

Hong Leong Growth Fund

Annual Report

Financial Year Ended 30 June 2024

2023/2024

Audited



HONG LEONG GROWTH FUND

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Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Growth Fund ("HLGF" or "the Fund")

Fund Category

Equity

Fund Type

Growth and Income

Investment Objective

To provide Unit holders 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 (FBM) KLCI

Distribution Policy

The Fund intends to provide Unit holders with medium to long-term capital growth and aims to provide regular distribution of income. The distribution of income will be in the form of additional Units, unless Unit holder opts for the distribution to be paid out.

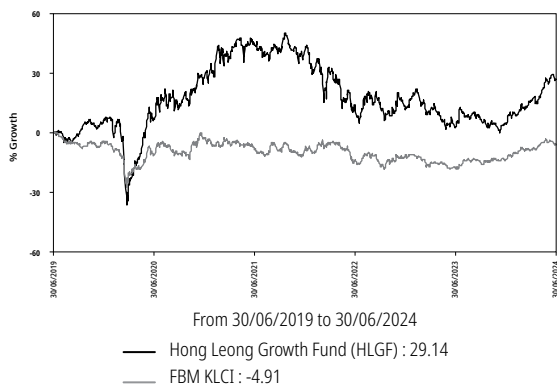
Notes:

* 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.

II. FUND PERFORMANCE

Chart 1: Performance of the Fund versus the benchmark covering the last five financial years



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 Annual Report covers the twelve-month financial year from 1 July 2023 to 30 June 2024.

The Fund posted a return of 23.12% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the FTSE Bursa Malaysia (FBM) KLCI registered a return of 15.50%. During the financial year under review, the Fund had distributed a gross income distribution of 5.0000 sen per unit (net income distribution of 4.8201 sen per unit) and a gross income distribution of 0.0000 sen per unit (net income distribution of 0.1611 sen per unit) to its Unit holders on 17 July 2023 and 14 August 2023. Prior to the income distribution, the cum-distribution Net Asset Value (NAV) per unit of the Fund were RM0.5869 and RM0.5179 while the ex-distribution NAV per unit were RM0.5387 and RM0.5163. Unit holders should note that income distribution has the effect of reducing the NAV per unit of the Fund after distribution.

For the five financial years ended 30 June 2024, the Fund registered a return of 29.14% compared to the benchmark's return of -4.91% while distributing a total gross income of 31.0000 sen per unit (net income of 30.5630 sen per unit).

Table 1: Performance of the Fund for the following periods as at 30 June 2024 (Source: Lipper for Investment Management)

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Launch
HLGF Return (%)	9.30	21.35	23.12	-11.33	29.14	70.64	377.02
Benchmark (%)	3.52	9.31	15.50	3.75	-4.91	-15.54	61.78

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 30 June 2023 to 30 June 2024 (Source: Lipper for Investment Management)

	30-Jun-24	30-Jun-23	Return (%)
NAV Per Unit	RM0.6075	RM0.5392	23.12#
Benchmark	1,590.09	1,376.68	15.50
Vs Benchmark (%)			7.62

Return is calculated after adjusting for income distribution during the financial year under review.

Table 3: Financial Highlights

The Net Asset Value attributable to Unit holders is represented by:

	30-Jun-24 (RM)	30-Jun-23 (RM)	Change (%)
Unit Holders' Capital	120,657,525	117,876,611	2.36
Retained Earnings	52,630,056	32,940,664	59.77
Net Asset Value	173,287,581	150,817,275	14.90
Units in Circulation	285,256,710	279,687,579	1.99

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 years ended 30 June

	Financial Year 2024	Financial Year 2023	Financial Year 2022
Highest NAV Per Unit (RM)	0.6186	0.6374	0.8924
Lowest NAV Per Unit (RM)	0.4789	0.5306	0.6313
Capital Growth (%)	12.67	-15.80	-27.03
Income Distribution (%)	10.45	8.15	5.01
Total Return (%)	23.12	-7.65	-22.02

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 for the financial year ended 30 June 2024

	1 Year	3 Years	5 Years
Average Total Return (%)	23.12	-3.78	5.83

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 for the financial years ended 30 June

Financial Year	2024	2023	2022	2021	2020
Annual Total Return (%)	23.12	-7.65	-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.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation - July 2023 to June 2024

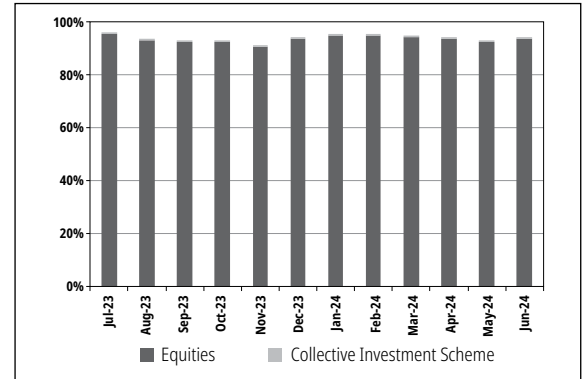


Chart 3: Sector Allocation as at 30 June 2024

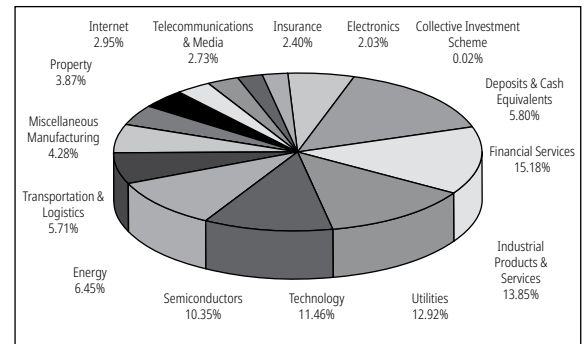
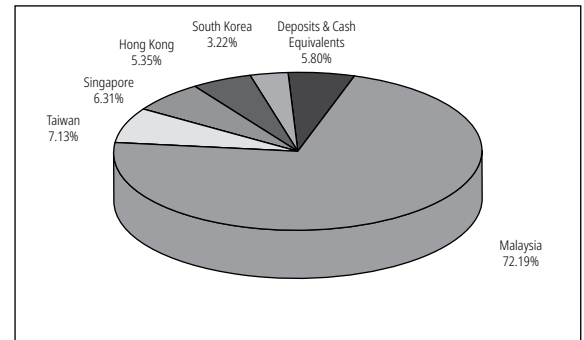


Chart 4: Geographical Allocation as at 30 June 2024



Strategies employed by the Fund during the period under review

During the financial year under review, the Fund's equity portion remains fully invested. The Fund took the opportunity to position into big caps, including utilities, financial services, and transportation stocks on the back of resilient domestic economic activities and attractive valuation. Besides, the Fund reshuffled the overseas exposure to focus on growth stocks (particularly in the semiconductor sector) and few household names that were bashed down by weak sentiment.

An explanation on the differences in portfolio composition

During the financial year under review, there were few notable changes in sector allocation, namely:- (i) Increase in utility: In view of the structural change in energy consumption from the rising demand of data centres and partially due to introduction of National Energy Transition Roadmap (NETR) by the government; (ii) Increase in financial services: A proxy to good Gross Domestic Product (GDP) growth and inflows from foreign investors; and (iii) Decline in technology: Due to unattractive valuation.

Operational review of the Fund

The 1st Supplemental Hong Leong Master Prospectus dated 18 August 2023 was issued during the financial year under review to reflect various changes made to the Fund. Kindly refer to www.hlam.com.my for the full list of changes made to the Fund.

IV. MARKET REVIEW

During the financial year under review, the MSCI AC Asia Pacific ex Japan Index rose 8.7%. The best performing markets were India and Taiwan while the laggards were Hong Kong and China. In the local market, the FBM KLCI rose 13.9%. Small caps outperformed as the FBM Small Cap Index rose 19.1%.

The third quarter of 2023 started strongly. Despite the United States (US) Federal Reserve (Fed) raising the policy rate by another 25 basis points (bps), expectations that the interest hike cycle is nearing the end buoyed investor sentiment. However, the market euphoria was short-lived as bond yields accelerated higher. With the China economy not exactly in the pink of health and the US economy starting to show conspicuous signs of weakening, bonds look increasingly attractive compared to equities.

The final quarter of 2023 started on a tentative note as investors maintained a high cash level in their portfolios in view of the weak economic outlook and heightened geopolitical risk. However, global equity markets rallied strongly in the last two months of the year as statements by the US Fed left very little doubt that the current rate hike cycle is at an end. US indices led the global equity rally as the Dow Jones Industrial Average (DJIA) Index hit an all-time high in December.

In the first quarter of 2024, stronger-than-expected economic data out of US resulted in Fed rate cut expectations being dialled back. The global Artificial Intelligence (AI) optimism helped drive upside in tech and related proxies. The Chinese market saw some optimism during the quarter but lost momentum due to US-China tensions. Japan equities staged a strong resurgence as the country's exit from deflation attracted investors.

The second quarter of 2024 started strongly, even with US Inflation data surprising on the upside. Despite bond yields accelerating higher, AI optimism continue to dominate the market. ASEAN generally underperformed and their currencies too came under pressure as US Dollar (USD) surged. Hong Kong in particular saw weakness as the country reported underwhelming property data.

The Malaysia market outperformed peers in the third quarter of 2023 as investors seek shelter in defensive equity markets during the prevailing risk-off sentiment. The conclusion of the state elections also removed some degree of political uncertainty while the launch of the Madani economy by the Prime Minister also provided a boost to investor sentiment in the local market.

Although the FBM KLCI posted a positive return, it was a quiet fourth quarter for the Malaysia market in comparison to other global peers as investors, particularly foreign investors, appeared to find more urgency to cover their underweight in developed markets before deploying cash in emerging markets.

In the first quarter of 2024, Malaysia started strongly, leading the ASEAN market with AI related names performing well. This was further reinforced by the signing of a memorandum of understanding between Malaysia and Singapore to form the Johor-Singapore special economic zone. While foreign interest was evident, it did not translate into real flows as Malaysia recorded a net foreign outflow during the quarter.

Trading value in Malaysia was elevated in the second quarter of 2024, reaching values not seen since May 2021 during the COVID-19 lockdown. AI continued to drive the markets, spilling over to the construction sector, which is seen to benefit from the data-centre driven boom. The Malaysian index was one of the best performers year-to-date in ASEAN.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

We expect investor sentiment to be cautious leading up to the US presidential elections. There are signs of improving inflationary data towards the end of the second quarter, bringing Fed rate cuts back into the equation. Economic data will be monitored closely for any sustained weakness. With inflation expected to be at benign levels for the year, it is encouraging to know that global central banks will have the flexibility to ease monetary policy to support the economy should the need arises.

We expect the local market to also gain some interest among foreign investors who are looking to have exposure in the emerging market space as the 'risk-on' sentiment prevails. Other external factors that might support interest in the local market includes the expected correction in the USD and the high valuation of the US market.

However, as the economic outlook is still fraught with uncertainty, we expect investors to remain cautious. We opine the best strategy to navigate through this challenging environment is through bottom-up stock picking and remain invested in high quality companies.

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 Unit holders 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 year under review.

VIII. CROSS TRADE TRANSACTIONS

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

STATEMENT BY THE MANAGER

I, Chue Kwok Yan, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 16 to 55 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 30 June 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 30 June 2024 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf of the Manager,
Hong Leong Asset Management Bhd
(Company No.: 199401033034 (318717-M))

CHUE KWOK YAN

Acting Chief Executive Officer/Executive Director

Kuala Lumpur
20 August 2024

TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year ended 30 June 2024 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 year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, the securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. 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

Kuala Lumpur
20 August 2024

Sylvia Beh

Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF HONG LEONG GROWTH FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of Hong Leong Growth Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 June 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 55.

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 "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Review and Report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's 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 intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund 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 approved standards on auditing in Malaysia and 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 statements.

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 statements of the Fund, 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 Fund's 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager 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.

OTHER MATTERS

This report is made solely to the unit holders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
20 August 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 RM	2023 RM
INVESTMENT INCOME/(LOSS)			
Interest income from financial assets measured at amortised cost		190,575	146,304
Dividend income		3,846,479	2,567,012
Net loss on derivatives	8	(3,528,466)	(1,848,002)
Net gain/(loss) on financial assets at fair value through profit or loss ("FVTPL")	9	37,725,304	(9,774,471)
Net foreign currency exchange (loss)/gain		(409,788)	549,358
		<u>37,824,104</u>	<u>(8,359,799)</u>
EXPENDITURE			
Management fee	4	(2,369,538)	(2,516,784)
Trustee's fee	5	(94,782)	(100,671)
Auditors' remuneration		(10,500)	(9,700)
Tax agent's fee		(6,563)	(3,750)
Custodian fees		(21,073)	(15,829)
Transaction costs		(1,277,299)	(1,076,738)
Other expenses		(300,123)	(253,079)
		<u>(4,079,878)</u>	<u>(3,976,551)</u>
PROFIT/(LOSS) BEFORE TAXATION		33,744,226	(12,336,350)
Taxation	6	(136,260)	(42,905)
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>33,607,966</u>	<u>(12,379,255)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		(2,047,230)	(13,592,726)
Unrealised amount		35,655,196	1,213,471
		<u>33,607,966</u>	<u>(12,379,255)</u>
Distributions for the financial year:			
Net distributions	7	13,918,574	14,503,926
Net distributions per unit (sen)	7	4,9812	5.5000
Gross distributions per unit (sen)	7	5.0000	5.5000

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents		11,904,244	8,205,105
Amount due from the Manager			
-creation of units		14,814	6,500
-management fee rebate		13	12
Dividends receivable		360,293	283,489
Financial assets at FVTPL	9	163,228,414	142,765,671
TOTAL ASSETS		<u>175,507,778</u>	<u>151,260,777</u>
LIABILITIES			
Amount due to brokers/dealers		1,392,670	-
Amount due to the Manager			
-cancellation of units		6,841	41,203
-management fee		214,904	188,883
Amount due to the Trustee		8,596	7,555
Derivatives	8	519,705	177,359
Other payables and accruals		18,337	14,852
Tax payable		59,144	13,650
TOTAL LIABILITIES		<u>2,220,197</u>	<u>443,502</u>
NET ASSET VALUE OF THE FUND		<u>173,287,581</u>	<u>150,817,275</u>
EQUITY			
Unit holders' capital		120,657,525	117,876,611
Retained earnings		52,630,056	32,940,664
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>173,287,581</u>	<u>150,817,275</u>
UNITS IN CIRCULATION (UNITS)	10	285,256,710	279,687,579
NET ASSET VALUE PER UNIT (RM)		<u>0.6075</u>	<u>0.5392</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 July 2023		117,876,611	32,940,664	150,817,275
Movement in net asset value:				
Creation of units from applications		2,031,690	-	2,031,690
Creation of units from distributions		13,444,737	-	13,444,737
Cancellation of units		(12,695,513)	-	(12,695,513)
Total comprehensive income for the financial year		-	33,607,966	33,607,966
Distributions for the financial year	7	-	(13,918,574)	(13,918,574)
Balance as at 30 June 2024		<u>120,657,525</u>	<u>52,630,056</u>	<u>173,287,581</u>
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		2,557,867	-	2,557,867
Creation of units from distribution		13,961,364	-	13,961,364
Cancellation of units		(7,600,204)	-	(7,600,204)
Total comprehensive loss for the financial year		-	(12,379,255)	(12,379,255)
Distribution for the financial year	7	-	(14,503,926)	(14,503,926)
Balance as at 30 June 2023		<u>117,876,611</u>	<u>32,940,664</u>	<u>150,817,275</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of financial assets at FVTPL	185,728,207	151,540,672
Purchase of financial assets at FVTPL	(168,296,828)	(154,499,381)
Realised loss on derivatives	(3,186,120)	(1,653,537)
Realised foreign exchange differences arising from operating activities	(334,989)	579,018
Interest income received from financial assets measured at amortised cost	190,575	146,304
Dividend income received	3,518,320	2,154,433
Management fee rebate received	153	6
Management fee paid	(2,343,517)	(2,542,860)
Trustee's fee paid	(93,741)	(101,714)
Payment for other fees and expenses	(146,487)	(125,284)
Tax paid	(90,766)	(39,000)
Net cash generated from/(used in) operating activities	<u>14,944,807</u>	<u>(4,541,343)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	2,023,376	2,567,026
Payments for cancellation of units	(12,729,875)	(7,572,828)
Payments for distributions	(473,837)	(542,562)
Net cash used in financing activities	<u>(11,180,336)</u>	<u>(5,548,364)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,764,471	(10,089,707)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(65,332)	(29,854)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	8,205,105	18,324,666
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>11,904,244</u>	<u>8,205,105</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Growth Fund (“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 Hong Leong Asset Management Bhd (“the Manager”) 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, 28 April 2022, 23 March 2023 and 23 October 2023 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 Deeds.

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, private retirement schemes 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 20 August 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS 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 statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund’s accounting policies. The Manager believes that the underlying assumptions are appropriate and the Fund’s financial statements therefore present the financial position results fairly. Although these estimates and judgement are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(l).

- (i) Amendments to published standard and interpretations that are relevant and effective 1 January 2023.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 July 2023 that have a material effect on the financial statements of the Fund.

- (ii) New standards, amendment and interpretations effective after 1 January 2023 and have not been early adopted.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023. None of these are expected to have a material effect on the financial statements of the Fund, except the following set out below:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting period beginning on or after 1 July 2024.

The amendment shall be applied retrospectively.

(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, amounts 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 amount due to brokers/dealers, amounts due to the Manager, amount due to the Trustee 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 year 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.

Unquoted collective investment scheme is valued at the last published net asset value per unit at the date of the statement of financial position.

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 year.

(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 judgement 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 year 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, exchange traded funds and collective investment scheme 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 and unquoted collective investment scheme are 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 year. Withholding taxes 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 year 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 derivative comprises unquoted forward currency contract. 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 statement 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 the hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2(b).

(l) Critical accounting estimates and judgements 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 Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements 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 judgement to be exercised.

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the prospectus.

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
2024			
<u>Financial assets</u>			
Cash and cash equivalents	-	11,904,244	11,904,244
Amount due from the Manager			
-creation of units	-	14,814	14,814
-management fee rebate	-	13	13
Dividends receivable	-	360,293	360,293
Financial assets at FVTPL (Note 9)	163,228,414	-	163,228,414
	<u>163,228,414</u>	<u>12,279,364</u>	<u>175,507,778</u>

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<u>Financial liabilities</u>			
Amount due to brokers/dealers	-	1,392,670	1,392,670
Amount due to the Manager			
-cancellation of units	-	6,841	6,841
-management fee	-	214,904	214,904
Amount due to the Trustee	-	8,596	8,596
Derivatives (Note 8)	519,705	-	519,705
Other payables and accruals	-	18,337	18,337
	<u>519,705</u>	<u>1,641,348</u>	<u>2,161,053</u>

2023

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<u>Financial assets</u>			
Cash and cash equivalents	-	8,205,105	8,205,105
Amount due from the Manager			
-creation of units	-	6,500	6,500
-management fee rebate	-	12	12
Dividends receivable	-	283,489	283,489
Financial assets at FVTPL (Note 9)	142,765,671	-	142,765,671
	<u>142,765,671</u>	<u>8,495,106</u>	<u>151,260,777</u>

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	41,203	41,203
-management fee	-	188,883	188,883
Amount due to the Trustee	-	7,555	7,555
Derivatives (Note 8)	177,359	-	177,359
Other payables and accruals	-	14,852	14,852
	<u>177,359</u>	<u>252,493</u>	<u>429,852</u>

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

(a) Market risk

(i) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The price risk is managed through diversification and selection of securities and other financial instruments within specified limits according to the Deeds.

The Fund's overall exposure to price risk is as follows:

	2024 RM	2023 RM
Financial assets at FVTPL:		
- Quoted equity securities - local	125,055,750	109,817,668
- Quoted equity securities - foreign	38,140,311	32,917,792
- Unquoted collective investment scheme	32,353	30,211
	163,228,414	142,765,671
Derivatives	(519,705)	(177,359)
	162,708,709	142,588,312

The table below summarises the sensitivity of the Fund's net asset value and profit/(loss) after taxation to movements in prices of local quoted equity securities, foreign quoted equity securities, unquoted collective investment scheme and derivatives at the end of each reporting year. The analysis is based on the assumptions that the market price of the local quoted equity securities, foreign quoted equity securities, unquoted collective investment scheme and derivatives fluctuated by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the local quoted equity securities, foreign quoted equity securities, unquoted collective investment scheme and derivatives having regard to the historical volatility of the prices.

% Change in price of financial assets at FVTPL	Market value RM	Impact on profit/(loss) after taxation/ net asset value RM
2024		
-5%	154,573,274	(8,135,435)
0%	162,708,709	-
5%	170,844,144	8,135,435
2023		
-5%	135,458,896	(7,129,416)
0%	142,588,312	-
5%	149,717,728	7,129,416

(ii) Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments and its return will fluctuate because of changes in market interest rates.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. The Fund's exposure to the interest rate risk is mainly confined to short term placements with licensed financial institutions. The Manager overcomes the exposure by way of maintaining deposits on a short term basis.

As at end of each reporting year, the Fund does not hold any deposits and is not exposed to a material level of interest rate risk.

(iii) Currency risk

The Fund's foreign currency risk concentrations are as follows:

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Malaysian Ringgit appreciates against the currencies in which the financial assets are denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. Investors should also note any gains or losses arising from the movement of foreign currencies against its functional currency may therefore increase/decrease the capital gains of the investment denominated in foreign currencies. Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it is deemed necessary.

	Cash and cash equivalents RM	Amount due to brokers/dealers RM	Derivatives RM	Dividends receivable RM	Financial assets at FVTPL RM	Total RM
2024						
HKD	86,288	-	5,783	117,441	9,269,865	9,479,377
KRW	-	(1,392,670)	-	-	5,582,750	4,190,080
SGD	221,832	-	(783)	-	10,936,034	11,157,083
TWD	-	-	(514,339)	35,352	12,351,662	11,872,675
USD	3,396,527	-	(10,366)	-	-	3,386,161
2023						
AUD	-	-	62,872	-	9,187,033	9,249,905
HKD	-	-	(48,084)	49,529	5,268,725	5,270,170
IDR	-	-	-	-	11,262,160	11,262,160
TWD	-	-	(121,086)	-	7,199,874	7,078,788
USD	4,411,270	-	(71,061)	-	-	4,340,209

The table below summarises the sensitivity of the Fund's profit/(loss) after taxation and net asset value denominated in foreign currency to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit/(loss) after taxation/net asset value	
		2024 RM	2023 RM
AUD	5	-	225,587
HKD	5	224,043	120,907
IDR	5	-	563,108
KRW	5	209,504	-
SGD	5	285,488	-
TWD	5	194,779	180,863
USD	5	(275,462)	(41,634)

(b) Credit risk

Credit risk refers to the risk that an issuer or counterparty will default on its contractual obligation resulting in financial loss to the Fund.

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission Malaysia's Guidelines on Unit Trust Funds.

The credit/default risk is minimal as all transactions in quoted investments are settled/paid upon delivery using approved brokers/dealers.

The following table sets out the credit risk concentration of the Fund at the end of each reporting year:

	Cash and cash equivalents RM	Amount due from the Manager -			Dividends receivable RM	Total RM
		creation of units RM	management fee rebate RM			
2024						
- AAA	7,850,081	-	-	-	7,850,081	
- AA1	4,054,163	-	-	-	4,054,163	
- NR	-	14,814	13	360,293	375,120	
Total	11,904,244	14,814	13	360,293	12,279,364	
2023						
- AAA	3,770,047	-	-	-	3,770,047	
- AA1	4,435,058	-	-	-	4,435,058	
- NR	-	6,500	12	283,489	290,001	
Total	8,205,105	6,500	12	283,489	8,495,106	

All financial assets of the Fund are neither past due nor impaired.

(c) Liquidity risk

Liquidity risk is the risk that investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower net asset value of the Fund.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise cash at banks, deposits with licensed financial institutions and other instruments.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the end of each reporting year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	1 month to 1 year RM	Total RM
2024			
<u>Financial liabilities</u>			
Amount due to brokers/dealers	1,392,670	-	1,392,670
Amount due to the Manager			
-cancellation of units	6,841	-	6,841
-management fee	214,904	-	214,904
Amount due to the Trustee	8,596	-	8,596
Derivatives	519,705	-	519,705
Other payables and accruals	-	18,337	18,337
Contractual cash out flows	2,142,716	18,337	2,161,053
2023			
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	41,203	-	41,203
-management fee	188,883	-	188,883
Amount due to the Trustee	7,555	-	7,555
Derivatives	177,359	-	177,359
Other payables and accruals	-	14,852	14,852
Contractual cash out flows	415,000	14,852	429,852

(d) Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders' and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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 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 year 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 year. 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 judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement 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
2024				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities - local	125,055,750	-	-	125,055,750
- Quoted equity securities - foreign	38,140,311	-	-	38,140,311
- Unquoted collective investment scheme	-	32,353	-	32,353
	163,196,061	32,353	-	163,228,414
<u>Financial liabilities:</u>				
- Derivatives	-	519,705	-	519,705
2023				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities - local	109,817,668	-	-	109,817,668
- Quoted equity securities - foreign	32,917,792	-	-	32,917,792
- Unquoted collective investment scheme	-	30,211	-	30,211
	142,735,460	30,211	-	142,765,671
<u>Financial liabilities:</u>				
- Derivatives	-	177,359	-	177,359

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 and collective investment scheme. 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 these financial 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 AND MANAGEMENT FEE REBATE

In accordance with Division 13.1 of the Deeds, 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 year ended 30 June 2024, the management fee is recognised at a rate of 1.50% (2023: 1.50%) per annum.

Management fee rebate relates to the rebate received from the Manager for investing in Hong Leong Global Shariah ESG Fund. The rate of rebate was 0.50% (2023: 0.50%) per annum calculated on the net asset value of Hong Leong Global Shariah ESG Fund on a daily basis.

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 Deeds, 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 year ended 30 June 2024, the Trustee's fee is recognised at a rate of 0.06% (2023: 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

	2024 RM	2023 RM
Tax charge for the financial year:		
Current taxation	136,260	52,651
Over provision of tax in prior year	-	(9,746)
	<u>136,260</u>	<u>42,905</u>

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

	2024 RM	2023 RM
Profit/(loss) before taxation	33,744,226	(12,336,350)
Taxation at Malaysian statutory rate of 24% (2023: 24%)	8,098,614	(2,960,724)
Tax effects of:		
(Investment income not subject to tax)/ investment loss disallowed from tax	(8,765,540)	2,270,648
Expenses not deductible for tax purposes	266,389	176,983
Restriction on tax deductible expenses for unit trust fund	536,797	565,744
Over provision of tax in prior year	-	(9,746)
Taxation	<u>136,260</u>	<u>42,905</u>

7. DISTRIBUTIONS

Distributions to unit holders are from the following sources:

	2024 RM	2023 RM
Prior financial years' realised income	13,918,574	14,503,926
Net distributions amount	<u>13,918,574</u>	<u>14,503,926</u>

Date of Declaration

17 July 2023 / 18 July 2022

Net distribution per unit (sen)	4.8201	5.5000
Gross distribution per unit (sen)	<u>5.0000</u>	<u>5.5000</u>

14 August 2023

Net distribution per unit (sen)	0.1611	-
Gross distribution per unit (sen)	<u>-</u>	<u>-</u>

The composition of distribution payments sourced from income and capital are disclosed in below:

	Income RM	%	Capital RM	%
2024	13,918,574	100.00	-	-
2023	<u>14,503,926</u>	100.00	-	-

Net distributions above are sourced from prior financial years' realised income. Gross distributions are 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.

8. DERIVATIVES

Derivatives comprises forward currency contracts. The negative fair value represents the unrealised loss 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 fair value at the end of each reporting date is analysed below:

	2024 RM	2023 RM
<u>Derivative liabilities:</u>		
Forward currency contracts	519,705	177,359
<u>Net loss on derivatives:</u>		
Realised loss on disposals	(3,186,120)	(1,653,537)
Changes in unrealised fair values	(342,346)	(194,465)
	(3,528,466)	(1,848,002)

	Maturity date	Contract or underlying principal amounts	*Fair value RM
2024			
Hong Kong Dollar	within 1 month	8,262,000	5,783
New Taiwan Dollar	within 1 month	1,577,118#	(514,339)
Singapore Dollar	within 1 month	1,566,000	(783)
United States Dollar	within 1 month	1,889,118	(10,366)
			(519,705)
2023			
Australian Dollar	within 1 month	1,515,000	62,872
Hong Kong Dollar	within 1 month	4,857,000	(48,084)
New Taiwan Dollar	within 1 month	743,727#	(121,086)
United States Dollar	within 1 month	1,122,727	(71,061)
			(177,359)

This is the equivalent US Dollar amount used to hedge TWD54,726,000 (2023: TWD23,948,000).

* 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 %
2024				
Hong Leong Bank Berhad	5,783	(520,805)	(515,022)	0.30
Hong Leong Investment Bank Berhad	-	(4,683)	(4,683)	-
	5,783	(525,488)	(519,705)	0.30
2023				
Hong Leong Bank Berhad	-	(218,628)	(218,628)	0.14
Hong Leong Investment Bank Berhad	62,872	(21,603)	41,269	0.03
	62,872	(240,231)	(177,359)	0.17

As the Fund does not adopt hedge accounting during the financial year, 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")

	2024 RM	2023 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities - local	125,055,750	109,817,668
Quoted equity securities - foreign	38,140,311	32,917,792
Unquoted collective investment scheme	32,353	30,211
	163,228,414	142,765,671
<u>Net gain/(loss) on financial assets at FVTPL:</u>		
Realised gain/(loss) on disposals	1,652,809	(11,212,085)
Changes in unrealised fair values	36,072,341	1,437,596
Management fee rebate (Note 5)	154	18
	37,725,304	(9,774,471)

Financial assets at FVTPL as at 30 June 2024 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>Energy</u>				
Bumi Armada Berhad	11,000,000	5,868,670	6,160,000	3.56
Uzma Berhad	4,400,000	5,148,000	5,016,000	2.89
	15,400,000	11,016,670	11,176,000	6.45
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	1,850,000	6,291,323	7,011,500	4.05
AMMB Holdings Berhad	1,250,000	5,234,630	5,362,500	3.09
CIMB Group Holdings Berhad	1,500,000	9,337,700	10,200,000	5.89
Syarikat Takaful Malaysia Keluarga Berhad	1,000,000	3,702,495	3,730,000	2.15
	5,600,000	24,566,148	26,304,000	15.18
<u>Industrial Products & Services</u>				
Ancom Nylex Berhad	5,000,000	5,190,800	5,450,000	3.14
Cape EMS Berhad	6,000,000	5,485,344	5,610,000	3.24
SAM Engineering & Equipment (M) Berhad	1,150,000	5,660,580	7,072,500	4.08
Sunway Berhad	1,625,000	3,115,550	5,866,250	3.39
	13,775,000	19,452,274	23,998,750	13.85
<u>Property</u>				
Sime Darby Property Berhad	5,000,000	4,667,500	6,700,000	3.87
<u>Technology</u>				
Genetec Technology Berhad*	2,000,000	4,177,879	4,480,000	2.58
Malaysian Pacific Industries Bhd	250,000	6,181,794	9,855,000	5.69
Pentamaster Corporation Berhad	1,100,000	3,326,855	5,522,000	3.19
	3,350,000	13,686,528	19,857,000	11.46
<u>Telecommunications & Media</u>				
Telekom Malaysia Berhad	700,000	3,924,486	4,732,000	2.73
<u>Transportation & Logistics</u>				
Malaysia Airports Holdings Berhad	1,000,000	7,348,026	9,900,000	5.71
<u>Utilities</u>				
Tenaga Nasional Berhad	1,100,000	10,979,043	15,158,000	8.75
YTL Power International Berhad	1,500,000	2,224,579	7,230,000	4.17
	2,600,000	13,203,622	22,388,000	12.92
TOTAL QUOTED EQUITY SECURITIES - LOCAL	47,425,000	97,865,254	125,055,750	72.17

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES - FOREIGN				
Hong Kong				
<u>Insurance</u>				
AIA Group Limited^	130,000	4,916,696	4,160,871	2.40
<u>Internet</u>				
Alibaba Group Holding Limited^	120,000	5,637,698	5,108,994	2.95
Total Hong Kong	250,000	10,554,394	9,269,865	5.35
Korea				
<u>Semiconductors</u>				
Samsung Electronics Co Ltd	20,000	5,498,161	5,582,750	3.22
Total Korea	20,000	5,498,161	5,582,750	3.22
Singapore				
<u>Electronics</u>				
AEM Holdings Limited	560,550	5,977,333	3,510,781	2.03
<u>Miscellaneous Manufacturing</u>				
Riverstone Holdings Limited	2,200,000	6,264,146	7,425,253	4.28
Total Singapore	2,760,550	12,241,479	10,936,034	6.31
Taiwan				
<u>Semiconductors</u>				
Taiwan Semiconductor Manufacturing Company Limited	88,000	7,724,729	12,351,662	7.13
Total Taiwan	88,000	7,724,729	12,351,662	7.13
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	3,118,550	36,018,763	38,140,311	22.01
UNQUOTED COLLECTIVE INVESTMENT SCHEME				
Hong Leong Global Shariah ESG Fund				
	30,054	30,000	32,353	0.02
TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEME	30,054	30,000	32,353	0.02
TOTAL INVESTMENTS	50,573,604	133,914,017	163,228,414	94.20
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL				
			29,314,397	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL				
		163,228,414		

Financial assets at FVTPL as at 30 June 2023 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>				
DXN Holdings Bhd	6,870,000	4,809,000	5,015,100	3.33
Guan Chong Berhad	855,000	2,736,269	1,975,050	1.31
	7,725,000	7,545,269	6,990,150	4.64
<u>Energy</u>				
Velesto Energy Berhad	34,000,000	6,996,400	7,480,000	4.96
<u>Health Care</u>				
Supermax Corporation Berhad	3,400,000	3,398,300	2,720,000	1.80
Top Glove Corporation Bhd	6,900,000	7,014,510	5,589,000	3.71
	10,300,000	10,412,810	8,309,000	5.51
<u>Industrial Products & Services</u>				
Dufu Technology Corp. Berhad	2,991,300	7,010,346	5,683,470	3.77
Kobay Technology Bhd	2,359,000	9,979,521	4,482,100	2.97
SAM Engineering & Equipment (M) Berhad	1,150,000	5,660,580	5,278,500	3.50
	6,500,300	22,650,447	15,444,070	10.24
<u>Technology</u>				
D & O Green Technologies Berhad	1,979,000	1,486,396	7,282,720	4.83
Frontken Corporation Berhad	2,860,000	10,080,418	9,009,000	5.97
Inari Amertron Berhad	2,900,000	7,625,980	7,946,000	5.27
Malaysian Pacific Industries Bhd	300,400	7,428,044	8,357,128	5.54
Pentamaster Corporation Berhad	1,750,000	5,292,724	8,610,000	5.71
UWC Berhad	2,700,000	11,590,670	8,046,000	5.33
	12,489,400	43,504,232	49,250,848	32.65
<u>ACE Market</u>				
<u>Industrial Products & Services</u>				
Coraza Integrated Technology Berhad	7,400,000	6,166,010	5,550,000	3.68
<u>Technology</u>				
ECA Integrated Solution Berhad	9,830,000	8,631,982	8,650,400	5.74
Genetec Technology Berhad	3,510,000	7,253,385	8,143,200	5.40
	13,340,000	15,885,367	16,793,600	11.14
TOTAL QUOTED EQUITY SECURITIES - LOCAL	91,754,700	113,160,535	109,817,668	72.82
QUOTED EQUITY SECURITIES				
- FOREIGN				
Australia				
<u>Beverages</u>				
Treasury Wine Estates Limited	263,616	11,326,702	9,187,033	6.09
Total Australia	263,616	11,326,702	9,187,033	6.09
Hong Kong				
<u>Real Estate</u>				
Onowo Inc.^	350,000	10,503,704	5,268,725	3.49
Total Hong Kong	350,000	10,503,704	5,268,725	3.49

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Indonesia				
<u>Financial</u>				
PT Bank Mandiri (Persero) Tbk	7,000,000	8,423,912	11,262,160	7.47
Total Indonesia	7,000,000	8,423,912	11,262,160	7.47
Taiwan				
<u>Home Furnishings</u>				
Lite-On Technology Corporation	465,000	6,078,762	7,199,874	4.77
Total Taiwan	465,000	6,078,762	7,199,874	4.77
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	8,078,616	36,333,080	32,917,792	21.82
UNQUOTED COLLECTIVE INVESTMENT SCHEME				
<u>Hong Leong Global Shariah ESG Fund</u>				
	30,054	30,000	30,211	0.02
TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEME	30,054	30,000	30,211	0.02
TOTAL INVESTMENTS	99,863,370	149,523,615	142,765,671	94.66
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL				
		(6,757,944)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL				
		142,765,671		

* Genetec Technology Berhad had transfer of listing from ACE market to main market of Bursa Malaysia Securities Berhad on 27 October 2023.

^ 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

	2024 No. of units	2023 No. of units
At the beginning of the financial year	279,687,579	263,576,839
Add: Creation of units during the financial year		
- Arising from applications	3,758,818	4,276,796
- Arising from distributions	25,256,636	24,701,632
Less: Cancellation of units during the financial year	(23,446,323)	(12,867,688)
At the end of the financial year	285,256,710	279,687,579

11. TOTAL EXPENSE RATIO (“TER”)

	2024 %	2023 %
TER	1.65	1.63

Total expense ratio includes management fee, Trustee’s fee, auditors’ remuneration, tax agent’s fee, custodian fees and other expenses for the financial year 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 withholding tax and Sales and Service Tax (“SST”) on transaction costs
- G = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM158,005,588 (2023: RM167,802,791).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024 Times	2023 Times
PTR	1.12	0.94

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial year} + \text{total disposals for the financial year})}{2}$$

Average net asset value of the Fund for the financial year calculated on a daily basis

Where;

total acquisitions for the financial year
= RM169,086,526 (2023: RM153,981,375)

total disposals for the financial year
= RM184,758,874 (2023: RM162,711,667)

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 30 June 2024 and 30 June 2023.

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.

	2024 RM	2023 RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	7,850,081	3,770,047
Derivatives:		
- Hong Leong Bank Berhad	(515,022)	(218,628)
- Hong Leong Investment Bank Berhad	(4,683)	41,269
	<u>7,330,376</u>	<u>3,592,688</u>
<u>Related party transactions</u>		
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	186,102	140,191
Purchase of quoted equity securities:		
- Hong Leong Investment Bank Berhad	61,212,616	42,740,388
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	55,009,729	46,891,360
Purchase of unquoted collective investment scheme:		
- Hong Leong Asset Management Bhd	-	30,000

14. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2024				
Hong Leong Investment Bank Berhad*	116,222,345	32.70	289,363	31.68
Maybank Investment Bank Berhad	42,494,994	11.96	106,221	11.63
Public Investment Bank Berhad	37,480,251	10.55	96,618	10.58
CL Securities Taiwan Company Limited	29,662,956	8.35	74,251	8.13
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	25,608,060	7.20	60,030	6.57
Affin Hwang Investment Bank Berhad	17,124,432	4.82	36,049	3.94
JPMorgan Securities (Malaysia) Sdn Bhd	13,557,699	3.81	34,008	3.72

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2023				
Nomura Securities Malaysia Sdn Bhd	12,174,829	3.42	30,426	3.33
CLSA Securities Malaysia Sdn Bhd	12,070,492	3.40	30,257	3.31
RHB Investment Bank Berhad	10,317,940	2.90	25,822	2.83
Others	38,694,559	10.89	130,422	14.28
	<u>355,408,557</u>	<u>100.00</u>	<u>913,467</u>	<u>100.00</u>
2023				
Hong Leong Investment Bank Berhad*	89,631,748	29.35	224,164	28.75
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	58,331,066	19.10	179,188	22.99
Maybank Investment Bank Berhad	29,684,036	9.72	74,197	9.52
CLSA Securities Malaysia Sdn Bhd	18,509,955	6.06	46,386	5.95
Credit Suisse (Hong Kong) Limited	16,538,382	5.42	35,784	4.59
CL Securities Taiwan Company Limited	15,528,700	5.08	38,810	4.98
Shenwan Hongyuan Securities (H.K.) Limited	13,138,931	4.30	26,225	3.36
Credit Suisse Securities (M) Sdn Bhd	12,170,143	3.98	30,502	3.91
Affin Hwang Investment Bank Berhad	11,686,677	3.83	23,463	3.01
Nomura Securities Malaysia Sdn Bhd	10,877,297	3.56	27,104	3.48
Others	29,313,296	9.60	73,750	9.46
	<u>305,410,231</u>	<u>100.00</u>	<u>779,573</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.

15. SUBSEQUENT EVENT

The Manager proposed for the payment of a net distribution of RM11,348,753 at 4.000 sen (gross and net) per unit in respect of the month of July 2024, which has been approved by the Board of Directors of the Manager. The distribution will be accrued for in the assets attributable to unit holders as an appropriation of the retained earnings for the financial year ending 30 June 2025.

Performance Data

for the Financial Years Ended 30 June

		Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
A. (i) Portfolio Compositions:				
Beverages		-	6.09	-
Consumer Products & Services		-	4.64	10.03
Electric		-	-	3.63
Electronics		2.03	-	3.90
Energy		6.45	4.96	-
Financial		-	7.47	-
Financial Services		15.18	-	8.71
Health Care		-	5.51	7.29
Home Furnishing		-	4.77	-
Industrial Products & Services		13.85	13.92	17.71
Insurance		2.40	-	-
Internet		2.95	-	-
Miscellaneous Manufacturing		4.28	-	-
Property		3.87	-	-
Real Estate		-	3.49	-
Semiconductors		10.35	-	-
Technology		11.46	43.79	35.63
Telecommunication & Media		2.73	-	-
Transportation & Logistics		5.71	-	1.92
Utilities		12.92	-	-
Collective Investment Scheme		0.02	0.02	-
Deposits and Cash Equivalents		5.80	5.34	11.18
Country:				
Australia		-	6.09	-
Hong Kong		5.35	3.49	7.53
Indonesia		-	7.47	8.71
Malaysia		72.19	72.84	72.58
Singapore		6.31	-	-
South Korea		3.22	-	-
Taiwan		7.13	4.77	-
Deposits and Cash Equivalents		5.80	5.34	11.18
(ii) Total Net Asset Value	(ex-distribution)	RM173,287,581	RM150,817,275	RM168,781,429
(iii) Net Asset Value Per Unit	(ex-distribution)	RM0.6075	RM0.5392	RM0.6404
Units in Circulation	(ex-distribution)	285,256,710	279,687,579	263,576,839
(iv) Highest /Lowest NAV Per Unit	Highest NAV Per Unit	RM0.6186	RM0.6374	RM0.8924
(ex-distribution)	Lowest NAV Per Unit	RM0.4789	RM0.5306	RM0.6313
(v) Total Return of the Fund*		23.12%	-7.65%	-22.02%
- Capital Growth		12.67%	-15.80%	-27.03%
- Income Distribution		10.45%	8.15%	5.01%
(vi) The distribution (gross) is made out of:-				
- The Fund's Capital		0.0000 sen/unit	5.5000 sen/unit	5.0000 sen/unit
- The Fund's Income		5.0000 sen/unit	0.0000 sen/unit	0.0000 sen/unit
- Total Distribution Amount		5.0000 sen/unit	5.5000 sen/unit	5.5000 sen/unit
- The Fund's Capital (% of Total Distribution Amount)		0%	100%	100%
- The Fund's Income (% of Total Distribution Amount)		100%	0%	0%

Performance Data

for the Financial Years Ended 30 June

		Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
(vii) Distribution Per Unit	Additional Units	–	–	–
	Distributions (Gross)	5.0000 sen/unit	5.5000 sen/unit	5.5000 sen/unit
	Distributions (Net)	4.8201 sen/unit	5.5000 sen/unit	5.2651 sen/unit
	Distribution Date	17/07/2023	18/07/2022	26/07/2021
	Cum-Distribution NAV/Unit	RM0.5869	RM0.6231	RM0.8534
	Ex-Distribution NAV/Unit	RM0.5387	RM0.5681	RM0.8008
	Additional Units	–	–	–
	Distributions (Gross)	0.0000 sen/unit	–	–
	Distributions (Net)	0.1611 sen/unit	–	–
	Distribution Date	14/08/2023	–	–
Cum-Distribution NAV/Unit	RM0.5179	–	–	
Ex-Distribution NAV/Unit	RM0.5163	–	–	
(viii) Total Expense Ratio (TER)		1.65%	1.63%	1.62%
(ix) Portfolio Turnover Ratio (PTR) (times)		1.12#	0.94	0.98
B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 30/06/2024)*				
(i) One year		23.12%		
(ii) Three years		-3.78%		
(iii) Five years		5.83%		

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

The PTR increased by 0.18 times (19.15%) to 1.12 times for the financial year ended 30 June 2024 versus 0.94 times for the financial year ended 30 June 2023 mainly due to higher level of rebalancing activities undertaken by the Fund.

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

Level 18, Block B, Plaza Zurich
No. 12, Jalan Gelenggang
Bukit Damansara
50490 Kuala Lumpur

Board of Directors

Ms. Lee Jim Leng
Mr. Chue Kwok Yan
YBhg Dato' Abdul Majit bin Ahmad Khan
YM Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin

Executive Director / Acting Chief Executive Officer

Mr. Chue Kwok Yan

Trustee

Deutsche Trustees Malaysia Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Distributors

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

Corporate Directory

Head Office

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