as slowing global growth. The market initially saw the trade war as a US taunt to China before being shocked when the first levy of 25% that was slapped by the US on China's US\$50b exports. This took place in July 2018.

A relief rally was seen at the start of 2019 subsequent to a temporary trade truce to delay further increase of tariffs in January 2019 together with a dovish Fed. While weak corporate earnings were still dominating investors' sentiment, the local index climbed steadily on the back of foreign fund inflows to the tune of RM1b in January 2019 partly due to the stronger Ringgit against the US\$. Malaysia also announced a stronger than expected 4Q18 GDP growth of 4.7%, but unfortunately the growth numbers were not translated to better corporate earnings. Among the other concerns investors had were the potential downgrade of Malaysia bonds in the FTSE Russell's World Government Bond Index and Malaysia's lower weightage in the MSCI EM indices as China will be having a higher representation in that index. With all this in mind, we will continue to stay defensive for the upcoming financial year and to take opportunity of potential market volatility to continue navigating the market and building a solid portfolio of funds.

In closing, we will remain committed to working towards delivering the best products and services to enrich your life protection. The financial year 2019/2020 will be an advancing period for HLMT as we implement various initiatives and strategies in our effort to expand our business. We truly express our earnest appreciation to have your continued patronage with HLMT and thank you for choosing HLMT as your preferred Takaful provider. We look forward to building greater success together in 2019/2020.

Mohd Asri Omar
Chief Executive Officer

FUND OBJECTIVES

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

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

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

INVESTMENT REVIEW

HLMT i-BALANCED FUND

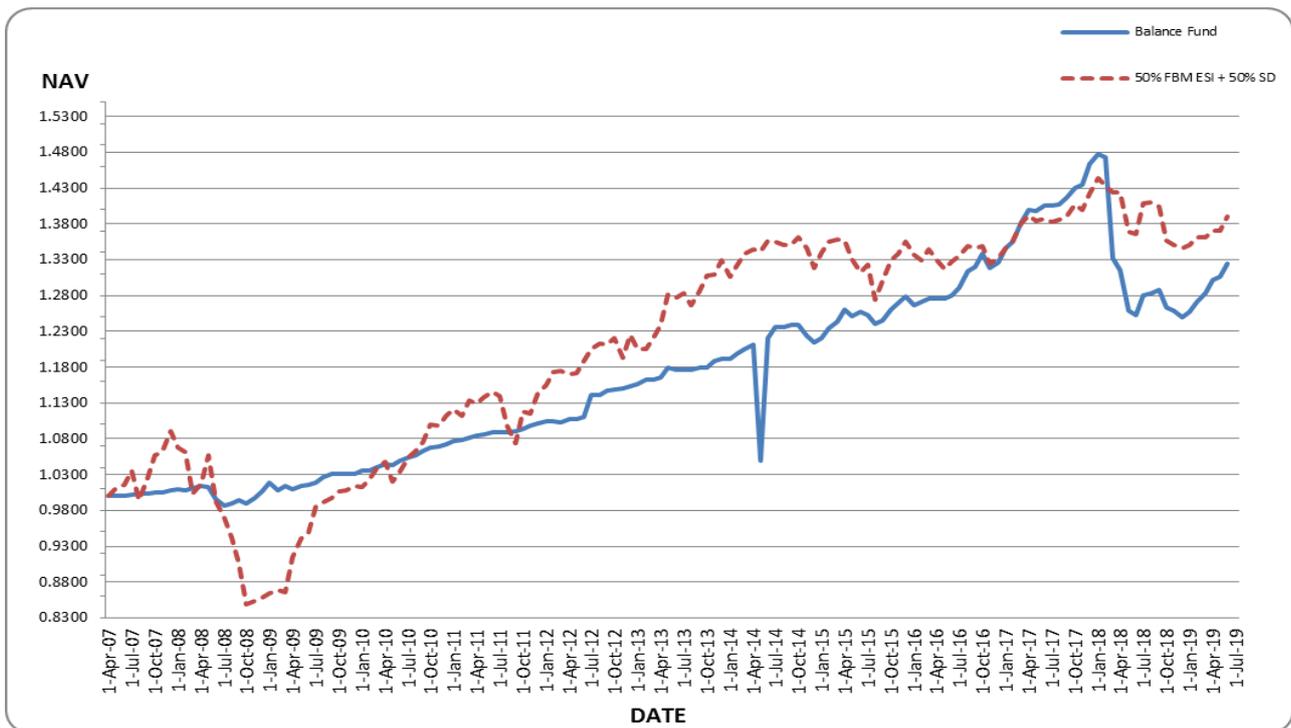
For the financial year under review, the fund was close to 34.8% invested in Shariah-compliant securities and 35.31% invested in Islamic bonds. We will progressively increase the equity weighting - favoring defensive dividend yielding companies and companies with earnings certainty. Stocks that contributed to the outperformance include Axis Reit, Time Dotcom and Syarikat Takaful. Sentiment in the equity market continued to be dominated by the US-China trade talk newsflow. While there were some progress seen in the June 2019 after the G20 meeting, a trade deal remains elusive. Domestically, weak corporate earnings and net foreign outflow continue to weigh upon the local equity market's performance.

Fund management fee of 1.25% and administrative charge of RM5 per month were 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 2019

Price Movement, Calculation indexed



INVESTMENT REVIEW

HLMT i-BALANCED FUND (CONT'D)

Performance of the fund					
	2019	2018	2017	2016	2015
Total NAV (RM) ('000)	16,004	5,930	6,629	6,249	6,023
Number of units ('000)	12,078	4,734	4,715	4,877	4,791
NAV per unit (RM)	1.3251	1.2527	1.4059	1.2814	1.2571
Highest NAV per unit during financial year (RM)	1.3251	1.4772	1.4059	1.2814	1.2598
Lowest NAV per unit during financial year (RM)	1.2494	1.2523	1.2916	1.2410	1.2144
Total annual return of the fund - Capital growth (Note 1)	5.82%	-10.93%	9.75%	1.91%	2.95%
Average annual return – Fund					
- 1 year	5.82%	-10.93%	9.75%	1.91%	2.95%
- 3 year	1.14%	-0.13%	4.81%	2.86%	4.23%
- 5 year	1.65%	1.25%	4.84%	3.31%	3.69%
Average annual return - Benchmark (50% FBM ESI + 50% SD)					
- 1 year	1.77%	-1.44%	4.41%	0.79%	-3.58%
- 3 year	1.55%	1.35%	0.72%	1.00%	3.11%
- 5 year	0.49%	1.37%	3.12%	2.74%	4.69%

Note 2

Performance of the fund		
Additional notes	2019	2018
Total annual return of the fund - Capital growth	2.95%	-0.82%
Average annual return – Fund		
- 1 year	2.95%	-0.82%
- 3 year	3.61%	2.82%
- 5 year	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

HLMT i-BALANCED FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2019	2018	2017	2016	2015
Islamic Equity securities quoted in Malaysia	34.79	52.66	43.41	22.94	24.22
Unquoted Islamic bonds	35.32	47.34	40.21	62.30	63.75
Deposits with Islamic financial institutions	29.89	-	16.38	14.76	12.03
Total	100.00	100.00	100.00	100.00	100.00

Islamic Equities and unit trusts composition by sector					
	Weighting %				
	2019	2018	2017	2016	2015
Trading/Services	42.30	51.92	41.36	54.61	45.88
Industrial Products	19.56	13.23	18.88	9.92	22.18
Plantation	1.94	0.91	6.53	5.63	2.89
Construction	4.71	3.42	5.78	2.48	6.28
Properties	5.08	6.86	9.25	6.14	11.20
Consumer Products	0.96	7.69	1.97	12.96	11.57
Technology	1.62	1.43	-	-	-
Infrastructure	9.72	9.57	10.48	6.79	-
REITS	8.59	3.12	3.43	1.47	-
Finance	5.52	1.85	2.32	-	-
Total	100.00	100.00	100.00	100.00	100.00

Unquoted Islamic bonds composition by sector					
	Weighting %				
	2019	2018	2017	2016	2015
Government	-	33.42	-	-	-
Government Agency	-	-	-	-	-
Consumer Products	-	-	-	-	-
Finance	56.11	33.61	89.32	92.13	92.11
Construction	43.89	32.97	10.68	7.87	7.89
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

HLMT i-INCOME FUND

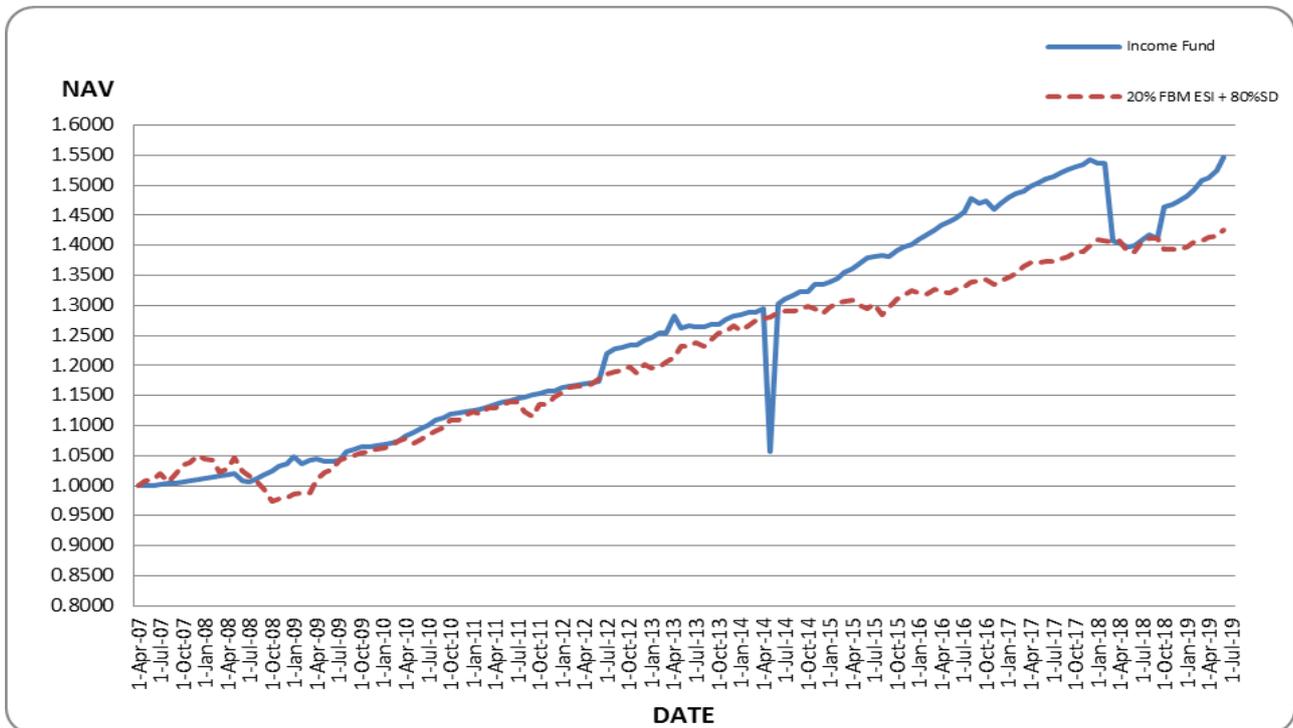
For the financial year under review, the Fund was fully invested into Islamic bonds which attracts higher yield compared to Fixed Deposit. The Fund was 67.1% invested into Corporate Islamic Bonds while 32.9% invested into Low Risk Asset.

Fund management fee of 1% and administrative charge of RM5 per month were 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 2019

Price Movement, Calculation indexed



INVESTMENT REVIEW

HLMT i-INCOME FUND (CONT'D)

Performance of the fund					
	2019	2018	2017	2016	2015
Total NAV (RM) ('000)	3,842	3,270	3,407	3,268	3,120
Number of units ('000)	2,479	2,338	2,257	2,261	2,263
NAV per unit (RM)	1.5499	1.3986	1.5096	1.4454	1.3785
Highest NAV per unit during financial year (RM)	1.5499	1.5420	1.5099	1.4454	1.3785
Lowest NAV per unit during financial year (RM)	1.4091	1.3983	1.4566	1.3810	1.3103
Total annual return of the fund - Capital growth (Note 1)	10.62%	-7.35%	4.47%	4.79%	5.91%
Average annual return – Fund					
- 1 year	10.62%	-7.35%	4.47%	4.79%	5.91%
- 3 year	2.30%	0.47%	5.06%	4.51%	5.53%
- 5 year	3.51%	2.01%	5.17%	4.83%	4.72%
Average annual return - Benchmark (20% FBM ESI + 80% SD)					
- 1 year	2.59%	1.17%	3.48%	1.85%	0.04%
- 3 year	2.41%	2.36%	2.15%	1.99%	2.85%
- 5 year	2.04%	2.42%	3.13%	2.68%	3.44%

Note 2

Performance of the fund		
Additional notes	2019	2018
Total annual return of the fund - Capital growth	7.37%	3.08%
Average annual return – Fund		
- 1 year	7.37%	3.08%
- 3 year	4.68%	3.55%
- 5 year	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

HLMT i-INCOME FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2019	2018	2017	2016	2015
Unquoted Islamic bonds	100.00	100.00	100.00	88.28	100.00
Deposits with Islamic financial institutions	-	-	-	11.72	-
Total	100.00	100.00	100.00	100.00	100.00

Unquoted Islamic bonds composition by sector					
	Weighting %				
	2019	2018	2017	2016	2015
Government	16.46	21.85	13.99	-	-
Government Agency	16.53	13.73	-	16.28	14.98
Telecommunication	6.17	-	-	-	-
Infrastructure	22.22	24.59	25.11	-	-
Finance	38.62	39.83	60.9	70.27	72.68
Transportation	-	-	-	13.45	12.34
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

HLMT i-EQUITY FUND

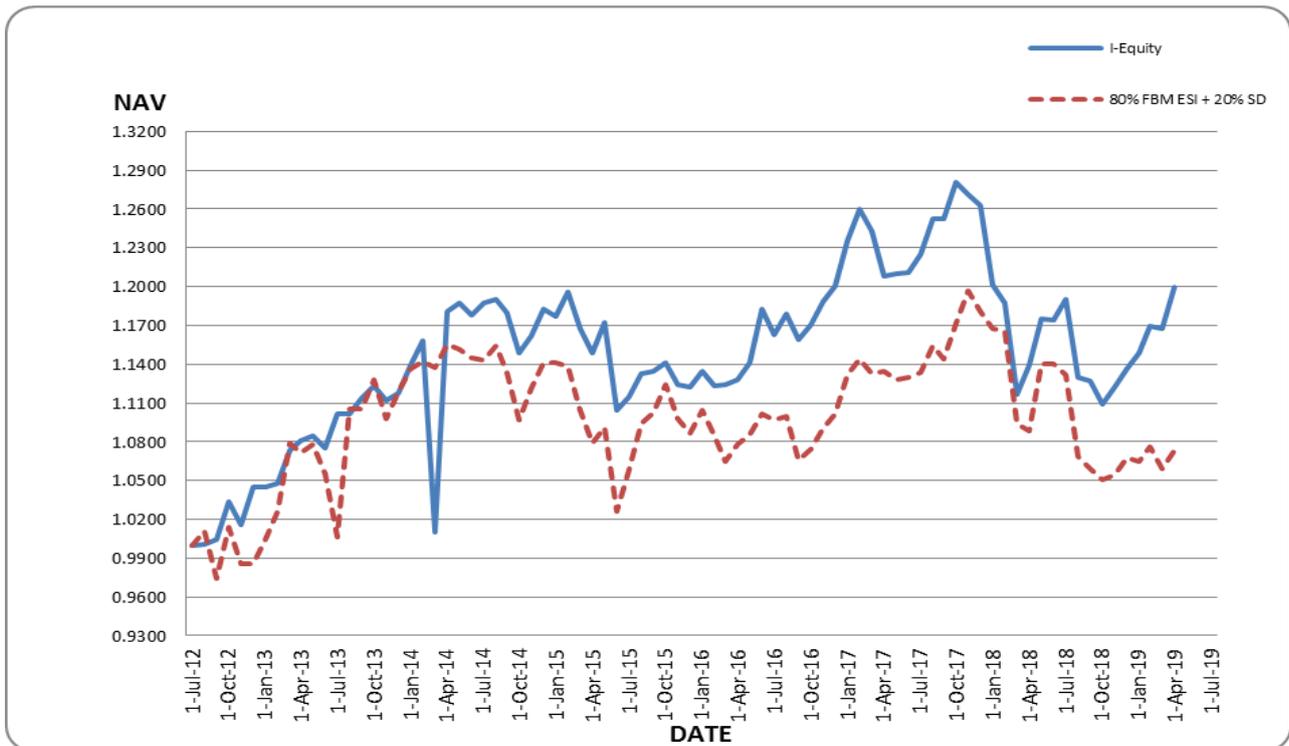
On average during the year under review, the Fund was close to 70% invested. The fund remains heavily skewed to the Shariah index with core stocks in the portfolio such as Axis Reit, Time Dotcom and Syarikat Takaful. We will continue to progressively increase our equity weighting, taking opportunity of any potential sell off in the market during the current period of uncertainty. We continue to favour dividend yielding stocks (in the current low interest rate environment) and companies with earnings certainty. We have also populated some construction names in the portfolio as we see the government tuning towards more growth policies in order to help stimulate the domestic economy.

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 2019

Price Movement, Calculation indexed



INVESTMENT REVIEW

HLMT i-EQUITY FUND (CONT'D)

Performance of the fund					
	2019	2018	2017	2016	2015
Total NAV (RM) ('000)	27,895	16,062	15,264	12,763	2,808
Number of units ('000)	23,260	14,096	12,631	11,315	2,443
NAV per unit (RM)	1.1993	1.1395	1.2084	1.1280	1.1492
Highest NAV per unit during financial year (RM)	1.1993	1.2805	1.2596	1.1280	1.1960
Lowest NAV per unit during financial year (RM)	1.1090	1.1166	1.1414	1.1040	1.1488
Total annual return of the fund - Capital growth (Note 1)	2.96%	-5.70%	7.13%	-1.83%	-2.71%
Average annual return – Fund					
- 1 year	2.96%	-5.70%	7.13%	-1.83%	-2.71%
- 3 year	2.25%	-0.28%	0.77%	1.43%	n/a
- 5 year	0.50%	1.06%	n/a	n/a	n/a
Average annual return - Benchmark (80% FBM ESI + 20% SD)					
- 1 year	-1.43%	-4.02%	5.24%	-0.10%	-6.66%
- 3 year	-0.15%	0.31%	-0.61%	0.00%	n/a
- 5 year	-1.46%	0.32%	n/a	n/a	n/a

Note 2

Performance of the fund		
Additional notes	2019	2018
Total annual return of the fund - Capital growth	2.96%	-5.43%
Average annual return – Fund		
- 1 year	2.96%	-5.43%
- 3 year	2.25%	0.96%
- 5 year	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

HLMT i-EQUITY FUND (CONT'D)

Portfolio composition by category of investment					
	Weighting %				
	2019	2018	2017	2016	2015
Islamic Equity securities quoted in Malaysia	70.41	75.97	82.05	50.27	62.53
Deposits with Islamic financial institutions	29.59	24.03	17.95	49.73	37.47
Total	100.00	100.00	100.00	100.00	100.00

Islamic Equities and unit trusts composition by sector					
	Weighting %				
	2019	2018	2017	2016	2015
Trading/Services	42.40	50.30	47.73	53.65	66.99
Properties	4.95	7.84	7.19	4.00	11.49
Construction	5.63	4.09	8.80	2.31	7.33
Infrastructure	10.02	9.47	6.08	11.46	4.21
Plantation	2.16	2.38	2.53	13.79	4.76
Consumer products	1.46	5.74	1.11	3.03	5.22
Finance	6.18	2.67	2.33	0.38	-
Technology	2.75	2.99	5.25	3.86	-
Industrial products	16.55	11.77	16.87	7.52	-
REITS	7.90	2.75	2.11	-	-
Total	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

MY STEADY 10 PLAN

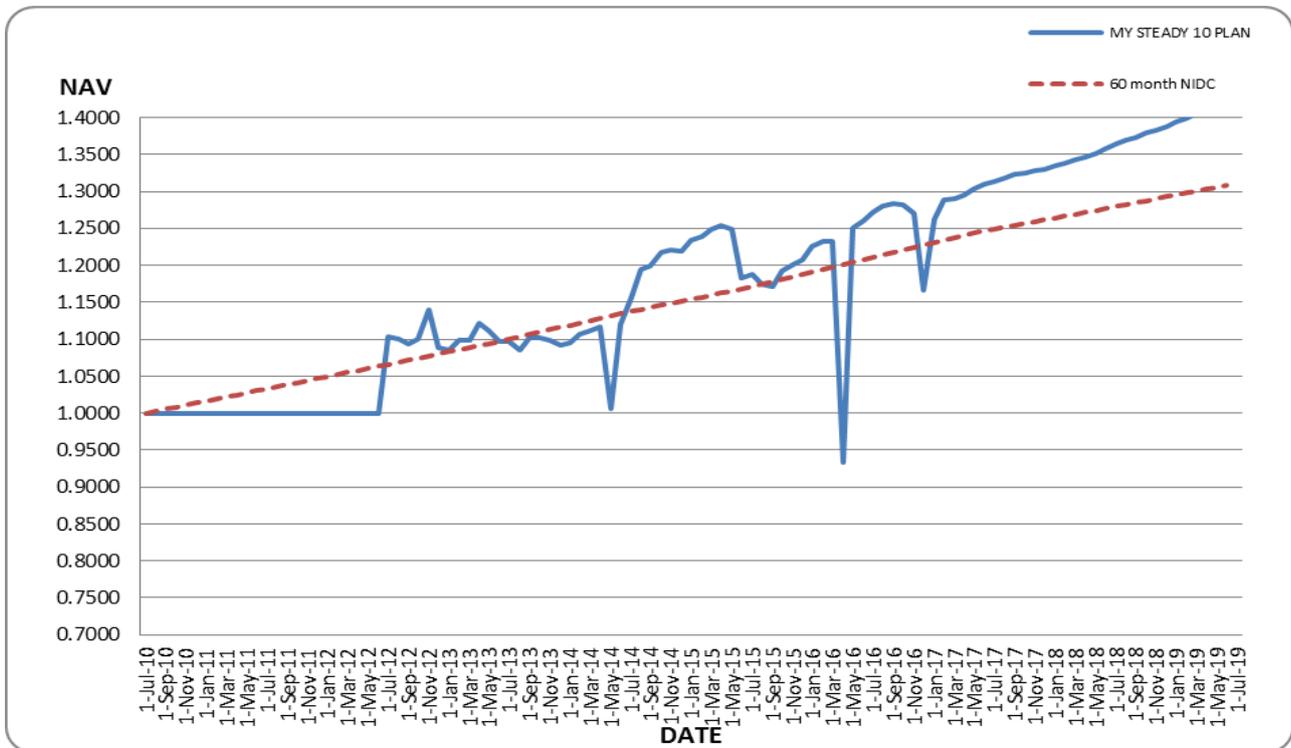
My Steady 10 Plan, a closed-ended 10 Years Fixed Income Shariah-compliant fund, pays a contracted gross income distribution with an indicative rate of 44.20% and is principal protected upon maturity at the end of 10 years. The underlying reference assets are depending on the Islamic rate.

There were no charges levied against the fund during the 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 2019

Price Movement, Calculation indexed



INVESTMENT REVIEW

MY STEADY 10 PLAN (CONT'D)

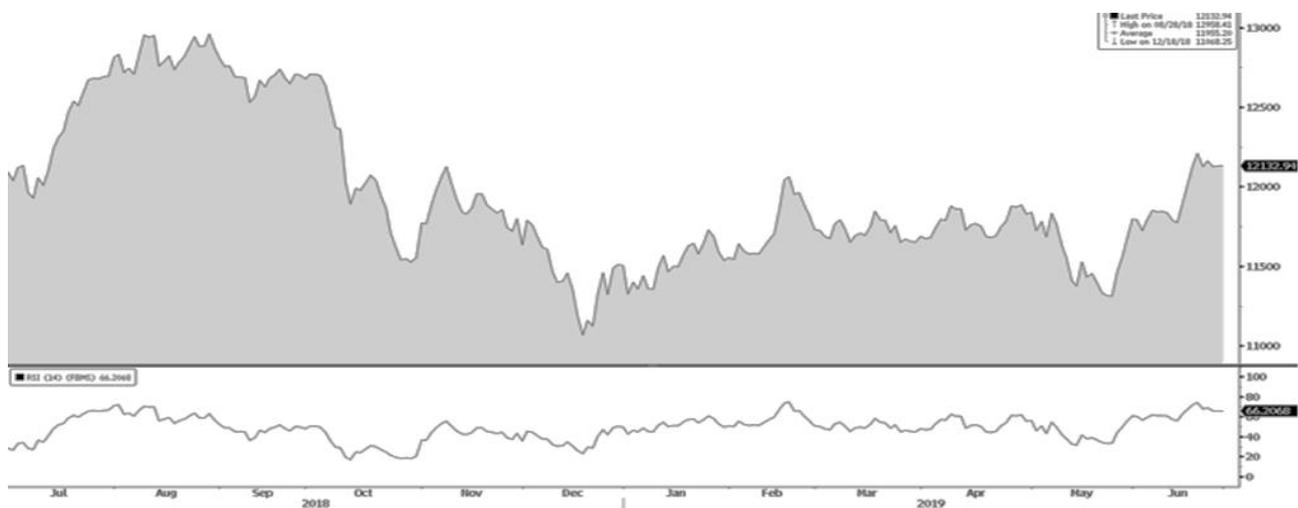
Performance of the fund					
	2019	2018	2017	2016	2015
Total NAV (RM) ('000)	4,133	3,959	3,816	3,677	3,565
Number of units ('000)	2,915	2,915	2,915	2,915	3,013
NAV per unit (RM)	1.4179	1.3582	1.3093	1.2614	1.1833
Highest NAV per unit during financial year (RM)	1.4179	1.3582	1.3093	1.2614	1.2541
Lowest NAV per unit during financial year (RM)	1.3638	1.3126	1.1662	0.9340	1.1556
Total annual return of the fund - Capital growth	4.75%	3.74%	3.83%	6.59%	5.62%
Average annual return – Fund					
- 1 year	4.75%	3.74%	3.83%	6.59%	5.62%
- 3 year	4.10%	4.71%	5.34%	4.75%	5.76%
- 5 year	4.90%	4.36%	5.54%	4.75%	n/a
Average annual return - Benchmark (60 month NIDC)					
- 1 year	2.43%	2.43%	3.27%	3.38%	2.91%
- 3 year	2.71%	3.02%	3.19%	3.25%	3.17%
- 5 year	2.88%	3.09%	3.23%	3.22%	n/a

Portfolio composition by category of investment					
	Weighting %				
	2019	2018	2017	2016	2015
Structured Investment	100.00	100.00	100.00	100.00	100.00

INVESTMENT REVIEW

Equities Market

FTSE Malaysia Emas Shariah Index (1 July 2018 – 30 June 2019)



Source: Bloomberg

During the first half of the financial period under review, the local market continued to be dampened by weak sentiment following the change in the new administration during the 14th General Election. The change includes policy reforms in the name of creating a more competitive business environment with improved transparency in the corporate sector. This has also led to persistent foreign selling with local investors stayed at the sidelines after being positive initially while awaiting for more clarity on the government's latest fiscal measures and policies. Global markets were also weighed by the official breakout of the US-China trade war in July 2018, the Fed's seemingly aggressive pace of interest rate hikes and the flattening yield curve. Oil price volatility was also creating some uncertainties to the economy where it was initially on an upward trajectory - touching a high of US\$86/ barrel in October before spiralling down to US\$54/ barrel.

However, local sentiment in tandem with regional markets took a turn for the better at the start of 2019. This was following a 90-day trade truce made at the G20 summit in Buenos Aires and the change in the Fed's tone of being more "patient" in raising rates. Domestically, investors' sentiment improved following the government's decision to revive the ECRL (at a reduced cost of RM44b) and Bandar Malaysia projects which suggest that the government has nearly completed the cost rationalisation exercise and is refocusing on fiscal stimulus to pump-prime the economy. Bank Negara's pre-emptive overnight policy rate cut of 25 bps in May 2019 to shore up the potential weakness in the domestic economy did little to dampen the rally in the local equity markets. Furthermore, the prospects of a trade war which started off as mere noise became a reality after the Trump administration announced plans to impose tariffs on imported steel and aluminum products. The list of items has now been extended to USD\$200 billion of Chinese imports. Emerging markets were the worst affected on the back of the escalating trade war and tightening liquidity in global markets as the European Central Bank was also signaling a close to its quantitative easing.

INVESTMENT REVIEW

Equities Market (cont'd)

Some positive signs emerged on the mergers & acquisitions (M&A) deals as stiff competition steered companies to consolidate. Some of the deals announced were on Axiata with Digi, YTL Cement with Lafarge and Hong Leong Asia with Tasek. In addition, the clarification from the government on regulated industries such as Malaysia Airports Holding Berhad (MAHB) and Tenaga Nasional Berhad (TNB) sent the stocks rallying in view of a less earish outcome from regulatory changes. There was also a proposed highway buyout deal of four highways - namely Leburaya Damansara Puchong (LDP), Sistem Penyuraian Trafik KL Barat (SPRINT), Lebuhraya Shah Alam (Kesas) and SMART Tunnel (SMART), at a price tag of RM6.2b from the government at a decent market rate.

The Shariah Index recorded an increase of 0.33% for the financial year under review to close at 12,132.94 points. The index outperformed the KLCI's decline of 1.1%.

INVESTMENT REVIEW

Fixed Income Market

As for Fixed Income, the bond market was volatile throughout the financial year under review. The market started the financial year expecting bond yields to rise in tandem with the policy rate hikes. However, markets were undoubtedly turbulent as key central banks unexpectedly shifted from their persistent hawkish stance to a more dovish tilt. The Fed raised interest rates twice in the financial year under review and the extent to which it was willing to guide a more accommodative stance had since been closely scrutinised. The tit-for-tat trade war that continued to turn ugly coupled with episodes where the yield curve inverted, sparked deep concerns about the possibility of a synchronised global recession. The aforesaid scenarios had sent global yields persistently lower and credit spreads narrower.

The financial year ended on a shaky footing and flight to safety was clearly the overarching theme that kicked off with an unexpected escalation in trade tensions between the US and China. This was despite the initial improvement in trade talks as a deal had appeared within reach. In addition, the British prime minister's decision to step down had stoked fears about uneasy consequences of a hard Brexit. All these events had fueled concerns about the sustainability of the current trade and economic growth momentum, in turn sending yields lower across the board.

On the domestic front, the unexpected change in government following GE14 and a slew of consequent policy changes and the resultant uncertainties also affected investor sentiment. Worries about potential revisions to Malaysia's sovereign ratings and outlook subsided with the key rating agencies publicly announcing that they will hold Malaysia's rating status quo. Closer to the end of the financial year, the news on the potential exclusion of the Malaysian Government Securities from FTSE Russell's World Government Bond Index sent a knee-jerk selloff in the bond market as active foreign investors offloaded some position in anticipation of the eventual decision by FTSE Russell. Moreover, Malaysia's attractiveness as an investment destination had taken a hit following its addition to the US's watchlist as a currency manipulator, along with declining yields following BNM's OPR cut by 25 bps in May, thereby aggravating the pressure from capital outflows. Nonetheless, concerns have, however, been somewhat alleviated by BNM's recent initiatives to enhance market liquidity and accessibility, thus lowering the risk of Malaysia's exclusion from the benchmark index at the next review in September.

Apart from the aforesaid external forces, demand and supply dynamics of the local bond market also played crucial roles in sending MGS yields close to a two year low and credit spreads narrower. As domestic liquidity remained flushed and supply of private debt securities continued to be scarce, we have seen local institutional market players stepping in to cushion the sell-offs by foreign market players in times of volatility.

INVESTMENT OUTLOOK

Equity

Global markets including Malaysia will likely remain choppy with the recent escalation in the US-China trade tensions despite the recent trade truce made in Japan. We do not think a resolution can be achieved in the near term due to the core issues of dispute - intellectual property and technology transfer. The worsening of this trade dispute is negative for the world economy as it delays both investor and business spending as well as causing disruption to the global supply chain. Major central bankers have recently signaled easing to mark the turn of the policy rate cycle as the dovish stance by central banks is needed to implement monetary policies to ease and cushion the downside risks stemming from geopolitical factors and trade war.

As for Malaysia, being a small open economy, the country will not be insulated by the escalating trade tensions. Based on BNM's estimation, a 25% tariff on the remaining trade with China and the blanket auto tariff would lead to a reduction of Malaysia's GDP growth by 0.9-1.1 ppt, with the impact of US-China trade accounting for about half of that. With the correction seen in the index over the past months, valuations appear fair on the backdrop of a subdued corporate earnings growth due to the tepid economic growth. Expectations are low with foreign investors being net sellers of the market over the past 2 consecutive years. We will continue to stay defensive (favoring yield plays), pump priming beneficiaries as the government puts its act together to help spur the domestic economy as well as exporters (due to the potential Ringgit depreciation).

Fixed Income

Moving forward, global growth and inflation are expected to remain sluggish. In some countries, primarily in parts of Europe, bonds yields have turned negative as a result of central banks' intervention to stimulate growth. While in the US, the manufacturing and industrial production readings are already dipping into contraction and the housing market grew even weaker. Therefore, bond traders are pricing in a significant global economic slowdown. With this, the 10-year US Treasury rate is expected to return to below 2%. The ongoing trade negotiation between the two economic powerhouses may further exacerbate the slowdown in global economy. Thus, we expect bond yield curves to flatten until further clarity surfaces from the trade negotiations. Meanwhile, the bond market players will depend on data and news for direction and this may cause volatility in bond yields.

The recent dovish shift in developed market central banks and the downside risks to growth could open the room for policy easing in Malaysia. Should there be persistent weakness in the economy, we do not rule out the possibility of one or more rate cuts by BNM for the financial year. Currently, local govvnies' yields seem low but negative interest rates elsewhere make local govvnies comparatively attractive to many foreign investors. With this, local bonds will continue to perform in tandem with the global market movement but this could decouple should FTSE Russell remove Malaysia from its flagship World Government Bond Index by September 2019. Nevertheless, should this really happen, we draw comfort from the deep Malaysian government bond market and ample domestic liquidity which will help to contain the outflows.

FINANCIAL INFORMATION

STATEMENT OF ASSETS AND LIABILITIES

AS AT 30 JUNE 2019

	Note	HLMT i-Balanced RM	HLMT i-Income RM	HLMT i-Equity RM	My Steady 10 Plan RM
ASSETS					
Investments:					
Islamic Equity securities quoted in Malaysia	4	5,298,697	-	19,123,297	-
Unquoted Islamic bonds	4	5,379,676	3,301,306	-	-
Structured Investment	4	-	-	-	4,308,593
Accrued profit		55,639	49,534	2,182	-
Deposits with Islamic financial institutions		4,552,015	-	8,035,188	-
Total investments		15,286,027	3,350,840	27,160,667	4,308,593
Other assets:					
Tax recoverable		-	-	26,582	-
Amount due from the Manager		10,996	341	57,280	-
Investment receivables		8,162	-	30,692	-
Other receivables		514	250	3,066	-
Cash and cash equivalents		740,556	513,071	688,951	-
Total other assets		760,228	513,662	806,571	-
TOTAL ASSETS		16,046,255	3,864,502	27,967,238	4,308,593

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2019 (CONT'D)

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT i-Equity RM	My Steady 10 Plan RM
LIABILITIES				
Amount due to the Manager	15,180	2,912	31,404	-
Deferred tax liabilities	16,564	12,390	41,311	95,568
Provision for taxation	10,199	7,568	-	13,869
Other payables	-	-	-	66,534
TOTAL LIABILITIES	41,943	22,870	72,715	175,971
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS	16,004,312	3,841,632	27,894,523	4,132,622
REPRESENTED BY				
Value of unit	17,921,598	2,736,158	28,256,269	3,074,015
Undistributed (loss)/income carried forward	(1,917,286)	1,105,474	(361,746)	1,058,607
	16,004,312	3,841,632	27,894,523	4,132,622
Number of units in calculation	12,077,512	2,478,596	23,259,533	2,914,576
Net asset value attributable to certificate holders per unit	1.3251	1.5499	1.1993	1.4179

The accompanying notes form an integral part of the financial statements

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2018

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT i-Equity RM	My Steady 10 Plan RM
ASSETS				
Investments:				
Islamic Equity securities quoted in Malaysia	3,334,612	-	10,767,014	-
Unquoted Islamic bonds	2,997,886	3,668,810	-	-
Structured Investment	-	-	-	4,792,793
Accrued profit	26,483	32,937	597	-
Deposits with Islamic financial institutions	-	-	3,405,588	-
Total investments	6,358,981	3,701,747	14,173,199	4,792,793
Other assets:				
Tax recoverable	69,343	51,111	45,184	-
Deferred tax assets	4,672	-	-	-
Investment receivables	4,539	-	18,131	-
Other receivables	51,324	250	2,128,057	-
Cash and cash equivalents	144,934	2,889	348,390	-
Total other assets	274,812	54,250	2,539,762	-
TOTAL ASSETS	6,633,793	3,755,997	16,712,961	4,792,793

STATEMENT OF ASSETS AND LIABILITIES
AS AT 30 JUNE 2018 (CONT'D)

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT i-Equity RM	My Steady 10 Plan RM
LIABILITIES				
Amount due to the Manager	704,255	351,391	616,336	-
Deferred tax liabilities	-	1,352	-	94,304
Provision for taxation	-	-	34,327	-
Other payables	-	133,190	-	739,898
TOTAL LIABILITIES	704,255	485,933	650,663	834,202
NET ASSETS ATTRIBUTABLE TO CERTIFICATE HOLDERS				
	5,929,538	3,270,064	16,062,298	3,958,591
REPRESENTED BY				
Value of unit	8,252,454	2,482,549	17,056,018	3,074,015
Undistributed (loss)/income carried forward	(2,322,916)	787,515	(993,720)	884,576
	5,929,538	3,270,064	16,062,298	3,958,591
Number of units in calculation	4,733,540	2,338,075	14,095,914	2,914,576
Net asset value attributable to certificate holders per unit	1.2527	1.3986	1.1395	1.3582

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT i-Equity RM	My Steady 10 Plan RM
Investment income:				
Investment profits	186,288	167,892	197,158	-
Dividend income	94,312	-	343,363	-
Net realised gain on sale of investments	119,786	10,664	154,349	173,364
Unrealised capital gain on investments	265,840	137,982	1,081,194	15,800
Other income	115,182	118,867	-	-
Total income	781,408	435,405	1,776,064	189,164
Net realised loss on sale of investments	(177,606)	-	(705,521)	-
Unrealised capital loss on investments	(389)	-	-	-
Investment management fees	(99,149)	(26,464)	(310,320)	-
Other outgo	(7,354)	(8,110)	(118,730)	-
Total outgo	(284,498)	(34,574)	(1,134,571)	-
Excess of (outgo over income)/ income over outgo before taxation	496,910	400,831	641,493	189,164
Tax expense	(91,280)	(82,872)	(9,516)	(15,133)
Excess of (outgo over income)/ income over outgo after taxation	405,630	317,959	631,977	174,031
Undistributed (loss)/income brought forward	(2,322,916)	787,515	(993,721)	884,576
Undistributed (loss)/income carried forward	(1,917,286)	1,105,474	(361,744)	1,058,607

The accompanying notes form an integral part of the financial statements

STATEMENT OF INCOME AND EXPENDITURE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT i-Equity RM	My Steady 10 Plan RM
Investment income:				
Investment profits	152,793	167,551	92,060	-
Dividend income	97,577	-	356,704	-
Net realised gain on sale of investments	5,498	150	35,550	154,856
Unrealised capital gain on investments	130	-	4,187	-
Total income	255,998	167,701	488,501	154,856
Net realised loss on sale of investments	(930)	-	-	-
Unrealised capital loss on investments	(217,712)	(18,383)	(1,330,885)	-
Investment management fees	(911,935)	(406,892)	(1,145,341)	-
Other outgo	(12,128)	(5,189)	(90,461)	-
Total outgo	(1,142,705)	(430,464)	(2,566,687)	-
Excess of (outgo over income)/ income over outgo before taxation	(886,707)	(262,763)	(2,078,186)	154,856
Tax expense	5,167	(11,946)	86,428	(12,388)
Excess of (outgo over income)/ income over outgo after taxation	(881,540)	(274,709)	(1,991,758)	142,468
Undistributed (loss)/income brought forward	(1,441,376)	1,062,224	998,037	742,108
Undistributed (loss)/income carried forward	(2,322,916)	787,515	(993,721)	884,576

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 2019**

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT i-Equity RM	My Steady 10 Plan RM
Net asset value attributable to certificate holders at the beginning of the financial year	5,929,538	3,270,064	16,062,298	3,958,591
Amount received from certificate holders for the creation of units	10,808,217	731,153	15,758,940	-
Amount paid to certificate holders for cancellation of units	(1,139,074)	(477,544)	(4,558,691)	-
	<u>15,598,681</u>	<u>3,523,673</u>	<u>27,262,547</u>	<u>3,958,591</u>
Net income/(expense) for the period, net of tax	106,076	136,413	(413,120)	187,233
Net unrealised gain/(loss), net of tax	299,555	181,546	1,045,096	(13,202)
Net asset value attributable to certificate holders at the end of the financial year	<u><u>16,004,312</u></u>	<u><u>3,841,632</u></u>	<u><u>27,894,523</u></u>	<u><u>4,132,622</u></u>

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 2018

	HLMT i-Balanced RM	HLMT i-Income RM	HLMT i-Equity RM	My Steady 10 Plan RM
Net asset value attributable to certificate holders at the beginning of the financial year	6,628,808	3,406,915	15,264,156	3,816,123
Amount received from certificate holders for the creation of units	1,163,915	271,163	5,909,943	-
Amount paid to certificate holders for cancellation of units	(981,645)	(133,305)	(3,120,044)	-
	6,811,078	3,544,773	18,054,055	3,816,123
Net (expense)/income for the period, net of tax	(681,365)	(257,797)	(767,811)	-
Net unrealised (loss)/gain, net of tax	(200,175)	(16,912)	(1,223,946)	142,468
Net asset value attributable to certificate holders at the end of the financial year	5,929,538	3,270,064	16,062,298	3,958,591

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL INFORMATION

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

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

The Manager of the Funds is Hong Leong MSIG Takaful Berhad, a company incorporated in Malaysia, whose principal activity is to manage Family Takaful including investment-linked business. With effect from 1 June 2019, Hong Leong MSIG Takaful Berhad no longer engaged in General Takaful business due to the discontinuation of its General Takaful operations to comply with Section 266 of the Islamic Financial Services Act 2013. There has been no other 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 Insurance/Takaful Business issued by Bank Negara Malaysia ("BNM").

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

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

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

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

(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.

(c) Fair value of financial assets

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

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

Structured investments are investments where part of the fund is invested in the fixed income instruments issued by 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.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

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

(d) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transaction and balances

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

(e) Cash and cash equivalents

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

(f) Income recognition

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

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

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

(g) Investment management fees

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

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

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

(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 be utilised. Deferred tax is recognised in the statement of income and expenditure.

(i) Net creation of units

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

(j) Net cancellation of units

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

3. PERFORMANCE TABLE

The performance tables of the Funds are set out on pages 3 to 14 of the fund performance report.

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2019 (RM)	% of net asset value
HLMT i-BALANCED FUND				
<u>Islamic Equity securities quoted in Malaysia:</u>				
Trading/Services:				
- AEON Co. (M) Bhd	45,000	108,831	76,050	0.48%
- Axiata Group Berhad	60,794	313,825	302,754	1.89%
- Bermaz Auto BERHAD	61,600	136,280	163,856	1.02%
- Dialog Group Bhd	47,576	79,291	155,098	0.97%
- IHH Healthcare Bhd	51,000	293,617	295,800	1.85%
- Sunway Berhad	90,816	144,423	152,571	0.95%
- SIME Darby Bhd	80,459	176,350	181,837	1.14%
- Tenaga Nasional Bhd	44,000	564,880	608,960	3.80%
- Westports Holdings Bhd	26,000	87,415	102,440	0.64%
- Yinson Holdings Bhd	33,200	149,543	202,188	1.26%
	540,445	2,054,455	2,241,554	14.01%
REITS:				
- AXIS Real Estate Investment Trust	131,189	226,040	229,581	1.43%
- KLCC Property Holdings Bhd	29,000	223,725	225,330	1.41%
	160,189	449,765	454,911	2.84%
Plantation:				
- Felda Global Ventures	92,000	129,575	103,040	0.65%
Construction:				
- Gamuda Bhd	10,000	29,062	37,600	0.23%
- IJM Corporation Bhd	40,000	126,203	96,000	0.60%
- Gabungan AQRS Berhad	85,000	113,709	115,600	0.72%
	135,000	268,974	249,200	1.56%
Consumer Products:				
- Petronas Dagangan Bhd	2,000	52,787	50,800	0.32%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2019 (RM)	% of net asset value
HLMT i-BALANCED FUND (CONT'D)				
<u>Islamic Equity securities quoted in Malaysia: (cont'd)</u>				
Finance:				
- BIMB Holdings Bhd	49,000	215,974	223,930	1.40%
- Syarikat Takaful Malaysia Bhd	10,000	44,825	68,500	0.43%
	59,000	260,799	292,430	1.83%
Infrastructure:				
- DIGI.com Bhd	45,000	223,266	227,250	1.42%
- Lingkaran Trans Kota Holdings	13,000	76,424	63,700	0.40%
- TIME Dotcom Bhd	25,000	214,991	224,250	1.40%
	83,000	514,681	515,200	3.22%
Properties:				
- Malaysian Resources Corporation Bhd	51,000	39,815	48,450	0.30%
- SP Setia Bhd	69,414	180,530	149,934	0.94%
- SP Setia Bhd - RCPS-I	80,205	83,064	70,748	0.44%
	200,619	303,409	269,132	1.68%
Industrial products:				
- ATA IMS Berhad	88,000	149,862	139,040	0.87%
- Cahya Mata Sarawak Bhd	15,000	54,491	45,300	0.28%
- Duopharma Biotech Bhd	83,000	113,910	113,710	0.71%
- DRB-Hicom Bhd	50,000	125,188	110,000	0.69%
- UEM Edgenta Berhad	27,000	73,936	77,490	0.48%
- Top Glove Corporation Bhd	15,000	71,659	73,650	0.46%
- Petronas Chemical Group Bhd	29,000	230,236	243,600	1.52%
- Scientex Incorporated Bhd	17,000	140,995	146,880	0.92%
- Velesto Energy Berhad	289,000	78,478	86,700	0.54%
	613,000	1,038,755	1,036,370	6.48%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2019 (RM)	% of net asset value
HLMT i-BALANCED FUND (CONT'D)				
<u>Islamic Equity securities quoted in Malaysia: (cont'd)</u>				
Technology:				
- Globetronics Technology Bhd	18,000	47,996	30,060	0.19%
- Inari Amertron Bhd	35,000	49,589	56,000	0.35%
	53,000	97,585	86,060	0.54%
Total equity securities quoted in Malaysia	1,938,253	5,170,785	5,298,697	33.11%
<u>Unquoted Islamic bonds:</u>				
Islamic bonds:				
- AMISLAMIC Bank Berhad	500,000	502,750	509,845	3.19%
- BGSM Management Sdn Bhd	300,000	302,610	305,496	1.91%
- Putrajaya Bina Sdn Bhd	1,000,000	998,100	1,025,330	6.41%
- RHB Islamic Bank Berhad	2,500,000	2,500,000	2,508,425	15.67%
- Sarawak Hidro Sdn Bhd	1,000,000	990,200	1,030,580	6.44%
Total unquoted Islamic bonds	5,300,000	5,293,660	5,379,676	33.61%
Grand total	7,238,253	10,464,445	10,678,373	66.72%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2019 (RM)	% of net asset value
HLMT i-INCOME FUND				
<u>Unquoted Islamic bonds:</u>				
Malaysian Government Securities & Cagamas:				
- Malaysia Investment Issue	500,000	497,785	543,250	14.14%
Islamic bonds:				
- AMISLAMIC Bank Berhad	500,000	502,750	509,845	13.27%
- CIMB Islamic Bank Berhad	250,000	253,975	251,228	6.54%
- BGSM Management Sdn Bhd	200,000	201,740	203,664	5.30%
- Malaysia Airports Holdings	400,000	400,000	425,940	11.09%
- Malayan Banking Bhd	500,000	500,000	514,200	13.38%
- Projek Lebuhraya Usahasama Bhd	500,000	490,750	545,580	14.20%
- Putrajaya Bina Sdn Bhd	300,000	299,430	307,599	8.01%
	2,650,000	2,648,645	2,758,056	71.79%
Grand total	3,150,000	3,146,430	3,301,306	85.93%

HLMT i-EQUITY FUND

Islamic Equity securities quoted in Malaysia:

Plantation:				
- Felda Global Ventures	368,000	561,988	412,160	1.48%
REITS:				
- AXIS Real Estate Investment Trust	449,949	751,590	787,411	2.82%
- KLCC Property Holdings Berhad	93,000	718,848	722,610	2.59%
	542,949	1,470,438	1,510,021	5.41%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2019 (RM)	% of net asset value
HLMT i-EQUITY FUND (CONT'D)				
<u>Islamic Equity securities quoted in Malaysia: (cont'd)</u>				
Trading/Services:				
- AEON Co. (M) Bhd	171,000	382,994	288,990	1.04%
- Axiata Group Berhad	216,338	1,147,302	1,077,363	3.86%
- Bermaz Auto BERHAD	240,000	547,144	638,400	2.29%
- Dialog Group Bhd	167,000	478,963	544,420	1.95%
- IHH Healthcare Bhd	188,000	1,124,712	1,090,400	3.91%
- Sime Darby Bhd	237,398	488,865	536,519	1.92%
- Sunway Berhad	316,632	495,521	531,942	1.91%
- Tenaga Nasional Bhd	153,000	2,039,054	2,117,520	7.59%
- Westports Holdings Bhd	140,000	487,690	551,600	1.98%
- Yinson Holdings Bhd	120,000	413,406	730,800	2.62%
	1,949,368	7,605,651	8,107,954	29.07%
Properties:				
- Malaysian Resources Corporation Bhd	321,000	298,331	304,950	1.09%
- SP Setia Bhd	207,198	555,223	447,548	1.60%
- SP Setia Bhd - RCPS-I	219,759	232,198	194,039	0.70%
	747,957	1,085,752	946,537	3.39%
Construction:				
- Gamuda Bhd	60,000	174,370	225,600	0.81%
- IJM Corporation Berhad	187,000	516,939	448,800	1.61%
-Gabungan AQRS Berhad	297,000	400,693	403,920	1.45%
	544,000	1,092,002	1,078,320	3.87%
Consumer Products:				
-Petronas Dagangan Bhd	11,000	290,234	279,400	1.00%
Finance:				
- BIMB Holdings Berhad	170,000	734,482	776,900	2.79%
- Syarikat Takaful Malaysia Bhd	59,000	264,879	404,150	1.45%
	229,000	999,361	1,181,050	4.23%

NOTES TO THE FINANCIAL INFORMATION (CONT'D)

4. INVESTMENTS (CONT'D)

	Quantity (unit)	Cost (RM)	Market value as at 30.06.2019 (RM)	% of net asset value
HLMT i-EQUITY FUND (CONT'D)				
<u>Islamic Equity securities quoted in Malaysia: (cont'd)</u>				
Infrastructure:				
- Digi.Com Bhd	162,000	773,714	818,100	2.93%
- Lingkaran Trans Kota Holdings Berhad	65,000	312,965	318,500	1.14%
- TIME Dotcom Bhd	87,000	740,819	780,390	2.80%
	314,000	1,827,498	1,916,990	6.87%
Industrial Products:				
- ATA IMS Berhad	304,000	502,596	480,320	1.72%
- Cahya Mata Sarawak Bhd	82,000	321,294	247,640	0.89%
- Duopharma Biotech Bhd	291,000	401,257	398,670	1.43%
- UEM Edgenta Berhad	96,100	267,600	275,807	0.99%
- Top Glove Corporation Bhd	49,000	221,556	240,590	0.86%
- Petronas Chemical Group Bhd	100,000	843,393	840,000	3.01%
- Scientex Incorporated Bhd	44,200	362,430	381,888	1.37%
- Velesto Energy Berhad	998,000	267,595	299,400	1.07%
	1,964,300	3,187,721	3,164,315	11.33%
Technology:				
- Globetronics Technology Bhd	105,000	278,879	175,350	0.63%
- Inari Amertron Bhd	219,500	278,244	351,200	1.26%
	324,500	557,123	526,550	1.90%
Grand total	6,995,074	18,677,768	19,123,297	68.56%

MY STEADY 10 PLAN

Structured Investment:

- Standard Chartered Saadiq	3,114,000	3,114,000	4,308,593	104.26%
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STATEMENT BY MANAGER

INVESTMENT-LINKED FUNDS, comprising
HLMT i-Balanced Fund
HLMT i-Income Fund
HLMT i-Equity Fund
My Steady 10 Plan

(thereinafter referred to collectively as "the Funds")

I, Mohd Asri Omar, being the Chief Executive Officer of Hong Leong MSIG Takaful Berhad ("the Manager"), states that to the best knowledge and belief of the Manager, accompanying financial information set on pages 18 to 35 have been properly drawn up in accordance with the accounting policies prescribed in Note 2 to the financial information and the Guidelines on Investment-linked Insurance/Takaful Business issued by Bank Negara Malaysia.

On behalf of the Manager,

Mohd Asri Omar
Chief Executive Officer

Petaling Jaya
12 September, 2019

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
My Steady 10 Plan
HLMT i-Equity Fund
(thereinafter referred to collectively as "the Funds")

REPORT ON THE FINANCIAL INFORMATION

We have audited the financial information of the Funds, which comprise statements of assets and liabilities as at 30 June 2019, statements of income and expenditure, statement of changes in net asset value for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out in pages 18 to 35.

In our opinion, the accompanying financial information of the Funds for the financial year ended 30 June 2019 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 Insurance/Takaful 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 (CONTINUED)

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
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HLMT i-Equity Fund
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REPORT ON THE FINANCIAL INFORMATION (CONTINUED)

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

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 Funds' 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
HONG LEONG MSIG TAKAFUL BERHAD INVESTMENT-LINKED FUNDS CONSISTING OF
HLMT i-Balanced Fund
HLMT i-Income Fund
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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
HONG LEONG MSIG TAKAFUL BERHAD INVESTMENT-LINKED FUNDS CONSISTING OF
HLMT i-Balanced Fund
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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
12 September 2019

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