

# Hong Leong Value Fund

**Semi-Annual Report**

Financial Period Ended 29 February 2024

**2023/2024**

Unaudited



# HONG LEONG VALUE FUND

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# Manager's Review and Report

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## I. FUND INFORMATION

### **Fund Name**

Hong Leong Value Fund ("HLVF" or "the Fund")

### **Fund Category**

Equity

### **Fund Type**

Growth

### **Investment Objective**

To achieve large percentage gains by investing in well-managed and financially stable companies which stocks are selling at prices close to or at deep discounts to their net tangible asset values.

### **Duration of the Fund and its termination date, where applicable**

Not Applicable

### **Benchmark**

FTSE Bursa Malaysia (FBM) EMAS Index

### **Distribution Policy\***

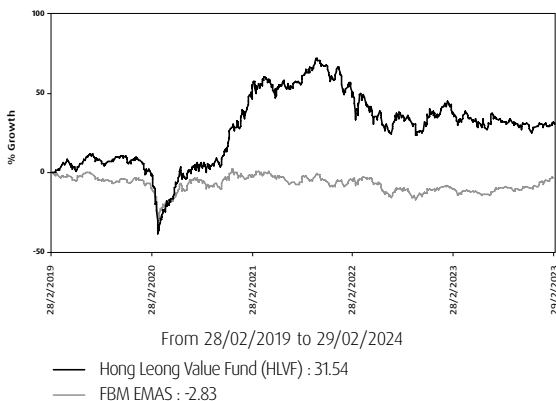
The Fund intends to provide Unit holders with long-term capital growth. As such, cash distribution will be incidental to the overall capital growth objective and a substantial portion of the income returns from investments will be reinvested. The Fund may also declare distributions in the form of additional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

Note:

\* Income distributions (if any) are not guaranteed. Distributions of income will only be made from realized gains or realized income derived from the investments of the Fund(s).

## II. FUND PERFORMANCE

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



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 HLVF 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 September 2023 to 29 February 2024.

The Fund posted a return of -0.67% (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) EMAS Index registered a return of 6.99%.

For the five-year financial periods ended 29 February 2024, the Fund posted a return of 31.54% compared to the benchmark's return of -2.83% while distributing a total gross income of 5.4000 sen per unit (net income of 5.3559 sen per unit).

**Table 1: Performance of the Fund for the following periods as at 29 February 2024 (Source: Lipper for Investment Management)**

	30/11/23- 29/02/24 3 Months	31/08/23- 29/02/24 6 Months	28/02/23- 29/02/24 1 Year	28/02/21- 29/02/24 3 Years	28/02/19- 29/02/24 5 Years	28/02/14- 29/02/24 10 Years	26/04/99- 29/02/24 Since Launch
HLVF Return (%)	2.51	-0.67	-3.00	-14.31	31.54	87.41	576.31
Benchmark (%)	7.13	6.99	8.63	-1.05	-2.83	-9.30	143.41

**Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 August 2023 to 29 February 2024 (Source: Lipper for Investment Management)**

	29-Feb-24	31-Aug-23	Return (%)
NAV Per Unit	RM0.0736	RM0.0741	-0.67
Benchmark	11,491.82	10,740.70	6.99
<b>vs Benchmark (%)</b>	-	-	<b>-7.66</b>

**Table 3: Financial Highlights**

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

	29-Feb-24 (RM)	31-Aug-23 (RM)	Change (%)
Unit Holders' Capital	<b>1,896,080,821</b>	1,830,994,861	3.55
Accumulated Loss	<b>(96,221,455)</b>	(84,844,143)	(13.41)
<b>Net Asset Value</b>	<b>1,799,859,366</b>	1,746,150,718	3.08
<b>Units in Circulation</b>	<b>24,456,290,017</b>	23,562,327,837	3.79

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

	Financial Period 31/08/23- 29/02/24	Financial Year 31/08/22- 31/08/23	Financial Year 31/08/21- 31/08/22	Financial Year 31/08/20- 31/08/21
Highest NAV Per Unit (RM)	0.0749	0.0877	0.1121	0.1105
Lowest NAV Per Unit (RM)	0.0700	0.0737	0.0780	0.0691
Capital Growth (%)	-0.67	-8.97	-22.55	45.77
Income Distribution (%)	-	7.10	6.04	8.60
<b>Total Return (%)</b>	<b>-0.67</b>	<b>-1.87</b>	<b>-16.51</b>	<b>54.37</b>

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 HLVF reinvested.

**Table 5: Average Total Return of the Fund**

	28/02/23- 29/02/24 1 Year	28/02/21- 29/02/24 3 Years	28/02/19- 29/02/24 5 Years
Average Total Return (%)	-3.00	-4.77	6.31

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 HLVF reinvested.

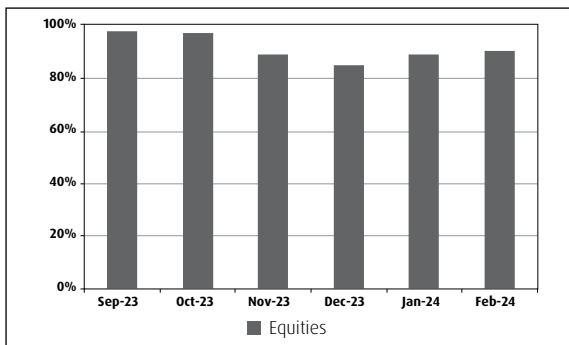
**Table 6: Annual Total Return of the Fund**

Financial Year	31/08/22- 31/08/23	31/08/21- 31/08/22	31/08/20- 31/08/21	31/08/19- 31/08/20	31/08/18- 31/08/19
Annual Total Return (%)	-1.87	-16.51	54.37	-0.98	0.54

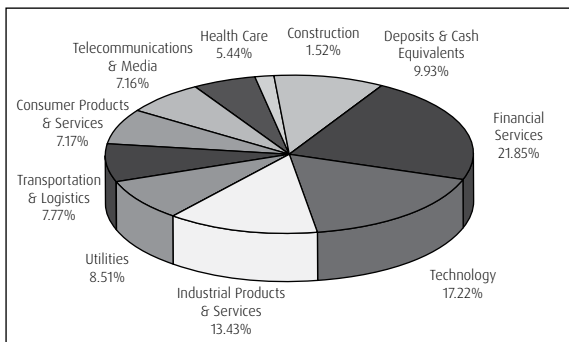
Source: Lipper for Investment Management, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLVF reinvested.

### III. INVESTMENT PORTFOLIO

**Chart 2: Asset Allocation - September 2023 to February 2024**



**Chart 3: Sector Allocation as at 29 February 2024**



### **Strategies employed by the Fund during the period under review**

During the financial period under review, the Fund took some profit in the export, technology and energy sectors and increase its exposure to high quality index stocks in view of the weak economic outlook. We also expect these stocks to benefit from possible increase in foreign fund inflow into the Malaysia market.

### **An explanation on the differences in portfolio composition**

During the financial period under review, there was an increase in allocation to financial sector due to improving outlook and attractive valuations.

### **Operational review of the Fund**

For the financial period under review, there were no significant changes in the state of affairs of the Fund or circumstances that would materially affect the interest of 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 declined 7.1%. The best performing markets were Taiwan and India while the laggards were Hong Kong and China. In the local market, the FBM KLCI rose 3.7%. Small caps outperformed as the FBM Small Cap Index rose 7.3%.

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 Index hit an all-time high in December.

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.

## **V. FUTURE PROSPECTS AND PROPOSED STRATEGIES**

We expect investor sentiment to improve considerably given the significant shift in interest rate outlook by the US Fed in their recent communications with the media and investors. 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 US Dollar (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 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

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I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 10 to 35 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 29 February 2024 and of its financial performance, changes in equity and cash flows for the financial period ended 29 February 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))**

**HOO SEE KHENG**

Chief Executive Officer/Executive Director

Kuala Lumpur  
22 April 2024

## TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 29 February 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.

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
22 April 2024

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 29 February 2024

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Interest income from financial assets measured at amortised cost		2,068,342	1,500,724
Dividend income		8,761,081	9,969,306
Net gain on financial assets at fair value through profit or loss ("FVTPL")	7	1,622,382	12,442,507
		<u>12,451,805</u>	<u>23,912,537</u>
<b>EXPENDITURE</b>			
Management fee	4	(17,401,445)	(11,743,946)
Trustee's fee	5	(609,051)	(548,051)
Auditors' remuneration		(4,961)	(4,315)
Tax agent's fee		(1,492)	(1,676)
Transaction costs		(5,712,482)	(3,412,567)
Other expenses		(99,686)	(75,861)
		<u>(23,829,117)</u>	<u>(15,786,416)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(11,377,312)	8,126,121
Taxation	6	-	-
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD</b>		<u>(11,377,312)</u>	<u>8,126,121</u>
(Loss)/profit after taxation is made up as follows:			
Realised amount		(40,494,285)	(42,223,052)
Unrealised amount		29,116,973	50,349,173
		<u>(11,377,312)</u>	<u>8,126,121</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 29 February 2024

	Note	29.02.2024 RM	31.08.2023 RM
<b>ASSETS</b>			
Cash and cash equivalents		185,588,067	42,728,824
Amount due from brokers/dealers		12,529,516	18,069,597
Amount due from the Manager			
-creation of units		3,796,910	4,709,870
Dividends receivable		593,856	-
Financial assets at fair value through profit or loss ("FVTPL")	7	1,621,218,682	1,722,042,296
<b>TOTAL ASSETS</b>		<u>1,823,727,031</u>	<u>1,787,550,587</u>
<b>LIABILITIES</b>			
Amount due to brokers/dealers		20,843,118	38,309,971
Amount due to the Manager			
-cancellation of units		98,195	-
-management fee		2,818,086	2,971,898
Amount due to the Trustee		98,633	104,016
Distribution payable		-	1,582
Other payables and accruals		9,633	12,402
<b>TOTAL LIABILITIES</b>		<u>23,867,665</u>	<u>41,399,869</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,799,859,366</u>	<u>1,746,150,718</u>
<b>EQUITY</b>			
Unit holders' capital		1,896,080,821	1,830,994,861
Accumulated loss		(96,221,455)	(84,844,143)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>1,799,859,366</u>	<u>1,746,150,718</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	8	<u>24,456,290,017</u>	<u>23,562,327,837</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.0736</u>	<u>0.0741</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 29 February 2024

	Unit holders' capital RM	(Accumulated loss)/retained earnings RM	Total RM
Balance as at 1 September 2023	1,830,994,861	(84,844,143)	1,746,150,718
Movement in net asset value:			
Creation of units from applications	79,014,052	-	79,014,052
Creation of units from distribution	1,582	-	1,582
Cancellation of units	(13,929,674)	-	(13,929,674)
Total comprehensive loss for the financial period	-	(11,377,312)	(11,377,312)
Balance as at 29 February 2024	<u>1,896,080,821</u>	<u>(96,221,455)</u>	<u>1,799,859,366</u>
Balance as at 1 September 2022	1,481,153,680	14,843,699	1,495,997,379
Movement in net asset value:			
Creation of units from applications	165,499,243	-	165,499,243
Creation of units from distribution	593	-	593
Cancellation of units	(1,006,847)	-	(1,006,847)
Total comprehensive income for the financial period	-	8,126,121	8,126,121
Balance as at 28 February 2023	<u>1,645,646,669</u>	<u>22,969,820</u>	<u>1,668,616,489</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 29 February 2024

	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sales of financial assets at FVTPL	1,059,045,120	472,059,045
Purchase of financial assets at FVTPL	(974,238,378)	(683,334,656)
Interest income received from financial assets measured at amortised cost	2,068,342	1,500,724
Dividend income received	8,167,225	10,591,708
Management fee paid	(17,555,257)	(11,674,852)
Trustee's fee paid	(614,434)	(544,826)
Payment for other fees and expenses	(108,908)	(88,189)
Net cash generated from/(used in) operating activities	76,763,710	(211,491,046)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	79,927,012	165,684,628
Payments for cancellation of units	(13,831,479)	(1,006,847)
Payment for distribution	-	(1,605)
Net cash generated from financing activities	66,095,533	164,676,176
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	142,859,243	(46,814,870)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	42,728,824	217,056,606
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	185,588,067	170,241,736

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 29 FEBRUARY 2024

## 1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Value Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 12 March 1999 and Supplemental Deeds dated 18 December 2000, 2 June 2009 and 30 April 2010 between Hong Leong Asset Management Bhd (“the Manager”) and AmTrustee Berhad for the unit holders of the Fund. AmTrustee 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 and 23 March 2023 to effect the change (“the Deeds”).

The Fund aims to achieve large percentage gains by investing in well-managed and financially stable companies which stocks are selling at prices close to or at deep discounts to their net tangible asset values.

The Fund will invest with a value investment strategy across equity securities of all market capitalisation levels of companies operating in Malaysia. Generally, companies that have valuations at a discount to the market and/or its sector peers are selected. The Fund may also invest in stocks with market capitalisation of up to RM1 billion that are not well-covered by equity research houses and stockbrokers. The Fund commenced operations on 26 April 1999 and will continue its operations until terminated as provided under Part 12 of the Deed.

A Supplementary Deed has been registered with the Securities Commission to change the name of Hong Leong Penny Stock Fund to Hong Leong Value Fund. The effective date for the name change was 27 March 2020.

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 22 April 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 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 31 August 2023 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

### (b) Financial assets and financial liabilities

#### Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flows characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other

comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

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

### Recognition and measurement

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

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

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss 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.

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.

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) 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.

**(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.

**(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 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) 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 at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<b>29.02.2024</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	185,588,067	185,588,067
Amount due from brokers/ dealers	-	12,529,516	12,529,516
Amount due from the Manager			
-creation of units	-	3,796,910	3,796,910
Dividends receivable	-	593,856	593,856
Financial assets at FVTPL (Note 7)	1,621,218,682	-	1,621,218,682
	<u>1,621,218,682</u>	<u>202,508,349</u>	<u>1,823,727,031</u>
<u>Financial liabilities</u>			
Amount due to brokers/ dealers	-	20,843,118	20,843,118
Amount due to the Manager			
-cancellation of units	-	98,195	98,195
-management fee	-	2,818,086	2,818,086
Amount due to the Trustee	-	98,633	98,633
Other payables and accruals	-	9,633	9,633
	-	<u>23,867,665</u>	<u>23,867,665</u>



	<b>Financial assets at FVTPL RM</b>	<b>Financial assets/ liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>31.08.2023</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	42,728,824	42,728,824
Amount due from brokers/ dealers	-	18,069,597	18,069,597
Amount due from the Manager -creation of units	-	4,709,870	4,709,870
Financial assets at FVTPL (Note 7)	1,722,042,296	-	1,722,042,296
	<u>1,722,042,296</u>	<u>65,508,291</u>	<u>1,787,550,587</u>
<u>Financial liabilities</u>			
Amount due to brokers/ dealers	-	38,309,971	38,309,971
Amount due to the Manager -management fee	-	2,971,898	2,971,898
Amount due to the Trustee	-	104,016	104,016
Distribution payable	-	1,582	1,582
Other payables and accruals	-	12,402	12,402
	-	<u>41,399,869</u>	<u>41,399,869</u>

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

## **(I) Critical accounting estimates and judgments in applying accounting policies**

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

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

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

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

### **3. FAIR VALUE ESTIMATION**

The fair value of financial assets traded in active markets (such as 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 counter party risk.

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>29.02.2024</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities	1,621,218,682	-	-	1,621,218,682
<b>31.08.2023</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities	1,722,042,296	-	-	1,722,042,296

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).

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

#### 4. MANAGEMENT FEE

In accordance with Division 13.1 of the Deed, the Manager is entitled to a management fee of up to 2.00% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 29 February 2024, the management fee is recognised at a rate of 2.00% (2023: 1.50%) per annum.

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

#### 5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.08% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 29 February 2024, the Trustee's fee is recognised at a rate of 0.07% (2023: 0.07%) 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	-	-

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	(11,377,312)	8,126,121
Taxation at Malaysian statutory rate of 24% (2023: 24%)	(2,730,555)	1,950,269
Tax effects of:		
Investment income not subject to tax	(2,988,433)	(5,739,009)
Expenses not deductible for tax purposes	1,517,582	951,168
Restriction on tax deductible expenses for unit trust fund	4,201,406	2,837,572
Taxation	-	-

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	29.02.2024 RM	31.08.2023 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities	1,621,218,682	1,722,042,296
	<b>2024 RM</b>	<b>2023 RM</b>
<u>Net gain on financial assets at FVTPL:</u>		
Realised loss on disposals	(27,494,591)	(37,906,666)
Changes in unrealised fair values	29,116,973	50,349,173
	1,622,382	12,442,507

Financial assets at FVTPL as at 29 February 2024 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES</b>				
<u>Main Market</u>				
<u>Construction</u>				
AME Elite Consortium Berhad	15,811,800	27,354,414	27,354,414	1.52
<u>Consumer Products &amp; Services</u>				
DXN Holdings Berhad	56,984,000	39,896,890	35,899,920	1.99
Heineken Malaysia Berhad	4,112,600	112,051,350	93,191,516	5.18
	61,096,600	151,948,240	129,091,436	7.17
<u>Financial Services</u>				
AMMB Holdings Berhad	500,000	2,084,967	2,170,000	0.12
CIMB Group Holdings Berhad	24,000,000	139,945,300	155,040,000	8.62
Malayan Banking Berhad	8,843,200	79,851,948	84,275,696	4.68
Public Bank Berhad	34,500,000	150,935,850	151,800,000	8.43
	67,843,200	372,818,065	393,285,696	21.85
<u>Healthcare</u>				
Hartalega Holdings Berhad	19,200,000	40,008,120	48,192,000	2.68
Supermax Corporation Berhad	59,804,200	51,550,877	49,637,486	2.76
	79,004,200	91,558,997	97,829,486	5.44

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Industrial Products &amp; Services</u>				
Petronas Chemicals Group Berhad	5,500,000	37,974,350	38,500,000	2.14
Press Metal Aluminium Holdings Berhad	24,700,000	120,137,470	115,596,000	6.42
SAM Engineering & Equipment (M) Berhad	3,770,100	17,909,947	17,983,377	1.00
Sunway Berhad	24,900,000	60,020,100	69,720,000	3.87
	58,870,100	236,041,867	241,799,377	13.43
<u>Technology</u>				
D & O Green Technologies Berhad	7,230,800	10,176,652	24,006,256	1.33
Genetec Technology Berhad*	11,200,000	25,820,077	24,864,000	1.38
Inari Amertron Berhad	32,342,000	84,355,920	102,524,140	5.70
Malaysian Pacific Industries Bhd	2,876,200	72,141,682	83,524,848	4.64
Pentamaster Corporation Berhad	3,183,700	14,726,487	13,658,073	0.76
UWC Berhad	17,889,200	74,003,340	61,359,956	3.41
	74,721,900	281,224,158	309,937,273	17.22
<u>Telecommunications &amp; Media</u>				
Telekom Malaysia Berhad	21,300,000	124,932,920	128,865,000	7.16
<u>Transportation &amp; Logistics</u>				
Malaysia Airports Holdings Berhad	16,500,000	120,698,250	139,920,000	7.77
<u>Utilities</u>				
Tenaga Nasional Berhad	13,600,000	135,753,040	153,136,000	8.51
<b>TOTAL QUOTED EQUITY SECURITIES</b>	<b>408,747,800</b>	<b>1,542,329,951</b>	<b>1,621,218,682</b>	<b>90.07</b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>		<b>78,888,731</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>1,621,218,682</b>		

Financial assets at FVTPL as at 31 August 2023 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES</b>				
<u>Main Market</u>				
<u>Construction</u>				
AME Elite Consortium Berhad	30,000,000	51,900,000	45,600,000	2.61
Ekovest Berhad	9,750,000	4,999,800	5,265,000	0.30
	39,750,000	56,899,800	50,865,000	2.91
<u>Consumer Products &amp; Services</u>				
DXN Holdings Bhd.	126,784,000	88,766,800	88,114,880	5.05
Guan Chong Berhad	41,124,600	120,995,614	85,539,168	4.90
Heineken Malaysia Berhad	4,112,600	112,051,350	97,879,880	5.61
	172,021,200	321,813,764	271,533,928	15.56
<u>Energy</u>				
Dayang Enterprise Holdings Bhd.	52,752,800	67,828,105	91,789,872	5.26
Velesto Energy Berhad	404,434,700	90,336,315	95,042,155	5.44
	457,187,500	158,164,420	186,832,027	10.70
<u>Financial Services</u>				
AEON Credit Service (M) Berhad	5,299,000	67,435,256	58,289,000	3.34
<u>Health Care</u>				
Supermax Corporation Berhad	59,804,200	51,550,877	45,451,192	2.60
Top Glove Corporation Bhd.	125,200,000	103,514,157	95,778,000	5.49
	185,004,200	155,065,034	141,229,192	8.09
<u>Industrial Products &amp; Services</u>				
SAM Engineering & Equipment (M) Berhad	17,537,000	83,309,921	82,423,900	4.72
<u>Plantation</u>				
Kuala Lumpur Kepong Berhad	2,450,000	55,427,059	52,773,000	3.02
<u>Technology</u>				
D & O Green Technologies Berhad	29,105,800	40,963,599	103,034,532	5.90
Frontken Corporation Berhad	46,100,000	152,000,190	161,350,000	9.24
Inari Amertron Berhad	32,342,000	84,355,920	101,877,300	5.83
Malaysian Pacific Industries Bhd	2,876,200	72,141,682	82,834,560	4.74
Pentamaster Corporation Berhad	30,263,300	139,985,577	160,092,857	9.17
UWC Berhad	31,706,000	131,160,136	110,971,000	6.36
	172,393,300	620,607,104	720,160,249	41.24



	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Transportation &amp; Logistics</u>				
Malaysia Airports Holdings Berhad	12,000,000	86,231,550	88,440,000	5.06
<u>ACE Market</u>				
<u>Technology</u>				
Genetec Technology Berhad*	29,200,000	67,316,630	69,496,000	3.98
<b>TOTAL QUOTED EQUITY SECURITIES</b>	<b>1,092,842,200</b>	<b>1,672,270,538</b>	<b>1,722,042,296</b>	<b>98.62</b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>		<b>49,771,758</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>1,722,042,296</b>		

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

## 8. UNITS IN CIRCULATION

	01.09.2023 to 29.02.2024 No. of units	01.09.2022 to 31.08.2023 No. of units
At the beginning of the financial period/year	23,562,327,837	18,372,401,559
Add: Creation of units during the financial period/year		
- Arising from applications	1,085,221,523	4,976,994,160
- Arising from distribution	21,528	362,595,041
Less: Cancellation of units during the financial period/year	(191,280,871)	(149,662,923)
At the end of the financial period/year	<u>24,456,290,017</u>	<u>23,562,327,837</u>

## 9. TOTAL EXPENSE RATIO (“TER”)

	2024 %	2023 %
TER (annualised)	2.08	1.58

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

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

Where;

- A = Management fee
- B = Trustee’s fee
- C = Auditors’ remuneration
- D = Tax agent’s fee
- E = Other expenses
- F = 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 RM1,749,964,405 (2023: RM1,579,681,580).

## 10. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024 Times	2023 Times
PTR	0.58	0.38

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

= RM954,188,198 (2023: RM686,913,014)

total disposals for the financial period

= RM1,084,128,785 (2023: RM517,522,486)

## 11. 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 29 February 2024 and 31 August 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.

	<b>29.02.2024</b>	<b>31.08.2023</b>
	<b>RM</b>	<b>RM</b>
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	185,594,424	41,704,552
Amount due from brokers/dealers:		
- Hong Leong Investment Bank Berhad	-	18,069,597
Amount due to brokers/dealers:		
- Hong Leong Investment Bank Berhad	-	(5,014,299)
	<u>185,594,424</u>	<u>54,759,850</u>

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<u>Related party transactions</u>		
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	2,063,855	1,488,791
Purchase of quoted equity securities:		
- Hong Leong Investment Bank Berhad	428,064,968	407,578,438
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	611,428,912	227,597,261

## 12. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	<b>Values of trade</b>	<b>Percentage of total trade</b>	<b>Brokerage fees</b>	<b>Percentage of total brokerage fees</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
<b>2024</b>				
Hong Leong Investment Bank Berhad*	1,039,493,880	51.71	2,544,293	51.67
Public Investment Bank Berhad	251,209,381	12.50	626,752	12.73
CLSA Securities Malaysia Sdn Bhd	195,413,111	9.72	487,660	9.90
JPMorgan Securities (Malaysia) Sdn Bhd	159,902,164	7.95	400,945	8.14
Nomura Securities Malaysia Sdn Bhd	154,501,551	7.69	386,678	7.85

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
Phillip Capital Sdn Bhd	84,549,739	4.21	211,357	4.29
UBS Securities Asia Limited	35,262,014	1.75	52,984	1.08
RHB Investment Bank Berhad	31,239,589	1.55	78,011	1.59
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	20,798,728	1.04	41,980	0.85
Macquaire Capital Securities (Malaysia) Sdn Bhd	12,706,600	0.63	31,852	0.65
Others	25,199,806	1.25	61,504	1.25
	<b>2,010,276,563</b>	<b>100.00</b>	<b>4,924,016</b>	<b>100.00</b>

### 2023

Hong Leong Investment Bank Berhad*	635,175,699	54.42	1,466,428	50.65
Credit Suisse Securities (Malaysia) Sdn Bhd	111,044,439	9.51	278,012	9.60
Citigroup Global Markets Malaysia Sdn Bhd	105,824,411	9.07	237,495	8.20
CLSA Securities Malaysia Sdn Bhd	93,486,929	8.01	233,898	8.08
JPMorgan Securities (Malaysia) Sdn Bhd	59,789,923	5.12	149,582	5.17
Maybank Investment Bank Berhad	48,912,838	4.19	243,338	8.41
Nomura Securities Malaysia Sdn Bhd	43,921,430	3.76	109,461	3.78
Public Investment Bank Berhad	34,841,657	2.99	87,363	3.02
RHB Investment Bank Berhad	27,049,056	2.32	67,826	2.34
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	4,746,020	0.41	15,785	0.55
Others	2,332,384	0.20	5,847	0.20
	<b>1,167,124,786</b>	<b>100.00</b>	<b>2,895,035</b>	<b>100.00</b>

\* Transactions with brokers/dealers related to the Manager.

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

# Performance Data

## A. (i) Portfolio Compositions:

Construction  
 Consumer Products & Services  
 Energy  
 Financial Services  
 Health Care  
 Industrial Products & Services  
 Plantation  
 Technology  
 Telecommunications & Media  
 Transportation & Logistics  
 Utilities

### Deposits & Cash Equivalents

(ii) **Total Net Asset Value** (ex-distribution)

(iii) **Net Asset Value Per Unit  
 Units in Circulation** (ex-distribution)  
 (ex-distribution)

(iv) **Highest/Lowest NAV Per Unit  
 (ex-distribution)** Highest NAV Per Unit  
 Lowest NAV Per Unit

(v) **Total Return of the Fund\***

- Capital Growth  
 - Income Distribution

(vi) **The distribution (gross) is made out of:-**

- The Fund's Capital  
 - The Fund's Income  
 - Total Distribution Amount  
 - The Fund's Capital (% of Total Distribution Amount)  
 - The Fund's Income (% of Total Distribution Amount)

(vii) **Distribution Per Unit** Additional Units  
 Distribution (Gross)  
 Distribution (Net)  
 Distribution Date  
 Cum-Distribution NAV/Unit  
 Ex-Distribution NAV/Unit

(viii) **Total Expense Ratio (TER)**

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

## B. **Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 29/02/2024)\***

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

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

# The TER was 0.37 percentage point higher as compared to 1.71% for the financial year ended 31 August 2023 and 0.50 percentage point higher as compared to 1.58% for the financial period from 1 September 2022 to 28 February 2023 mainly due to increase in total expenses of the Fund.

## The PTR increased by 0.01 times (1.75%) to 0.58 times for the financial period from 1 September 2023 to 29 February 2024 versus 0.57 times for the financial year ended 31 August 2023 and 0.20 times (52.63%) as compared to 0.38 times for the financial period from 1 September 2022 to 28 February 2023 mainly due to higher level of rebalancing activities undertaken by the Fund.

Financial Period 31/08/2023- 29/02/2024 %	Financial Year 31/08/2022- 31/08/2023 %	Financial Year 31/08/2021- 31/08/2022 %	Financial Year 31/08/2020- 31/08/2021 %
1.52	2.91	7.13	-
7.17	15.56	14.17	26.70
-	10.70	-	8.48
21.85	3.34	12.18	9.79
5.44	8.09	6.69	-
13.43	4.72	-	17.80
-	3.02	-	-
17.22	45.22	44.71	33.06
7.16	-	-	-
7.77	5.06	-	1.74
8.51	-	-	-
9.93	1.38	15.12	2.43
<b>RM1,799,859,366</b>	RM1,746,150,718	RM1,495,997,379	RM1,330,420,508
<b>RM0.0736</b>	RM0.0741	RM0.0814	RM0.1051
<b>24,456,290,017</b>	23,562,327,837	18,372,401,559	12,660,686,615
<b>RM0.0749</b>	RM0.0877	RM0.1121	RM0.1105
<b>RM0.0700</b>	RM0.0737	RM0.0780	RM0.0691
<b>-0.67%</b>	-1.87%	-16.51%	54.37%
<b>-0.67%</b>	-8.97%	-22.55%	45.77%
<b>-</b>	7.10%	6.04%	8.60%
-	0.6000 sen/unit	0.6000 sen/unit	0.0000 sen/unit
-	0.0000 sen/unit	0.0000 sen/unit	0.6000 sen/unit
-	0.6000 sen/unit	0.6000 sen/unit	0.6000 sen/unit
-	100%	100%	0%
-	0%	0%	100%
-	-	-	-
-	0.6000 sen/unit	0.6000 sen/unit	0.6000 sen/unit
-	0.6000 sen/unit	0.6000 sen/unit	0.5823 sen/unit
-	18/07/2023	19/07/2022	22/07/2021
-	RM0.0829	RM0.0829	RM0.1075
-	RM0.0769	RM0.0769	RM0.1017
<b>2.08%#</b>	1.71%	1.58%	1.58%
<b>0.58##</b>	0.57	0.60	0.86
<b>-3.00%</b>			
<b>-4.77%</b>			
<b>6.31%</b>			

# Corporate Information

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## 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. Hoo See Kheng  
YBhg Dato' Abdul Majit bin Ahmad Khan  
YM Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin

## Executive Director/Chief Executive Officer

Mr. Hoo See Kheng

## Trustee

Deutsche Trustees Malaysia Berhad

## Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

## 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

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## 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](http://www.hlam.com.my)  
E-mail: [inquiry@hlam.hongleong.com.my](mailto:inquiry@hlam.hongleong.com.my)

## Pulau Pinang

No. 441-1-3  
Pulau Tikus Plaza, Jalan Burmah  
10350 Pulau Tikus, Pulau Pinang  
Tel: 04-2288 112, 04-2289 112  
Fax: 04-2283 112

## Ipoh

2nd Floor, Lot 3, Persiaran Greentown 4  
Greentown Business Centre  
30450 Ipoh, Perak  
Tel: 05-2558 388, 05-2559 388  
Fax: 05-2558 389



Hong Leong Asset Management Bhd  
[www.hlam.com.my](http://www.hlam.com.my)

