

Hong Leong Growth Fund

Semi-Annual Report

Financial Period Ended 31 December 2022

2022

Unaudited



Hong Leong Growth Fund

Contents

	Page
Manager’s Review and Report	1-9
Statement by the Manager	10
Trustee’s Report	11
Condensed Statement of Comprehensive Income	12
Condensed Statement of Financial Position	13
Condensed Statement of Changes in Equity	14
Condensed Statement of Cash Flows	15
Notes to the Condensed Financial Statements	16-43
Performance Data	44-47
Corporate Information	48
Corporate Directory	49

Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Growth Fund

Fund Category

Equity

Fund Type

Growth

Investment Objective

To provide Unitholders with an attractive* level of regular income** and capital gain on the value of Units at an acceptable risk.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

FTSE Bursa Malaysia KLCI

Distribution Policy

The Fund intends to provide Unitholders with Long-Term*** capital growth. As such, cash distribution will be incidental to the overall capital growth objective and a substantial portion of the income returns from investments will be reinvested. The Fund may also declare distributions in the form of additional Units to its Unitholders.

Notes:

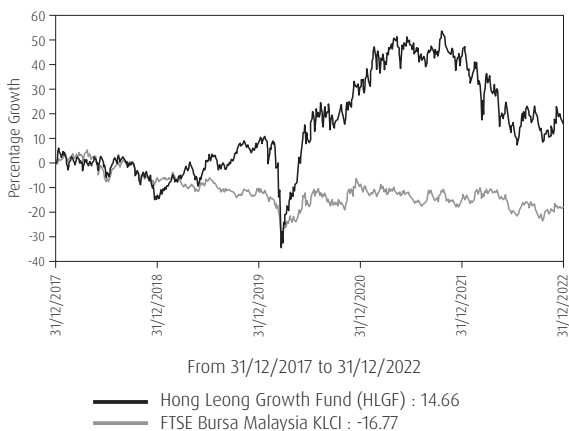
* Please take note that the Fund aims to provide sustainable risk-adjusted returns in the form of capital growth and income in accordance with the performance benchmark and distribution policy of the Fund, although this is not guaranteed.

** The Fund's main focus is on capital growth and to a lesser extent, income. Income may be distributed in the form of cash and/or units.

*** Long-Term refers to a period of above 5 years.

II. FUND PERFORMANCE

Chart 1: Performance of the Fund versus the benchmark covering the last five-year financial period



Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLGF reinvested.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Performance Review

This Semi-Annual Report covers the six-month financial period from 1 July 2022 to 31 December 2022.

The Fund posted a return of 0.55% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the FTSE Bursa Malaysia KLCI Index registered a return of 3.55%. During the financial period under review, the Fund had distributed a gross income distribution of 5.50 sen per unit (net income distribution of 5.50 sen per unit) to its Unitholders on 18 July 2022. Prior to the income distribution, the cum-distribution net asset value (NAV) per unit of the Fund was RM0.6231 while the ex-distribution NAV per unit was RM0.5681. Unitholders should note that income distribution has the effect of reducing the NAV per unit of the Fund after distribution.

For the five-year financial period ended 31 December 2022, the Fund registered a return of 14.66% compared to the benchmark's return of -16.77% while distributing a total gross income of 32.00 sen per unit (net income of 31.5034 sen per unit).

Table 1: Performance of the Fund for the following periods as at 31 December 2022 (Source: Lipper For Investment Management)

	30/09/22- 31/12/22	30/06/22- 31/12/22	31/12/21- 31/12/22	31/12/19- 31/12/22	31/12/17- 31/12/22	31/12/12- 31/12/22	08/09/95- 31/12/22 Since Launch
	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	
HLGF (%)	-0.32	0.55	-21.75	5.73	14.66	79.54	321.85
Benchmark (%)	7.23	3.55	-4.60	-5.87	-16.77	-11.45	52.16

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 30 June 2022 to 31 December 2022 (Source: Lipper For Investment Management)

	31-Dec-22	30-Jun-22	Return (%)
NAV Per Unit	RM0.5871	RM0.6404	0.55#
Benchmark	1,495.49	1,444.22	3.55
vs Benchmark (%)	-	-	-3.00

Return is calculated after adjusting for income distribution of 5.50 sen per unit on 18/07/2022.

Table 3: Financial Highlights

The Net Asset Value attributable to Unitholders is represented by:

	31-Dec-22 (RM)	30-Jun-22 (RM)	Change (%)
Unitholders' Capital	121,733,009	108,957,584	11.73
Retained Earnings	46,361,072	59,823,845	(22.50)
Net Asset Value	168,094,081	168,781,429	(0.41)
Units in Circulation	286,303,544	263,576,839	8.62

Table 4: The Highest and Lowest NAV Per Unit, Total Return of the Fund and the breakdown into Capital Growth and Income Distribution for the financial period/years

	Financial Period 30/06/22– 31/12/22	Financial Year 30/06/21– 30/06/22	Financial Year 30/06/20– 30/06/21	Financial Year 30/06/19– 30/06/20
Highest NAV Per Unit (RM)	0.6322	0.8924	0.9064	0.7666
Lowest NAV Per Unit (RM)	0.5530	0.6313	0.6805	0.4323
Capital Growth (%)	-8.32	-27.03	20.38	-1.13
Income Distribution (%)	8.87	5.01	13.20	10.16
Total Return (%)	0.55	-22.02	33.58	9.03

Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLGf reinvested.

Table 5: Average Total Return of the Fund

	31/12/21– 31/12/22 1 Year	31/12/19– 31/12/22 3 Years	31/12/17– 31/12/22 5 Years
Average Total Return (%)	-21.75	1.91	2.93

Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLGf reinvested.

Table 6: Annual Total Return of the Fund

Financial Year	30/06/21– 30/06/22	30/06/20– 30/06/21	30/06/19– 30/06/20	30/06/18– 30/06/19	30/06/17– 30/06/18
Annual Total Return (%)	-22.02	33.58	9.03	4.64	4.32

Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLGf reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation - July 2022 to December 2022

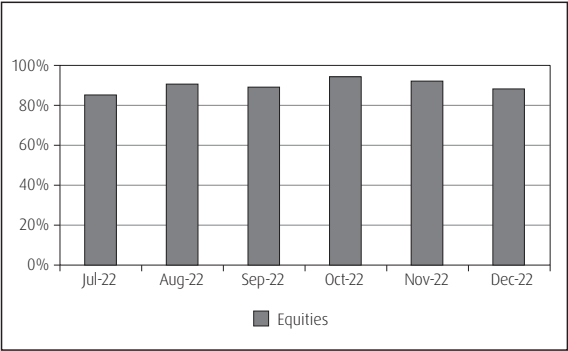


Chart 3: Sector Allocation as at 31 December 2022

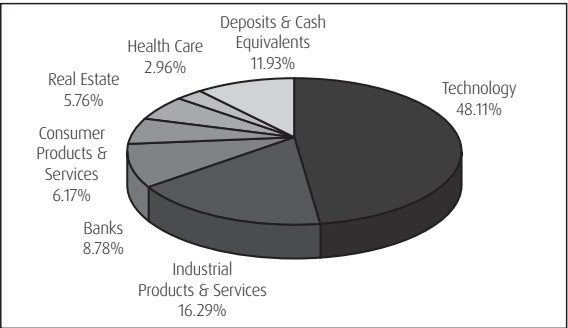
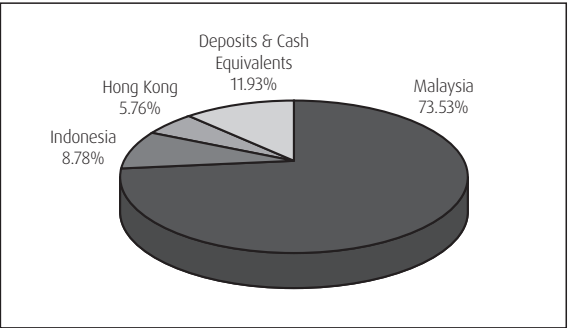


Chart 4: Geographical Allocation as at 31 December 2022



Strategies employed by the Fund during the period under review

During the financial period under review, the Fund was benefited from improving market sentiment thanks to stabilised politics after Anwar Ibrahim was appointed as 10th Malaysia's Prime Minister, reopening of China's economy, as well as subsiding inflation.

The export-oriented and consumer stocks have contributed most of the Fund's performance. We continue to invest into stocks with sound fundamentals, as we expect these stocks will outperform when market sentiment improves further.

An explanation on the differences in portfolio composition

For the financial period under review, there was an increase in allocation to technology, banking and real estate sectors due to improving outlook and attractive valuations.

Operational review of the Fund

For the financial period under review, there were no significant changes in the state of affairs of the Fund or circumstances that would materially affect the interest of Unitholders up to the date of this Manager's report.

IV. MARKET REVIEW

During the period in review, the MSCI AC Asia Pacific ex Japan Index ended lower. The best performing markets were Philippines and Thailand while the laggards were Shen Zhen and Hong Kong. In the local market, the FTSE Bursa Malaysia KLCI rose 3.55%. Small caps outperformed as the FTSE Bursa Malaysia Small Cap Index rose 4.84%.

After a brief respite in July, equity markets resumed its march to the abyss for the rest of the third quarter of 2022. It appeared investors only had themselves to blame as the equity markets appeared to have gotten ahead of itself on hopes that the end of the monetary tightening cycle was just around the corner, only for Jerome Powell's hawkish statements and stubborn United States (US) inflation data to put to rest any lingering wishful thinking of a 'Fed Pivot'.

The equity markets started to climb in October, as corporate earnings were resilient despite tighter monetary policy and weakening economic data. The market has moved further after US inflation has started to come off, suggesting that the inflation may have peaked. Meanwhile, China's decision to ease COVID-19 restrictions by end of the year also boosted investors' sentiment, as China's economy has been suffering since stricter lockdowns were implemented.

The local market declined in the third quarter along with the sell-off in global equity markets, albeit to a much lesser degree due to its inherent defensive nature. Foreign investors, who were net buyers of the local market in July and August, started selling in September as risk-off sentiment accelerated in expectations of a gloomy global economic outlook.

The domestic market reversed its declining trend, and rallied in the final quarter of 2022, in tandem with the global equity market, as the sentiment was boosted by stabilising political landscape after the formation of Unity Government. The market was furthered pushed by window dressing activities seen by the end of December.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

The global economy has shown signs of weakness amid tighter monetary policy adopted by the central banks to fight inflation. Nevertheless, the disinflation seems to progress well as the inflation has started to moderate by the end of the year. The sentiment improved further after China relaxed its COVID-Zero policy and reopened its economy, took pressure off worries on China's economic growth.

The political risk in Malaysia reduced after a Unity Government is formed as a result of hung parliament voted during the 15th General Election. On the other hand, Malaysia's economy is still resilient despite global economic headwinds, contributed mainly by strong export growth, as well as encouraging domestic consumptions.

The stock market has started to recover as values re-emerge after the sell-off of the market last year, coupled with improved sentiment due to subsiding inflation and China reopening. We remain positive on the outlook of the equity market despite pullback of global economic activities, supported by continued economic reopening leading to broad-base recovery. We continue to invest into quality companies with strong pricing power and efficient cost management.

VI. SOFT COMMISSIONS

The Manager has received soft commissions from brokers/dealers in the form of goods and services such as research materials, data and quotation services incidental to investment management of the Fund and investment related publications. Such soft commissions received are utilised in the investment management of the Fund and are of demonstrable benefit to the Fund and Unitholders and there was no churning of trades.

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

No securities lending or repurchase transactions have been carried out during the financial period under review.

VIII. CROSS TRADE TRANSACTIONS

No cross trade transactions have been carried out during the financial period under review.

STATEMENT BY THE MANAGER

I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 12 to 43 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2022 and of its financial performance, changes in equity and cash flows for the financial period ended 31 December 2022 in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") 34 "Interim Financial Reporting".

For and on behalf of the Manager,

Hong Leong Asset Management Bhd
(Company No.: 199401033034 (318717-M))

HOO SEE KHENG

Chief Executive Officer/Executive Director

Kuala Lumpur

16 February 2023

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG GROWTH FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 December 2022 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

- (a) Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
- (b) Valuation and pricing is carried out in accordance with the deed; and
- (c) Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching

Senior Manager, Trustee Operations

Jiva Munusamy

Head, Client Management

Kuala Lumpur

16 February 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
INVESTMENT INCOME			
Interest income from financial assets measured at amortised cost		68,223	72,907
Dividend income		894,641	1,866,768
Net loss on derivatives	8	(901,550)	(59,352)
Net gain on financial assets at fair value through profit or loss ("FVTPL")	9	2,540,960	672,203
Net foreign currency exchange gain		499,811	59,854
		<u>3,102,085</u>	<u>2,612,380</u>
EXPENDITURE			
Management fee	4	(1,289,738)	(1,639,021)
Trustee's fee	5	(51,589)	(65,561)
Auditors' remuneration		(4,891)	(4,891)
Tax agent's fee		(1,310)	(1,310)
Custodian fees		(9,233)	(8,900)
Transaction costs		(636,506)	(664,084)
Other expenses		(59,315)	(66,870)
		<u>(2,052,582)</u>	<u>(2,450,637)</u>
PROFIT BEFORE TAXATION		1,049,503	161,743
Taxation	6	(8,350)	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>1,041,153</u>	<u>161,743</u>
Profit after taxation is made up as follows:			
Realised amount		(18,808,920)	2,172,941
Unrealised amount		19,850,073	(2,011,198)
		<u>1,041,153</u>	<u>161,743</u>
Distribution for the financial period:			
Net distribution	7	14,503,926	13,116,390
Net distribution per unit (sen)	7	<u>5.5000</u>	<u>5.2651</u>
Gross distribution per unit (sen)	7	<u>5.5000</u>	<u>5.5000</u>

The accompanying notes to the financial statements form an integral part of these unaudited condensed financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION *(Unaudited)*

AS AT 31 DECEMBER 2022

	Note	31.12.2022 RM	30.06.2022 RM
ASSETS			
Cash and cash equivalents		15,755,685	18,324,666
Amount due from brokers/dealers		4,507,856	599,822
Amount due from the Manager			
-creation of units		2,479	15,659
Derivatives	8	-	17,107
Dividends receivable		146,170	166,499
Financial assets at fair value through profit or loss ("FVTPL")	9	148,047,067	149,919,327
TOTAL ASSETS		<u>168,459,257</u>	<u>169,043,080</u>
LIABILITIES			
Amount due to the Manager			
-cancellation of units		59,881	13,827
-management fee		221,317	214,959
Amount due to the Trustee		8,853	8,598
Derivatives	8	33,913	-
Distribution payable		11,306	-
Other payables and accruals		11,811	14,521
Tax payable		18,095	9,746
TOTAL LIABILITIES		<u>365,176</u>	<u>261,651</u>
NET ASSET VALUE OF THE FUND		<u>168,094,081</u>	<u>168,781,429</u>
EQUITY			
Unit holders' capital		121,733,009	108,957,584
Retained earnings		46,361,072	59,823,845
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>168,094,081</u>	<u>168,781,429</u>
UNITS IN CIRCULATION (UNITS)	10	<u>286,303,544</u>	<u>263,576,839</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5871</u>	<u>0.6404</u>

The accompanying notes to the financial statements form an integral part of these unaudited condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 July 2022		108,957,584	59,823,845	168,781,429
Movement in net asset value:				
Creation of units from applications		2,026,660	-	2,026,660
Creation of units from distribution		13,961,364	-	13,961,364
Cancellation of units		(3,212,599)	-	(3,212,599)
Total comprehensive income for the financial period		-	1,041,153	1,041,153
Distribution for the financial period	7	-	(14,503,926)	(14,503,926)
Balance as at 31 December 2022		121,733,009	46,361,072	168,094,081
Balance as at 1 July 2021		96,650,946	121,003,797	217,654,743
Movement in net asset value:				
Creation of units from applications		7,877,235	-	7,877,235
Creation of units from distribution		12,582,154	-	12,582,154
Cancellation of units		(6,519,475)	-	(6,519,475)
Total comprehensive income for the financial period		-	161,743	161,743
Distribution for the financial period	7	-	(13,116,390)	(13,116,390)
Balance as at 31 December 2021		110,590,860	108,049,150	218,640,010

The accompanying notes to the financial statements form an integral part of these unaudited condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of financial assets at FVTPL	93,154,767	118,330,367
Purchase of financial assets at FVTPL	(93,290,879)	(101,203,245)
Realised loss on derivatives	(850,530)	(236,737)
Realised foreign exchange differences arising from operating activities	672,416	167,567
Interest income received from financial assets measured at amortised cost	68,223	72,907
Dividend income received	914,957	1,927,653
Management fee paid	(1,283,380)	(1,641,334)
Trustee's fee paid	(51,334)	(65,654)
Payment for other fees and expenses	(77,503)	(75,421)
Net cash (used in)/generated from operating activities	(743,263)	17,276,103
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	2,039,840	7,775,352
Payments for cancellation of units	(3,166,545)	(6,493,057)
Payments for distribution	(531,256)	(526,879)
Net cash (used in)/generated from financing activities	(1,657,961)	755,416
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,401,224)	18,031,519
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(167,757)	(99,017)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	18,324,666	5,289,992
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	15,755,685	23,222,494

The accompanying notes to the financial statements form an integral part of these unaudited condensed financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Growth Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 23 August 1995 and Supplemental Deeds dated 12 November 1998, 11 April 2001, 6 October 2003, 2 June 2009 and 30 April 2010 between the Manager, Hong Leong Asset Management Bhd and PB Trustee Services Berhad for the unit holders of the Fund. PB Trustee Services Berhad has been replaced with Deutsche Trustees Malaysia Berhad ("the Trustee") effective 1 September 2012 and Supplemental Master Deeds were entered into between the Manager and the Trustee for the unit holders of the Fund on 27 July 2012, 25 March 2015, 28 November 2019, 7 February 2020, 21 December 2021 and 28 April 2022 to effect the change ("the Deeds").

The Fund aims to provide unit holders with an attractive level of regular income and capital gain on the value of units at an acceptable risk.

The Fund will invest primarily in equity securities of growth companies operating in Malaysia, and to a lesser extent in foreign markets. Generally, companies that exhibit high probability of achieving above market and/or industry growth rate; that operate within a high growth sector; that have a professional and capable management team with proven ability to achieve sustainable growth; and that have a viable and scalable business model with products that continue to meet market needs are selected. The Fund commenced operations on 8 September 1995 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Manager of the Fund is Hong Leong Asset Management Bhd, a company incorporated in Malaysia. The principal activity of the Manager is the management of unit trust funds and private investment mandates. Its holding company is Hong Leong Capital Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Manager on 16 February 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") 34 "Interim Financial Reporting".

The condensed financial statements should be read in conjunction with the audited financial statements of the Fund for the financial year ended 30 June 2022 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

(b) Financial assets and financial liabilities

Classification

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss), and
- those to be measured at amortised cost.

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flows characteristics

of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from brokers/dealers, amount due from the Manager and dividends receivable as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amounts due to the Manager, amount due to the Trustee, distribution payable and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities, within the scope of MFRS 9, are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss including the effects of currency translation are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the period which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of dividend income when the Fund's right to receive payments is established.

Local quoted investments are valued at the last traded market prices quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

Foreign quoted investments are valued at the last traded market prices quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

If a valuation based on the market price does not represent the fair value of the quoted investments, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good

faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest rate method over the period from the date of placement to the date of maturity of the respective deposits, which is a close estimate of their fair value due to the short term nature of the deposits. Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be closed to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

Significant increase in credit risk

A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of obligor's sources of income or assets to generate sufficient future cash flows to pay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

(c) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- The Fund's NAV per unit and the settlement of creation and cancellation are denominated in RM.
- The Fund's significant expenses are denominated in RM.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(d) Income recognition

Dividend income is recognised on the ex-dividend date when the Fund's right to receive payment is established.

Interest income from deposits with licensed financial institutions and auto-sweep facility bank account are recognised on the effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of quoted investments is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted investments determined on a weighted average cost basis.

Realised gain or loss on derivatives - unquoted forward currency contracts is measured by the net settlement as per the forward currency contracts.

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks and deposits held in highly liquid investments that are readily convertible to known amounts of cash with an original maturity of three months or lesser which are subject to an insignificant risk of changes in value.

(f) Amount due from/to brokers/dealers

Amount due from/to brokers/dealers represents receivables/payables for investments sold/purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment for amount due from brokers/dealers. A provision for impairment of amount due from a broker/dealer is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker/dealer. Significant financial difficulties of the broker/dealer, probability that the broker/dealer will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers/dealers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial period. Withholding taxed on investment income from foreign investments are based on the tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(h) Distributions

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Board of Directors of the Manager.

(i) Transaction costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents and brokers/dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(j) Unit holders' capital

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the unit holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;

- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss and change in the net asset value of the Fund.

The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation and cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

(k) Derivatives

A derivative is any contract that gives rise to a financial asset/liability of the Fund and a financial liability/asset or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favorable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

The Fund's derivatives comprise unquoted forward currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and is subsequently re-measured at their fair value.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of statements of financial position with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2(b).

(I) Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The information presented herein represents the estimates of fair values as at the date of the statement of financial position.

The Fund's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on the respective classification.

The following table analyses the financial assets and financial liabilities of the Fund in the statement of financial position as at the reporting date:

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
31.12.2022			
<u>Financial assets</u>			
Cash and cash equivalents	-	15,755,685	15,755,685
Amount due from brokers/dealers	-	4,507,856	4,507,856
Amount due from the Manager			
-creation of units	-	2,479	2,479
Dividends receivable	-	146,170	146,170
Financial assets at FVTPL (Note 9)	148,047,067	-	148,047,067
	<u>148,047,067</u>	<u>20,412,190</u>	<u>168,459,257</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	59,881	59,881
-management fee	-	221,317	221,317
Amount due to the Trustee	-	8,853	8,853
Derivatives (Note 8)	33,913	-	33,913
Distribution payable	-	11,306	11,306
Other payables and accruals	-	11,811	11,811
	<u>33,913</u>	<u>313,168</u>	<u>347,081</u>
30.06.2022			
<u>Financial assets</u>			
Cash and cash equivalents	-	18,324,666	18,324,666
Amount due from brokers/dealers	-	599,822	599,822
Amount due from the Manager			
-creation of units	-	15,659	15,659
Derivatives (Note 8)	17,107	-	17,107
Dividends receivable	-	166,499	166,499
Financial assets at FVTPL (Note 9)	149,919,327	-	149,919,327
	<u>149,936,434</u>	<u>19,106,646</u>	<u>169,043,080</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	13,827	13,827
-management fee	-	214,959	214,959
Amount due to the Trustee	-	8,598	8,598
Other payables and accruals	-	14,521	14,521
	<u>-</u>	<u>251,905</u>	<u>251,905</u>

All liabilities except derivatives are financial liabilities which are carried at amortised cost.

(m) Critical accounting estimates and judgments in applying accounting policies

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission Malaysia's Guidelines on Unit Trust Funds.

However, the Manager is of the opinion that there are no accounting policies which require significant judgment to be exercised.

3. FAIR VALUE ESTIMATION

The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of the fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each period end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counter party risk.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

(i) Fair value hierarchy

The table below analyses financial instruments carried at fair value. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that requires significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2022				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- local	123,603,168	-	-	123,603,168
- Quoted equity securities				
- foreign	24,443,899	-	-	24,443,899
	<u>148,047,067</u>	<u>-</u>	<u>-</u>	<u>148,047,067</u>
<u>Financial liabilities:</u>				
- Derivatives	-	(33,913)	-	(33,913)
30.06.2022				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- local	122,498,526	-	-	122,498,526
- Quoted equity securities				
- foreign	27,420,801	-	-	27,420,801
<u>Financial assets:</u>				
- Derivatives	-	17,107	-	17,107
	<u>149,919,327</u>	<u>17,107</u>	<u>-</u>	<u>149,936,434</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include derivatives. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of this financial assets/ (liabilities) are stated in Note 2(b) and 2(k).

- (ii) The carrying values of financial assets (other than financial assets at FVTPL and derivatives) and financial liabilities (other than derivatives) are a reasonable approximation of their fair values due to their short term nature.

4. MANAGEMENT FEE

In accordance with Division 13.1 of the Deed, the Manager is entitled to a management fee of up to 1.50% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 December 2022, the management fee is recognised at a rate of 1.50% (2021: 1.50%) per annum.

There is no further liability to the Manager in respect of management fee other than the amount recognised above.

5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.06% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 December 2022, the Trustee's fee is recognised at a rate of 0.06% (2021: 0.06%) per annum.

There is no further liability to the Trustee in respect of Trustee's fee other than the amount recognised above.

6. TAXATION

	2022 RM	2021 RM
Tax charge for the financial period:		
Current taxation	8,350	-

The numerical reconciliation between profit before taxation multiplied by the Malaysian statutory income tax rate and tax expense of the Fund is as follows:

	2022 RM	2021 RM
Profit before taxation	1,049,503	161,743
Taxation at Malaysian statutory rate of 24% (2021: 24%)	251,881	38,818
Tax effects of:		
Investment income not subject to tax	(699,451)	(626,971)
Expenses not deductible for tax purposes	162,817	183,881
Restriction on tax deductible expenses for unit trust fund	293,103	404,272
Taxation	8,350	-

7. DISTRIBUTION

	2022 RM	2021 RM
Prior financial years' realised income	14,503,926	13,116,390
Net distribution amount	14,503,926	13,116,390

Date of Declaration

Distribution on 18/26 July

Net distribution per unit (sen)	5.5000	5.2651
Gross distribution per unit (sen)	5.5000	5.5000

Net distribution above is sourced from prior financial years' realised income. Gross distribution is derived using total income less total expenses.

Gross distribution per unit is derived from net realised income less expenses divided by units in circulation, while net distribution per unit is derived from net realised income less expenses and taxation divided by units in circulation.

The above distributions have been proposed before taking into account the unrealised gain of RM19,850,073 (2021: unrealised loss of RM2,011,198) which is carried forward to the next financial period.

8. DERIVATIVES

Derivatives comprise forward currency contracts. The (negative)/positive fair value represents the unrealised (loss)/gain on the revaluation of forward currency at the reporting date. The contract or underlying principal amount of the forward currency contracts and the corresponding gross (negative)/positive fair value at the end of each reporting date is analysed below:

		31.12.2022 RM	30.06.2022 RM
<u>Derivative assets:</u>			
Forward currency contracts		-	17,107
<u>Derivative liabilities:</u>			
Forward currency contracts		33,913	-
		2022 RM	2021 RM
<u>Net loss on derivatives:</u>			
Realised loss on disposals		(850,530)	(278,185)
Changes in unrealised fair values		(51,020)	218,833
		(901,550)	(59,352)
	Maturity date	Contract or underlying principal amounts	*Fair value RM
31.12.2022			
Australian Dollar	within 1 month	733,000	24,409
Hong Kong Dollar	within 1 month	6,579,000	30,921
Thai Baht	within 1 month	42,510,000	(89,271)
United States Dollar	within 1 month	56,000	28
			(33,913)
30.06.2022			
Australian Dollar	within 1 month	242,000	4,187
Hong Kong Dollar	within 1 month	11,123,000	(5,784)
Singapore Dollar	within 1 month	188,000	6,072
United States Dollar	within 1 month	1,203,000	12,632
			17,107

* Being the difference between the contract price and the market forward price discounted at appropriate discount rates.

	Receivables RM	Payables RM	Fair value RM	Percentage of net asset value %
31.12.2022				
CIMB Bank Berhad	-	(89,271)	(89,271)	0.053
Hong Leong Bank Berhad	30,921	-	30,921	0.018
Hong Leong Investment Bank Berhad	24,437	-	24,437	0.015
	<u>55,358</u>	<u>(89,271)</u>	<u>(33,913)</u>	<u>0.086</u>
30.06.2022				
Hong Leong Bank Berhad	-	(5,784)	(5,784)	0.003
Hong Leong Investment Bank Berhad	22,891	-	22,891	0.014
	<u>22,891</u>	<u>(5,784)</u>	<u>17,107</u>	<u>0.017</u>

As the Fund does not adopt hedge accounting during the financial period, the change in the fair value of the forward currency contracts is recognised immediately in the statement of comprehensive income.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	31.12.2022 RM	30.06.2022 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities - local	123,603,168	122,498,526
Quoted equity securities - foreign	24,443,899	27,420,801
	<u>148,047,067</u>	<u>149,919,327</u>
	2022 RM	2021 RM
<u>Net gain on financial assets at FVTPL:</u>		
Realised (loss)/gain on disposals	(17,532,682)	2,803,217
Changes in unrealised fair values	20,073,642	(2,131,014)
	<u>2,540,960</u>	<u>672,203</u>

Financial assets at FVTPL as at 31 December 2022 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES - LOCAL				
<u>Main Market</u>				
<u>Consumer Products & Services</u>				
Berjaya Food Berhad	8,000,000	6,580,000	8,320,000	4.95
Guan Chong Berhad	855,000	2,736,269	2,052,000	1.22
	8,855,000	9,316,269	10,372,000	6.17
<u>Health Care</u>				
Top Glove Corporation Bhd.	5,500,000	5,413,100	4,977,500	2.96
<u>Industrial Products & Services</u>				
Dufu Technology Corp. Berhad	2,991,300	7,010,346	5,354,427	3.19
Kelington Group Berhad	3,800,000	5,317,540	5,206,000	3.10
Kobay Technology Bhd.	2,159,000	9,579,501	5,872,480	3.49
SAM Engineering & Equipment (M) Berhad	1,150,000	5,660,580	5,669,500	3.37
	10,100,300	27,567,967	22,102,407	13.15
<u>Technology</u>				
D & O Green Technologies Berhad	3,550,000	2,666,350	15,194,000	9.04
Frontken Corporation Berhad	3,660,000	12,900,116	11,272,800	6.71
Inari Amertron Berhad	2,900,000	7,625,980	7,569,000	4.50
Malaysian Pacific Industries Bhd	300,400	7,428,044	8,639,504	5.14
Pentamaster Corporation Berhad	2,950,000	8,922,020	13,068,500	7.77
UWC Berhad	2,700,000	11,590,670	10,854,000	6.46
	16,060,400	51,133,180	66,597,804	39.62
<u>ACE Market</u>				
<u>Industrial Products & Services</u>				
Coraza Integrated Technology Berhad	6,900,000	5,792,710	5,278,500	3.14
<u>Technology</u>				
Genetec Technology Berhad	3,510,000	7,253,385	8,388,900	4.99
LGMS Berhad	5,208,900	5,460,485	5,886,057	3.50
	8,718,900	12,713,870	14,274,957	8.49
TOTAL QUOTED EQUITY SECURITIES - LOCAL	56,134,600	111,937,096	123,603,168	73.53

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES - FOREIGN				
Hong Kong				
<u>Real Estate</u>				
Onewo Inc. ^	350,000	10,503,704	9,679,036	5.76
Total Hong Kong	350,000	10,503,704	9,679,036	5.76
Indonesia				
<u>Banks</u>				
PT Bank Negara Indonesia Persero Tbk	1,900,000	5,304,253	4,951,519	2.95
PT Bank Mandiri (Persero) Tbk	3,500,000	8,423,912	9,813,344	5.84
	5,400,000	13,728,165	14,764,863	8.78
Total Indonesia	5,400,000	13,728,165	14,764,863	8.78
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	5,750,000	24,231,869	24,443,899	14.54
TOTAL INVESTMENTS	61,884,600	136,168,965	148,047,067	88.07
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		11,878,102		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		148,047,067		

Financial assets at FVTPL as at 30 June 2022 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES				
- LOCAL				
<u>Main Market</u>				
<u>Consumer Products & Services</u>				
Berjaya Food Berhad	1,600,000	6,580,000	6,640,000	3.93
Guan Chong Berhad	2,655,000	8,496,834	6,690,600	3.96
Reneuco Bhd	12,450,000	6,727,475	3,610,500	2.14
	16,705,000	21,804,309	16,941,100	10.03
<u>Health Care</u>				
IHH Healthcare Berhad	960,000	6,377,227	6,192,000	3.67
Supermax Corporation Berhad	1,760,000	1,967,416	1,540,000	0.91
Top Glove Corp Bhd.	4,400,000	7,612,000	4,576,000	2.71
	7,120,000	15,956,643	12,308,000	7.29
<u>Industrial Products & Services</u>				
Dufu Technology Corp. Berhad	2,060,000	5,368,364	5,788,600	3.43
Hiap Teck Venture Berhad	22,400,000	10,784,520	6,720,000	3.98
Kobay Technology Bhd	2,759,000	12,241,706	8,166,640	4.84
Pantech Group Holdings Berhad	14,400,000	6,931,183	9,216,000	5.46
	41,619,000	35,325,773	29,891,240	17.71
<u>Technology</u>				
D & O Green Technologies Berhad	3,550,000	2,666,350	13,667,500	8.10
Frontken Corporation Berhad	3,660,000	12,900,116	8,381,400	4.97
Inari Amertron Berhad	2,900,000	7,625,980	7,656,000	4.54
Malaysian Pacific Industries Bhd	300,400	7,428,044	8,411,200	4.98
Pentamaster Corporation Berhad	2,950,000	8,922,020	10,885,500	6.45
UWC Berhad	1,300,000	6,627,010	4,277,000	2.53
	14,660,400	46,169,520	53,278,600	31.57
<u>Transportation & Logistics</u>				
FM Global Logistics Holdings Berhad	5,990,900	3,991,819	3,235,086	1.92
<u>ACE Market</u>				
<u>Technology</u>				
Genetec Technology Berhad	3,510,000	7,253,385	6,844,500	4.06
TOTAL QUOTED EQUITY SECURITIES - LOCAL				
	89,605,300	130,501,449	122,498,526	72.58

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES - FOREIGN				
Hong Kong				
<u>Electric</u> China Longyuan Power Group Corporation Limited [^]	720,000	6,816,574	6,131,068	3.63
<u>Electronics</u> Cowell e Holdings Inc.	1,150,000	6,322,438	6,588,741	3.90
Total Hong Kong	1,870,000	13,139,012	12,719,809	7.53
Indonesia				
<u>Banks</u> PT Bank Mandiri (Persero) Tbk	6,273,300	14,474,406	14,700,992	8.71
Total Indonesia	6,273,300	14,474,406	14,700,992	8.71
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	8,143,300	27,613,418	27,420,801	16.24
TOTAL INVESTMENTS	97,748,600	158,114,867	149,919,327	88.82
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		(8,195,540)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		149,919,327		

[^] H Shares are shares of the companies incorporated in the Chinese mainland that is listed on the Hong Kong Stock Exchange. These shares are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock Exchange.

10. UNITS IN CIRCULATION

	01.07.2022 to 31.12.2022 No. of units	01.07.2021 to 30.06.2022 No. of units
At the beginning of the financial period/year	263,576,839	248,025,454
Add: Creation of units during the financial period/year		
- Arising from applications	3,371,725	12,560,258
- Arising from distribution	24,701,632	15,902,123
Less: Cancellation of units during the financial period/year	(5,346,652)	(12,910,996)
At the end of the financial period/year	<u>286,303,544</u>	<u>263,576,839</u>

11. TOTAL EXPENSE RATIO ("TER")

	2022 %	2021 %
TER (annualised)	1.65	1.61

Total expense ratio includes management fee, Trustee's fee, auditors' remuneration, tax agent's fee, custodian fees and other expenses for the financial period divided by the Fund's average net asset value calculated on a daily basis and is calculated as follows:

$$\text{TER} = \frac{(A+B+C+D+E+F)}{G} \times 100$$

Where;

A = Management fee

B = Trustee's fee

C = Auditors' remuneration

D = Tax agent's fee

E = Custodian fees

F = Other expenses excluding Sales and Service Tax ("SST") on transaction costs and withholding tax

G = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial period calculated on a daily basis is RM170,625,088 (2021: RM216,749,743).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2022 Times	2021 Times
PTR	0.61	0.46

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial period} + \text{total disposals for the financial period}) / 2}{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}}$$

Where; total acquisitions for the financial period
= RM92,994,440 (2021: RM94,442,249)
total disposals for the financial period
= RM114,940,343 (2021: RM104,466,337)

13. UNITS HELD BY THE MANAGER AND RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationships with the Fund are as follows:

<u>Related parties</u>	<u>Relationships</u>
Hong Leong Asset Management Bhd	The Manager
Hong Leong Islamic Asset Management Sdn Bhd	Subsidiary of the Manager
Hong Leong Capital Berhad	Holding company of the Manager
Hong Leong Financial Group Berhad ("HLFG")	Ultimate holding company of the Manager
Subsidiaries and associates of HLFG as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

No units were held by the Manager and parties related to the Manager as at 31 December 2022 and 30 June 2022.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other related party transactions and balances. The Manager is of the opinion that all transactions with the related companies have been entered into at agreed terms between the related parties.

	31.12.2022	30.06.2022
	RM	RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	4,903,395	2,567,083
Amount due from brokers/dealers		
- Hong Leong Investment Bank Berhad	536,741	599,822
Derivatives:		
- Hong Leong Bank Berhad	30,921	(5,784)
- Hong Leong Investment Bank Berhad	24,437	22,891
	<u>5,495,494</u>	<u>3,184,012</u>

	2022	2021
	RM	RM
<u>Related party transactions</u>		
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	<u>63,614</u>	<u>71,479</u>
Purchase of quoted equity securities:		
- Hong Leong Investment Bank Berhad	<u>24,455,548</u>	<u>28,096,032</u>
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	<u>37,036,386</u>	<u>43,152,763</u>

14. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Value of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2022				
Hong Leong Investment Bank Berhad*	61,491,934	32.30	153,877	33.72
CGS-CIMB Securities Sdn Bhd	47,554,953	24.98	116,252	25.48
Maybank Investment Bank Berhad	18,468,134	9.70	46,228	10.13
Credit Suisse (Hong Kong) Limited	16,538,382	8.69	35,784	7.84
Shenwan Hongyuan Securities (H.K.) Limited	13,138,931	6.90	26,225	5.75
Affin Hwang Investment Bank Berhad	11,686,677	6.14	23,463	5.14
JPMorgan Securities (Malaysia) Sdn. Bhd.	5,657,980	2.97	14,101	3.09
RHB Investment Bank Berhad	4,228,942	2.22	10,570	2.32
CLSA Limited	3,390,148	1.78	10,135	2.22
Citigroup Global Markets Malaysia Sdn. Bhd.	3,208,483	1.69	7,194	1.58
Others	4,993,908	2.63	12,482	2.73
	<u>190,358,472</u>	<u>100.00</u>	<u>456,311</u>	<u>100.00</u>
2021				
Hong Leong Investment Bank Berhad*	71,248,795	35.33	178,230	36.62
Affin Hwang Investment Bank Berhad	56,092,044	27.82	112,538	23.12
CL Securities Taiwan Company Limited	13,617,553	6.75	34,232	7.03
Credit Suisse (Hong Kong) Limited	12,903,241	6.40	25,800	5.30
Maybank Investment Bank Berhad	9,230,202	4.58	23,079	4.74
RHB Investment Bank Berhad	9,061,381	4.49	39,087	8.03
CGS-CIMB Securities Sdn Bhd	6,630,222	3.29	16,534	3.40
CLSA Limited	5,677,905	2.82	14,250	2.93
CLSA Securities Malaysia Sdn. Bhd.	4,944,660	2.45	12,358	2.54
Credit Suisse Securities (Malaysia) Sdn Bhd	3,879,581	1.92	9,712	2.00
Others	8,356,983	4.15	20,895	4.29
	<u>201,642,567</u>	<u>100.00</u>	<u>486,715</u>	<u>100.00</u>

* Transactions with brokers/dealers related to the Manager.

The Manager is of the opinion that all transactions with the related companies have been entered into at agreed terms between the related parties.

Performance Data

A (i) Portfolio Compositions:

Construction
Consumer Products & Services
Financial Services
Mining
Industrial Products & Services
Technology
Telecommunication & Media
Energy
Utilities
Real Estate
Transportation & Logistics
Health Care
Plantation
Apparel
Retail
Electric
Electronics
Banks

Deposits and Cash Equivalents

Country:

Malaysia
Hong Kong
Taiwan
Indonesia

Deposits and Cash Equivalents

(ii) Total Net Asset Value	(ex-distribution)
(iii) Net Asset Value Per Unit	(ex-distribution)
Units in Circulation	(ex-distribution)
(iv) Highest /Lowest NAV Per Unit (ex-distribution)	Highest NAV Per Unit Lowest NAV Per Unit
(v) Total Return of the Fund* - Capital Growth - Income Distribution	
(vi) The distribution (gross) is made out of:- - The Fund's Capital - The Fund's Income - Total Distribution Amount - The Fund's Capital (% of Total Distribution Amount) - The Fund's Income (% of Total Distribution Amount)	
(vii) Distribution Per Unit	Additional Units Distributions (Gross) Distributions (Net) Distribution Date Cum-Distribution NAV/Unit EX-Distribution NAV/Unit

Financial Period 30/06/22- 31/12/22 %	Financial Year 30/06/21- 30/06/22 %	Financial Year 30/06/20- 30/06/21 %	Financial Year 30/06/19- 30/06/20 %
-	-	-	6.86
6.17	10.03	10.86	14.71
-	8.71	-	8.48
-	-	2.92	-
16.29	17.71	27.32	23.63
48.11	35.63	22.33	1.78
-	-	-	12.18
-	-	7.97	6.61
-	-	-	3.06
5.76	-	6.67	3.67
-	1.92	3.59	3.68
2.96	7.29	-	5.04
-	-	-	2.69
-	-	6.84	-
-	-	3.81	-
-	3.63	2.90	-
-	3.90	-	-
8.78	-	-	-
11.93	11.18	4.79	7.61
73.53	72.58	72.07	71.52
5.76	7.53	16.30	20.87
-	-	6.84	-
8.78	8.71	-	-
11.93	11.18	4.79	7.61
RM168,094,081	RM168,781,429	RM217,654,743	RM166,507,868
RM0.5871	RM0.6404	RM0.8776	RM0.7290
286,303,544	263,576,839	248,025,454	228,410,473
RM0.6322	RM0.8924	RM0.9064	RM0.7666
RM0.5530	RM0.6313	RM0.6805	RM0.4323
0.55%	-22.02%	33.58%	9.03%
-8.32%	-27.03%	20.38%	-1.13%
8.87%	5.01%	13.20%	10.16%
5.3300 sen/unit	5.0000 sen/unit	0.0000 sen/unit	0.8300 sen/unit
0.1700 sen/unit	0.0000 sen/unit	8.0000 sen/unit	6.1700 sen/unit
5.5000 sen/unit	5.5000 sen/unit	8.0000 sen/unit	7.0000 sen/unit
97%	100%	0%	12%
3%	0%	100%	88%
-	-	-	-
5.5000 sen/unit	5.5000 sen/unit	8.0000 sen/unit	7.0000 sen/unit
5.5000 sen/unit	5.2651 sen/unit	7.9174 sen/unit	6.8993 sen/unit
18/07/2022	26/07/2021	23/07/2020	18/07/2019
RM0.6231	RM0.8534	RM0.8091	RM0.7503
RM0.5681	RM0.8008	RM0.7299	RM0.6814

Performance Data

(viii) Total Expense Ratio (TER)

(ix) Portfolio Turnover Ratio (PTR) (times)

B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 31/12/2022)*

- (i) One year
- (ii) Three years
- (iii) Five years

* Source: Lipper For Investment Management
(Returns are calculated after adjusting for distributions and/or additional units, if any)

The PTR decreased by 0.37 times (37.76%) to 0.61 times for the financial period from 1 July 2022 to 31 December 2022 versus 0.98 times for the financial year ended 30 June 2022 mainly due to **lower level of rebalancing activities undertaken by the Fund** and increased by 0.15 times (32.61%) as compared to 0.46 times for the financial period from 1 July 2021 to 31 December 2021 mainly due to **higher level of rebalancing activities undertaken by the Fund**.

Financial Period 30/06/22– 31/12/22 %	Financial Year 30/06/21– 30/06/22 %	Financial Year 30/06/20– 30/06/21 %	Financial Year 30/06/19– 30/06/20 %
1.65%	1.62%	1.62%	1.61%
0.61#	0.98	2.13	2.33
-21.75%			
1.91%			
2.93%			

Corporate Information

Manager

Hong Leong Asset Management Bhd [199401033034 (318717-M)]

Registered Office

Level 30, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

Business Office

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50490 Kuala Lumpur

Board of Directors

Ms. Lee Jim Leng
Mr. Hoo See Kheng
Dato' Abdul Majit Bin Ahmad Khan
Tunku Dato' Mahmood Fawzy Bin Tunku Muhiyiddin

Executive Director/Chief Executive Officer

Mr. Hoo See Kheng

Trustee

Deutsche Trustees Malaysia Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Agents

Hong Leong Bank Berhad
OCBC Bank (Malaysia) Berhad
HSBC Bank (Malaysia) Berhad
Standard Chartered Bank Malaysia Berhad
CIMB Investment Bank Berhad
Affin Bank Berhad
United Overseas Bank (Malaysia) Berhad
Areca Capital Sdn Bhd
Registered Independent Tied Agents with FiMM

Corporate Directory

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