

Hong Leong Growth Fund

Semi-Annual Report
Financial Period Ended 31 December 2024

2024
Unaudited



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.

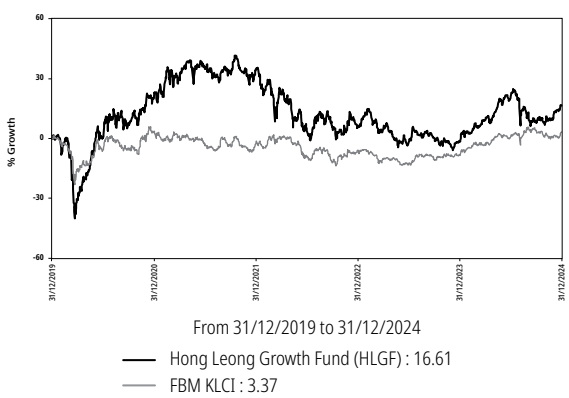
Notes:

* 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-year financial periods



Source: Lipper, 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 2024 to 31 December 2024.

The Fund posted a return of -2.47% (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 (FBM) KLCI registered a return of 3.29%. During the financial period under review, the Fund had distributed a gross income distribution of 4.0000 sen per unit (net income distribution of 4.0000 sen per unit) to its Unit holders on 18 July 2024. Prior to the income distribution, the cum-distribution Net Asset Value (NAV) per unit of the Fund was RM0.6268 while the ex-distribution NAV per unit was RM0.5868. Unit holders should note that income distribution has the effect of reducing the NAV per unit of the Fund after distribution.

For the five-year financial periods ended 31 December 2024, the Fund has registered a return of 16.61% compared to the benchmark's return of 3.37% while distributing a total gross income of 35.0000 sen per unit (net income of 34.5630 sen per unit).

Table 1: Performance of the Fund for the following periods as at 31 December 2024 (Source: Lipper)

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Launch
HLGF Return (%)	8.13	-2.47	18.36	-13.70	16.61	69.01	365.25
Benchmark (%)	-0.40	3.29	12.90	4.77	3.37	-6.75	67.10

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 30 June 2024 to 31 December 2024 (Source: Lipper)

	31-Dec-24	30-Jun-24	Return (%)
NAV Per Unit	RM0.5547	RM0.6075	-2.47#
Benchmark	1,642.33	1,590.09	3.29
vs Benchmark (%)	-	-	-5.76

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

Table 3: Financial Highlights

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

	31-Dec-24 (RM)	30-Jun-24 (RM)	Change (%)
Unit Holders' Capital	124,007,491	120,657,525	2.78
Retained Earnings	36,893,739	52,630,056	(29.90)
Net Asset Value	160,901,230	173,287,581	(7.15)
Units in Circulation	290,093,253	285,256,710	1.70

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 ended 31 December and financial years ended 30 June

	Financial Period 2024	Financial Year 2024	Financial Year 2023	Financial Year 2022
Highest NAV Per Unit (RM)	0.6345	0.6186	0.6374	0.8924
Lowest NAV Per Unit (RM)	0.5051	0.4789	0.5306	0.6313
Capital Growth (%)	-8.69	12.67	-15.80	-27.03
Income Distribution (%)	6.22	10.45	8.15	5.01
Total Return (%)	-2.47	23.12	-7.65	-22.02

Source: Lipper, 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 period ended 31 December 2024

	1 Year	3 Years	5 Years
Average Total Return (%)	18.36	-4.57	3.32

Source: Lipper, 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, 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 2024 to December 2024

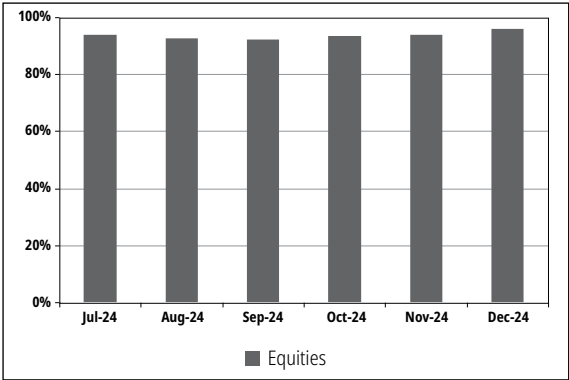


Chart 3: Sector Allocation as at 31 December 2024

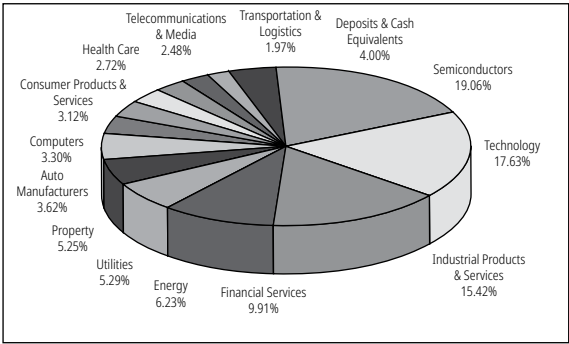
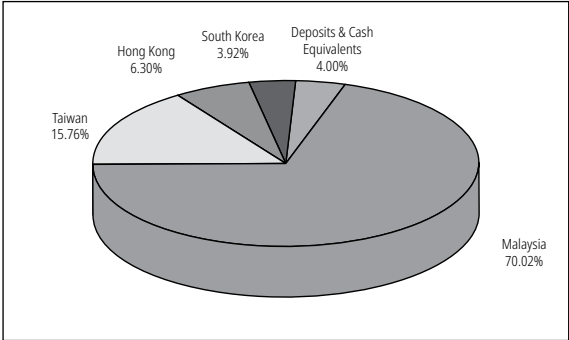


Chart 4: Geographical Allocation as at 31 December 2024



Strategies employed by the Fund during the period under review

During the financial period under review, the Fund's equity portion remains fully invested. The Fund took some profit from the financial services and utility sectors following the strong share price performances and took the opportunity to increase exposure to those stocks (both locally and regionally) which might present better risk-reward ratios.

An explanation on the differences in portfolio composition

During the financial period under review, there were few notable changes in sector allocation, namely: (i) Increase in technology: For potential re-rating due to earnings recovery; (ii) Increase in semiconductor: Due to strong earnings growth potential; and (iii) Increase in consumer: A proxy of resilient domestic consumption.

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 Unit holders up to the date of this Manager's report.

IV. MARKET REVIEW

During the financial period under review, the MSCI AC Asia Pacific ex Japan Index rose 1.08%. The best performing markets were Hong Kong, China and Singapore while the biggest laggard was Korea. In the local market, the FBM KLCI rose 3.29%. Small caps underperformed as the FBM Small Cap Index declined 6.87%.

The third quarter of 2024 saw optimism in the market, as there was high conviction that the Federal Reserve (Fed) would cut rates in September. However, in the first week of August, markets corrected sharply triggered by a Japanese Yen (JPY) carry trade unwind and fears of a United States (US) recession. While markets quickly rebounded in the following weeks, tech stocks were well below the pre-August levels as investors re-assessed the outlook of Artificial Intelligence (AI) Capital Expenditure (CapEx) monetisation.

The fourth quarter of 2024 saw China reversing some of the gains achieved in late September. Initial optimism on a large stimulus saw some disappointment on lack of details given in its policy commentary. The most significant event in the quarter was a Trump election win, which the US market took positively but Asian markets retreated on fears of policies that would be taken by the incoming president.

The third quarter started strongly for the Malaysian market as the construction sector remained in favour due to the Data Centre (DC) driven jobs. August saw global markets correct sharply due to the JPY carry trade unwind, and Malaysia was not spared. The markets broadly rebounded over the month with financials leading as better-than-expected Gross Domestic Product (GDP) data saw fund flows into banks.

The fourth quarter saw the federal budget being announced in Malaysia, which was broadly in line with market expectations. The budget appears to show fiscal restraint, but without any so-called 'big bang' budgetary reforms. November saw the local market initially reacting negatively to the result of the US general election, but quickly turned positive especially some export related stocks.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

We expect investor sentiment to be cautious as the market anticipates policy decisions that will be taken by the new US president. It appears that given the strong economic data in the last quarter of 2024, we could see less Fed rate cuts in the coming year, as compared to initially expected. Over in China, it appears that long awaited stimulus measures by the government have started to take place, although it remains unclear whether it will be enough to kickstart the Chinese economy again. With inflation expected to be at manageable levels, 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 remain resilient given the diversified nature of the economy and a degree of political stability. Themes such as the AI and DC driven CapEx investments appear at risk now given protectionist policies announced by the former US President Biden. However, other prevailing themes such as the Johor-Singapore Special Economic Zone (JS-SEZ) continue to put the spotlight on Malaysia. Successful implementation of fiscal reforms such as the subsidy rationalisation scheme could bode well for the market in the medium to long term.

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 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, Chue Kwok Yan, 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 11 to 44 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 2024 and of its financial performance, changes in equity and cash flows for the financial period ended 31 December 2024 in accordance with the Malaysian Financial Reporting Standard 134 “Interim Financial Reporting” and International Accounting Standard 34 “Interim Financial Reporting”.

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

CHUE KWOK YAN
Chief Executive Officer/Executive Director

Kuala Lumpur
20 February 2025

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 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 period covered by these financial statements in accordance with the following:

- 1. Limitations imposed on the investment powers of the management company under the deed, 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

Ng Hon Leong
Head, Fund Operations

Kuala Lumpur
20 February 2025

Sylvia Beh
Chief Executive Officer

CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2024

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Interest income from financial assets measured at amortised cost		69,893	97,495
Dividend income		1,320,507	1,272,342
Net loss on derivatives	9	(2,777,610)	(1,309,500)
Net (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")	8	(1,052,026)	4,822,146
Net foreign currency exchange loss		(109,443)	(349,495)
		<u>(2,548,679)</u>	<u>4,532,988</u>
EXPENDITURE			
Management fee	4	(1,206,465)	(1,154,974)
Trustee's fee	5	(48,259)	(46,199)
Auditors' remuneration		(4,897)	(5,109)
Tax agent's fee		(1,512)	(1,509)
Custodian fees		(13,338)	(10,515)
Transaction costs		(502,744)	(718,461)
Other expenses		(61,670)	(176,711)
		<u>(1,838,885)</u>	<u>(2,113,478)</u>
(LOSS)/PROFIT BEFORE TAXATION		<u>(4,387,564)</u>	<u>2,419,510</u>
Taxation	6	-	(43,278)
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		<u><u>(4,387,564)</u></u>	<u><u>2,376,232</u></u>
(Loss)/profit after taxation is made up as follows:			
Realised amount		299,456	(10,365,238)
Unrealised amount		(4,687,020)	12,741,470
		<u>(4,387,564)</u>	<u>2,376,232</u>
Distribution for the financial period:			
Net distribution	7	<u>11,348,753</u>	<u>13,918,574</u>
Net distribution per unit (sen)	7	<u>4.0000</u>	<u>4.9812</u>
Gross distribution per unit (sen)	7	<u>4.0000</u>	<u>5.0000</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 2024

	Note	31.12.2024 RM	30.06.2024 RM
ASSETS			
Cash and cash equivalents		7,279,086	11,904,244
Amount due from the Manager			
-creation of units		49,766	14,814
-management fee rebate		-	13
Dividends receivable		25,840	360,293
Financial assets at FVTPL	8	154,467,875	163,228,414
Tax recoverable		12,695	-
TOTAL ASSETS		<u>161,835,262</u>	<u>175,507,778</u>
LIABILITIES			
Amount due to brokers/dealers		-	1,392,670
Amount due to the Manager			
-cancellation of units		154,043	6,841
-management fee		200,966	214,904
Amount due to the Trustee		8,039	8,596
Derivatives	9	558,498	519,705
Other payables and accruals		12,486	18,337
Tax payable		-	59,144
TOTAL LIABILITIES		<u>934,032</u>	<u>2,220,197</u>
NET ASSET VALUE OF THE FUND		<u>160,901,230</u>	<u>173,287,581</u>
EQUITY			
Unit holders' capital		124,007,491	120,657,525
Retained earnings		36,893,739	52,630,056
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>160,901,230</u>	<u>173,287,581</u>
UNITS IN CIRCULATION (UNITS)	10	<u>290,093,253</u>	<u>285,256,710</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5547</u>	<u>0.6075</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 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 July 2024		120,657,525	52,630,056	173,287,581
Movement in net asset value:				
Creation of units from applications		503,252	-	503,252
Creation of units from distribution		10,962,695	-	10,962,695
Cancellation of units		(8,115,981)	-	(8,115,981)
Total comprehensive income for the financial period		-	(4,387,564)	(4,387,564)
Distribution for the financial period	7	-	(11,348,753)	(11,348,753)
Balance as at 31 December 2024		<u>124,007,491</u>	<u>36,893,739</u>	<u>160,901,230</u>
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		1,119,536	-	1,119,536
Creation of units from distribution		13,444,374	-	13,444,374
Cancellation of units		(4,528,223)	-	(4,528,223)
Total comprehensive income for the financial period		-	2,376,232	2,376,232
Distribution for the financial period	7	-	(13,918,574)	(13,918,574)
Balance as at 31 December 2023		<u>127,912,298</u>	<u>21,398,322</u>	<u>149,310,620</u>

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 2024

	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of financial assets at FVTPL	78,139,900	104,712,952
Purchase of financial assets at FVTPL	(72,229,656)	(96,657,353)
Realised loss on derivatives	(2,738,817)	(1,272,082)
Realised foreign exchange differences arising from operating activities	(82,706)	(210,753)
Interest income received from financial assets measured at amortised cost	69,893	97,495
Dividend income received	1,539,112	1,320,635
Management fee rebate received	17	73
Management fee paid	(1,220,403)	(1,156,745)
Trustee's fee paid	(48,816)	(46,270)
Payment for other fees and expenses	(59,314)	(91,127)
Tax paid	(71,839)	(31,415)
Net cash generated from operating activities	<u>3,297,371</u>	<u>6,665,410</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	468,300	1,114,211
Payments for cancellation of units	(7,968,779)	(4,295,283)
Payments for distribution	(386,058)	(473,838)
Net cash used in financing activities	<u>(7,886,537)</u>	<u>(3,654,910)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(4,589,166)	3,010,500
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(35,992)	(137,493)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>11,904,244</u>	<u>8,205,105</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>7,279,086</u>	<u>11,078,112</u>

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 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, 23 October 2023 and 13 February 2024 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 February 2025.

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 condensed financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard 134 "Interim Financial Reporting" and International Accounting Standard 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 2024 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

(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 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. 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 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 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 period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, 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 statement of comprehensive income as part of the net gain on financial assets at fair value through profit 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 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 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 favourable, 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 unfavourable.

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).

(l) 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
31.12.2024			
<u>Financial assets</u>			
Cash and cash equivalents	-	7,279,086	7,279,086
Amount due from the Manager			
-creation of units	-	49,766	49,766
Dividends receivable	-	25,840	25,840
Financial assets at FVTPL (Note 8)	154,467,875	-	154,467,875
	<u>154,467,875</u>	<u>7,354,692</u>	<u>161,822,567</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	154,043	154,043
-management fee	-	200,966	200,966
Amount due to the Trustee	-	8,039	8,039
Derivatives (Note 9)	558,498	-	558,498
Other payables and accruals	-	12,486	12,486
	<u>558,498</u>	<u>375,534</u>	<u>934,032</u>
30.06.2024			
<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 8)	163,228,414	-	163,228,414
	<u>163,228,414</u>	<u>12,279,364</u>	<u>175,507,778</u>
<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 9)	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>

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

(m) 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. 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/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 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 counterparty 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 of the Fund's financial assets and liabilities (by class) measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2024				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- local	112,669,646	-	-	112,669,646
- Quoted equity securities				
- foreign	41,798,229	-	-	41,798,229
	154,467,875	-	-	154,467,875
<u>Financial liabilities:</u>				
- Derivatives	-	558,498	-	558,498
30.06.2024				
<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

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 these 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 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 period ended 31 December 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 period ended 31 December 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 period:		
Current taxation	-	43,278

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

	2024 RM	2023 RM
(Loss)/profit before taxation	(4,387,564)	2,419,510
Taxation at Malaysian statutory rate of 24% (2023: 24%)	(1,053,015)	580,682
Tax effects of:		
Investment loss disallowed from tax/ (investment income not subject to tax)	611,683	(961,156)
Expenses not deductible for tax purposes	142,563	156,035
Restriction on tax deductible expenses for unit trust fund	298,769	267,717
Taxation	-	43,278

7. DISTRIBUTION

	2024 RM	2023 RM
Distribution to unit holders is derived from the following sources:		
Prior financial years' realised income	11,348,753	13,918,574
Net distribution amount	11,348,753	13,918,574

Date of Declaration

18 July 2024 / 17 July 2023

Net distribution per unit (sen)	4.0000	4.9812
Gross distribution per unit (sen)	4.0000	5.0000

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

	Income RM	%	Capital RM	%
2024	11,348,753	100.00	-	-
2023	13,918,574	100.00	-	-

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 distribution has been proposed before taking into account the unrealised loss of RM4,687,020 which is carried forward to the next financial period.

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

	31.12.2024 RM	30.06.2024 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities - local	112,669,646	125,055,750
Quoted equity securities - foreign	41,798,229	38,140,311
Unquoted collective investment scheme	-	32,353
	<u>154,467,875</u>	<u>163,228,414</u>

	2024 RM	2023 RM
<u>Net (loss)/gain on financial assets at FVTPL:</u>		
Realised gain/(loss) on disposals	3,569,460	(8,095,558)
Changes in unrealised fair values	(4,621,490)	12,917,630
Management fee rebate (Note 4)	4	74
	<u>(1,052,026)</u>	<u>4,822,146</u>

Financial assets at FVTPL as at 31 December 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>Consumer Products & Services</u>				
CKK Consolidated Holdings Berhad	3,080,000	4,901,285	5,020,400	3.12
<u>Energy</u>				
Bumi Armada Berhad	10,000,000	5,335,154	6,550,000	4.07
UZMA Berhad	4,517,333	5,236,000	3,478,346	2.16
	<u>14,517,333</u>	<u>10,571,154</u>	<u>10,028,346</u>	<u>6.23</u>
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	600,000	2,040,429	2,904,000	1.81
AMMB Holdings Berhad	1,480,000	6,243,479	8,110,400	5.04
CIMB Group Holdings Berhad	600,000	3,735,080	4,920,000	3.06
	<u>2,680,000</u>	<u>12,018,988</u>	<u>15,934,400</u>	<u>9.91</u>
<u>Health Care</u>				
IHH Healthcare Berhad	600,000	4,276,275	4,380,000	2.72

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Industrial Products & Services</u>				
Ancom Nylex Bhd	5,200,000	5,190,800	5,252,000	3.26
EG Industries Berhad	2,300,000	4,864,409	5,635,000	3.50
SAM Engineering & Equipment (M) Berhad	1,150,000	5,660,580	5,014,000	3.12
Sunway Berhad	1,625,000	3,115,550	7,783,750	4.84
V.S. Industry Berhad	1,000,000	1,095,000	1,130,000	0.70
	<u>11,275,000</u>	<u>19,926,339</u>	<u>24,814,750</u>	<u>15.42</u>
<u>Property</u>				
Sime Darby Property Berhad	5,000,000	4,667,500	8,450,000	5.25
<u>Technology</u>				
Genetec Technology Berhad	2,300,000	4,533,079	3,174,000	1.97
Malaysian Pacific Industries Bhd	150,000	3,709,077	3,885,000	2.41
MI Technovation Berhad	1,500,000	3,264,870	3,390,000	2.11
Notion VTEC Berhad	3,600,000	3,849,068	4,788,000	2.98
Pentamaster Corporation Berhad	900,000	2,820,565	3,744,000	2.33
	<u>8,450,000</u>	<u>18,176,659</u>	<u>18,981,000</u>	<u>11.80</u>
<u>Transportation & Logistics</u>				
Malaysia Airports Holdings Berhad	300,000	2,204,408	3,174,000	1.97
<u>Telecommunications & Media</u>				
Telekom Malaysia Berhad	600,000	3,363,845	3,990,000	2.48
<u>Utilities</u>				
Tenaga Nasional Berhad	200,000	1,996,190	2,988,000	1.86
YTL Power International Berhad	1,250,000	1,853,816	5,525,000	3.43
	<u>1,450,000</u>	<u>3,850,006</u>	<u>8,513,000</u>	<u>5.29</u>
<u>ACE Market</u>				
<u>Technology</u>				
GO HUB Capital Berhad	4,500,000	4,408,505	5,490,000	3.41
LGMS Berhad	3,115,000	3,978,403	3,893,750	2.42
	<u>7,615,000</u>	<u>8,386,908</u>	<u>9,383,750</u>	<u>5.83</u>
TOTAL QUOTED EQUITY SECURITIES - LOCAL	55,567,333	92,343,367	112,669,646	70.02
QUOTED EQUITY SECURITIES - FOREIGN				
Hong Kong				
<u>Auto Manufacturers</u>				
BYD Co Ltd^	38,000	5,495,836	5,829,262	3.62
<u>Semiconductors</u>				
ASMPT Limited^	100,000	5,281,357	4,309,746	2.68
Total Hong Kong	138,000	10,777,193	10,139,008	6.30

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Korea				
<u>Semiconductors</u>				
SK Hynix Inc	12,000	7,260,175	6,310,692	3.92
Total Korea	12,000	7,260,175	6,310,692	3.92
Taiwan				
<u>Computers</u>				
Auras Technology Co Ltd	58,000	5,226,232	5,312,429	3.30
<u>Semiconductors</u>				
Alchip Technologies Limited	15,000	4,283,437	6,705,960	4.17
Taiwan Semiconductor				
Manufacturing Company Limited	60,000	5,266,861	8,791,350	5.47
Visual Photonics Epitaxy Co Ltd	200,000	4,617,703	4,538,790	2.82
	275,000	14,168,001	20,036,100	12.46
Total Taiwan	333,000	19,394,233	25,348,529	15.76
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	483,000	37,431,601	41,798,229	25.98
TOTAL INVESTMENTS	56,050,333	129,774,968	154,467,875	96.00
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		24,692,907		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		154,467,875		

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<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
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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
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		

^ 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.

9. DERIVATIVES

Derivatives comprise 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:

	31.12.2024 RM	30.06.2024 RM
<u>Derivative liabilities:</u>		
Forward currency contracts	558,498	519,705

	2024 RM	2023 RM
<u>Net loss on derivatives:</u>		
Realised loss on disposals	(2,738,817)	(1,272,082)
Changes in unrealised fair values	(38,793)	(37,418)
	<u>(2,777,610)</u>	<u>(1,309,500)</u>

	Maturity date	Contract or underlying principal amounts	*Fair value RM
31.12.2024			
Hong Kong Dollar	within 1 month	13,035,000	40,409
New Taiwan Dollar	within 1 month	1,954,047#	(344,293)
Singapore Dollar	within 1 month	239,000	4,660
South Korean Won	within 1 month	1,138,400+	(90,260)
United States Dollar	within 1 month	3,227,447	(169,014)
			<u>(558,498)</u>
30.06.2024			
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)
			<u>(519,705)</u>

This is the equivalent US Dollar amount used to hedge TWD66,633,000 (30.06.2024: TWD54,726,000).

+ This is the equivalent US Dollar amount used to hedge KRW1,707,600,000 (30.06.2024: NIL).

* 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 %
31.12.2024				
Hong Leong Bank Berhad	40,409	(595,670)	(555,261)	0.35
Hong Leong Investment Bank Berhad	4,660	(7,897)	(3,237)	-
	<u>45,069</u>	<u>(603,567)</u>	<u>(558,498)</u>	<u>0.35</u>
30.06.2024				
Hong Leong Bank Berhad	5,783	(520,805)	(515,022)	0.30
Hong Leong Investment Bank Berhad	-	(4,683)	(4,683)	-
	<u>5,783</u>	<u>(525,488)</u>	<u>(519,705)</u>	<u>0.30</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.

10. UNITS IN CIRCULATION

	01.07.2024 to 31.12.2024 No. of units	01.07.2023 to 30.06.2024 No. of units
At the beginning of the financial period/year	285,256,710	279,687,579
Add: Creation of units during the financial period/year		
- Arising from applications	912,497	3,758,818
- Arising from distribution	18,846,374	25,256,636
Less: Cancellation of units during the financial period/year	<u>(14,922,328)</u>	<u>(23,446,323)</u>
At the end of the financial period/year	<u>290,093,253</u>	<u>285,256,710</u>

11. TOTAL EXPENSE RATIO ("TER")

	2024 %	2023 %
TER (annualised)	<u>1.63</u>	<u>1.68</u>

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:

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

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
- 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 RM159,562,049 (2023: RM153,278,197).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2024 Times	2023 Times
PTR	0.46	0.69

PTR is derived from the following calculation:

(Total acquisitions for the financial period + total disposals for the financial period) / 2

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

Where;

total acquisitions for the financial period
= RM70,622,497 (2023: RM98,003,280)
total disposals for the financial period
= RM74,849,546 (2023: RM113,201,289)

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 2024 and 30 June 2024.

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.

	31.12.2024 RM	30.06.2024 RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	3,344,926	7,850,081
Derivatives:		
- Hong Leong Bank Berhad	(555,261)	(515,022)
- Hong Leong Investment Bank Berhad	(3,237)	(4,683)
	<u>2,786,428</u>	<u>7,330,376</u>
	2024 RM	2023 RM

Related party transactions

Interest income from auto-sweep facility bank account:

- Hong Leong Bank Berhad	64,783	96,187
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Purchase of quoted equity securities:

- Hong Leong Investment Bank Berhad	10,035,457	45,137,201
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Disposal of quoted equity securities:

- Hong Leong Investment Bank Berhad	22,140,401	23,347,982
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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*	32,175,858	21.60	80,556	23.05
Maybank Investment Bank Bhd	18,877,049	12.67	47,227	13.51
CL Securities Taiwan Company Limited	17,979,152	12.07	44,913	12.85
Affin Hwang Investment Bank Berhad	16,889,197	11.34	34,933	10.00
Nomura Securities Malaysia Sdn Bhd	15,557,160	10.45	38,829	11.11
Phillip Capital Sdn Bhd	15,313,028	10.28	38,295	10.96
CGS International Securities Hong Kong Limited, Korea Branch	7,945,914	5.34	11,933	3.41
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	7,347,424	4.93	15,399	4.41
Public Investment Bank Berhad	6,619,334	4.44	16,601	4.75
DBS Vickers Securities (Singapore) Pte Ltd	3,505,468	2.35	5,270	1.51
Others	6,743,858	4.53	15,512	4.44
	<u>148,953,442</u>	<u>100.00</u>	<u>349,468</u>	<u>100.00</u>

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2023				
Hong Leong Investment Bank Berhad*	68,485,183	33.73	171,041	34.34
CL Securities Taiwan Company Limited	24,127,390	11.88	60,354	12.12
Public Investment Bank Berhad	19,421,042	9.57	51,477	10.34
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	16,337,735	8.05	38,552	7.74
Maybank Investment Bank Berhad	13,390,098	6.59	33,554	6.74
Nomura Securities Malaysia Sdn Bhd	9,814,743	4.83	24,503	4.92
Affin Hwang Investment Bank Berhad	9,075,056	4.47	18,498	3.71
JPMorgan Securities (Malaysia) Sdn Bhd	8,852,484	4.36	22,215	4.46
CLSA Securities Malaysia Sdn Bhd	6,625,892	3.26	16,603	3.33
Phillip Capital Sdn Bhd	5,970,545	2.94	14,983	3.01
Others	20,941,746	10.32	46,269	9.29
	<u>203,041,914</u>	<u>100.00</u>	<u>498,049</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

for the Financial Period Ended 31 December and Financial Years Ended 30 June

	Financial Period 2024 %	Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
A. (i) Portfolio Compositions:				
Auto Manufacturers	3.62	–	–	–
Beverages	–	–	6.09	–
Computers	3.30	–	–	–
Consumer Products & Services	3.12	–	4.64	10.03
Electric	–	–	–	3.63
Electronics	–	2.03	–	3.90
Energy	6.23	6.45	4.96	–
Financial	–	–	7.47	–
Financial Services	9.91	15.18	–	8.71
Health Care	2.72	–	5.51	7.29
Home Furnishing	–	–	4.77	–
Industrial Products & Services	15.42	13.85	13.92	17.71
Insurance	–	2.40	–	–
Internet	–	2.95	–	–
Miscellaneous Manufacturing	–	4.28	–	–
Property	5.25	3.87	–	–
Real Estate	–	–	3.49	–
Semiconductors	19.06	10.35	–	–
Technology	17.63	11.46	43.79	35.63
Telecommunications & Media	2.48	2.73	–	–
Transportation & Logistics	1.97	5.71	–	1.92
Utilities	5.29	12.92	–	–
Collective Investment Scheme	–	0.02	0.02	–
Deposits and Cash Equivalents	4.00	5.80	5.34	11.18
Country:				
Australia	–	–	6.09	–
Hong Kong	6.30	5.35	3.49	7.53
Indonesia	–	–	7.47	8.71
Malaysia	70.02	72.19	72.84	72.58
Singapore	–	6.31	–	–
South Korea	3.92	3.22	–	–
Taiwan	15.76	7.13	4.77	–
Deposits and Cash Equivalents	4.00	5.80	5.34	11.18
(ii) Total Net Asset Value (ex-distribution)	RM160,901,230	RM173,287,581	RM150,817,275	RM168,781,429
(iii) Net Asset Value Per Unit (ex-distribution)	RM0.5547	RM0.6075	RM0.5392	RM0.6404
Units in Circulation (ex-distribution)	290,093,253	285,256,710	279,687,579	263,576,839
(iv) Highest / Lowest NAV Per Unit (ex-distribution)	Highest NAV Per Unit Lowest NAV Per Unit	RM0.6186 RM0.4789	RM0.6374 RM0.5306	RM0.8924 RM0.6313
(v) Total Return of the Fund*	-2.47%	23.12%	-7.65%	-22.02%
- Capital Growth	-8.69%	12.67%	-15.80%	-27.03%
- Income Distribution	6.22%	10.45%	8.15%	5.01%
(vi) The distribution (gross) is made out of:-				
- The Fund's Capital	4.0000 sen/unit	0.0000 sen/unit	5.5000 sen/unit	5.0000 sen/unit
- The Fund's Income	0.0000 sen/unit	5.0000 sen/unit	0.0000 sen/unit	0.0000 sen/unit
- Total Distribution Amount	4.0000 sen/unit	5.0000 sen/unit	5.5000 sen/unit	5.5000 sen/unit
- The Fund's Capital (% of Total Distribution Amount)	100%	0%	100%	100%
- The Fund's Income (% of Total Distribution Amount)	0%	100%	0%	0%

Performance Data

for the Financial Period Ended 31 December and Financial Years Ended 30 June

		Financial Period 2024 %	Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
(vii) Distribution Per Unit	Additional Units	–	–	–	–
	Distributions (Gross)	4.0000 sen/unit	5.0000 sen/unit	5.5000 sen/unit	5.5000 sen/unit
	Distributions (Net)	4.0000 sen/unit	4.8201 sen/unit	5.5000 sen/unit	5.2651 sen/unit
	Distribution Date	18/07/2024	17/07/2023	18/07/2022	26/07/2021
	Cum-Distribution NAV/Unit	RM0.6268	RM0.5869	RM0.6231	RM0.8534
	Ex-Distribution NAV/Unit	RM0.5868	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	–	–
(viii) Total Expense Ratio (TER)	Cum-Distribution NAV/Unit	–	RM0.5179	–	–
	Ex-Distribution NAV/Unit	–	RM0.5163	–	–
		1.63%	1.65%	1.63%	1.62%
		0.46#	1.12	0.94	0.98
B.	Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 31/12/2024)*				
	(i) One year	18.36%			
	(ii) Three years	-4.57%			
	(iii) Five years	3.32%			

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

The PTR decreased by 0.66 times (58.93%) to 0.46 times for the financial period from 1 July 2024 to 31 December 2024 versus 1.12 times for the financial year ended 30 June 2024 and 0.23 times (33.33%) as compared to 0.69 times for the financial period from 1 July 2023 to 31 December 2023 mainly due to lower 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 / 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

Level 18, Block B, Plaza Zurich
No. 12, Jalan Gelenggang
Bukit Damansara
50490 Kuala Lumpur
Tel: 03-2081 8600
Fax: 03-2081 8500
Website: www.hlam.com.my
E-mail: inquiry@hlam.hongleong.com.my

Pulau Pinang

No. 441-1-3
Pulau Tikus Plaza, Jalan Burmah
10350 Pulau Tikus, Pulau Pinang
Tel: 04-228 8112, 04-228 9112
Fax: 04-228 3112

Ipoh

2nd Floor, Lot 3, Persiaran Greentown 4
Greentown Business Centre
30450 Ipoh, Perak
Tel: 05-255 8388, 05-255 9388
Fax: 05-255 8389



Hong Leong Asset Management Bhd
www.hlam.com.my

