

# Hong Leong Balanced Fund

**Semi-Annual Report**

Financial Period Ended 31 December 2022

**2022**

Unaudited



# Hong Leong Balanced Fund

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# Manager's Review & Report

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## I. FUND INFORMATION

### **Fund Name**

Hong Leong Balanced Fund

### **Fund Category**

Balanced

### **Fund Type**

Growth & Income

### **Investment Objective**

To achieve regular income<sup>\*</sup> and consistent capital growth over the Medium-To-Long Term<sup>\*\*</sup> by investing in a diversified investment portfolio containing a balanced mixture of equities and fixed income securities.

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

Not Applicable

### **Benchmark**

3-Month KLIBOR Rate (40% weightage) and the FTSE Bursa Malaysia KLCI (60% weightage)

### **Distribution Policy**

The Fund intends to provide regular income<sup>\*</sup> and consistent Long-Term<sup>\*\*\*</sup> capital growth. As such, regular income returns will be declared on a best effort basis, depending on interest rates, market conditions and the performance of the Fund.

Notes:

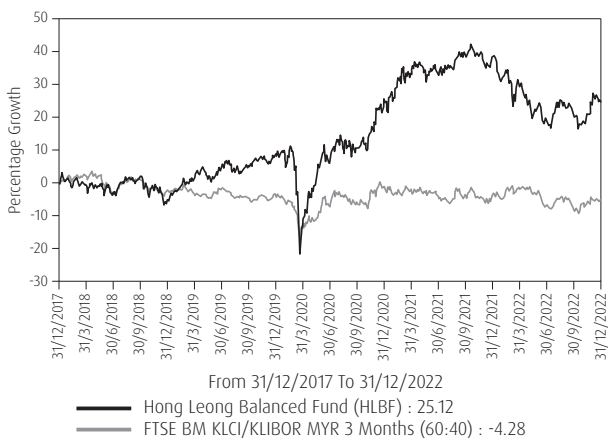
<sup>\*</sup> The Fund's main focus is on income and to a lesser extent, capital growth. Income may be distributed in the form of cash and/or Units

<sup>\*\*</sup> Medium-To-Long Term refers to a period of 3 to 5 years

<sup>\*\*\*</sup> Long-Term refers to a period of above 5 years.

## II. FUND PERFORMANCE

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



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

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

### Performance Review

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

The Fund posted a return of 5.70% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the FTSE Bursa Malaysia KLCI+3-Month KLIBOR Rate (60:40) registered a return of 2.87%. During the financial period under review, the Fund had distributed 6 times of income distributions to its Unitholders. Unitholders should note that income distributions have the effect of reducing the Net Asset Value (NAV) of the Fund after distributions. For a full description of the income distributions, cum-distributions and ex-distributions NAV per unit of the Fund, kindly refer to section entitled 'Performance Data' at page 48-53.

For the five-year financial period ended 31 December 2022, the Fund posted a return of 25.12% compared to the benchmark's return of -4.28% while distributing a total gross income of 16.9000 sen per unit (net income of 16.7708 sen per unit).

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

	30/09/22- 31/12/22	30/06/22- 31/12/22	31/12/21- 31/12/22	31/12/19- 31/12/22	31/12/17- 31/12/22	31/12/12- 31/12/22	29/04/02- 31/12/22 Since Launch
	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	
HLBF (%)	3.83	5.70	-9.96	15.23	25.12	84.22	309.35
Benchmark (%)	4.66	2.87	-1.51	-0.10	-4.28	6.77	97.31

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

	31-Dec-22	30-Jun-22	Return (%)
NAV Per Unit	RM0.4677	RM0.4601	5.70#
Benchmark	279.33	271.54	2.87
<b>vs Benchmark (%)</b>	-	-	2.83

# Return is calculated after adjusting for income distributions during the period under review.

**Table 3: Financial Highlights**

The Net Asset Value attributable to Unitholders is represented by:

	31-Dec-22 (RM)	30-Jun-22 (RM)	Change (%)
Unitholders' Capital	<b>1,193,443,664</b>	1,177,938,236	1.32
Accumulated Loss	<b>(36,862,827)</b>	(75,802,857)	51.37
<b>Net Asset Value</b>	<b>1,156,580,837</b>	1,102,135,379	4.94
<b>Units in Circulation</b>	<b>2,472,740,767</b>	2,395,240,882	3.24

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

	Financial Period 30/06/22– 31/12/22	Financial Year 30/06/21– 30/06/22	Financial Year 30/06/20– 30/06/21	Financial Year 30/06/19– 30/06/20
Highest NAV Per Unit (RM)	0.4789	0.5702	0.5664	0.5047
Lowest NAV Per Unit (RM)	0.4412	0.4585	0.4610	0.3451
Capital Growth (%)	1.65	-15.83	19.08	-7.01
Income Distribution (%)	4.05	4.92	5.67	8.83
<b>Total Return (%)</b>	<b>5.70</b>	<b>-10.91</b>	<b>24.75</b>	<b>1.82</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 HLBF reinvested.

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

	31/12/21– 31/12/22 1 Year	31/12/19– 31/12/22 3 Years	31/12/17– 31/12/22 5 Years
Average Total Return (%)	-9.96	5.08	5.02

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

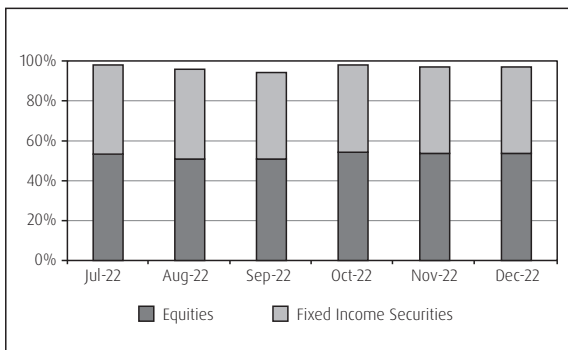
**Table 6: Annual Total Return of the Fund**

Financial Year	30/06/21– 30/06/22	30/06/20– 30/06/21	30/06/19– 30/06/20	30/06/18– 30/06/19	30/06/17– 30/06/18
Annual Total Return (%)	-10.91	24.75	1.82	7.27	0.75

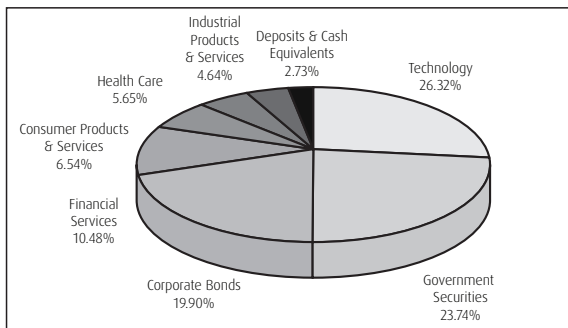
Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLBF reinvested.

### III. INVESTMENT PORTFOLIO

**Chart 2: Asset Allocation - July 2022 to December 2022**



**Chart 3: Sector Allocation as at 31 December 2022**



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

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

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

On the fixed income front, we maintain our defensive strategy to reduce duration in the Fund in order to manage fund volatility in a rising rate environment. The Fund's duration was reduced to 2.65 years in the period under review.

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

On the equity front, there was an increase in allocation to technology and healthcare sectors during the financial period under review due to improving outlook and attractive valuations.

In the fixed income segment, the Fund decreased its government securities during the financial period under review in order to reduce duration in a rising rate environment. The Fund's overall asset allocation for fixed income decreased due to maturity of some bonds.

## **Operational review of the Fund**

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



## IV. MARKET REVIEW

### Equities

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

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

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

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

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

## Fixed Income

During the financial period under review, the US Federal Reserve (Fed) hiked interest rates by 50 basis points (bps) in December, after four straight 75bps increases to bring cumulative rate hikes to 425bps in 2022. The US Federal Funds Target Rates (at 4.25-4.50%) are at the highest level since November 2007 which is expected to weigh on US demand and growth in the coming quarters. At the end of the review period, the December labour market report showed stronger-than-expected job gains and a fall in the unemployment rate to 3.5%. Headline inflation fell from 7.1% in November to 6.4% in December. Inflation was dragged lower, mostly by falling energy and vehicle prices. 10-year US treasury yield rose 99bps from 2.88% in early July to end at 3.87% in end-December as the Fed continued to pursue its aggressive monetary policy tightening amid persistently high US inflation.

Meanwhile, the local bond market rallied post 15th General Election in November as investors gained confidence over the newly-formed unity government. During the review period, the 5-year Malaysian Government Securities (MGS) yield declined 26bps to 3.84% while the 10-year benchmark MGS yield decreased by 38bps to 4.07% respectively in end-December.

Domestic headline inflation held at 4.0% year-on-year in November (October: 4.0%) to bring year-to-date inflation to 3.4% whilst core inflation averaged at 2.9%. Despite steady headline inflation, food inflation accelerated further to the highest level since April 2009 (7.3%) alongside higher prices of restaurants and hotels (7.0%), recreation services and culture (3.6%), health (1.4%), education (1.5%), and miscellaneous goods and services (2.6%). This was offset by slower inflation for housing, water, electricity, gas and other fuels (1.4%), as well as household furnishings (3.8%), and transport (5.0%).

In line with the pace of domestic economic recovery, Bank Negara Malaysia (BNM) delivered a fourth consecutive Overnight Policy Rate (OPR) hike at the Monetary Policy Committee (MPC) meeting in November to 2.75% after raising three 25bps hikes in May, July and September, premised on stronger economic growth and rising inflation, albeit at a less aggressive pace as compared to the US Fed. The MPC described the stance of monetary policy as accommodative and further added that subsequent rate hikes will be done in a measured and gradual manner to ensure that monetary policy remains supportive of economic growth.

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

### Equities

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

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

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

### Fixed Income

We continue to expect headline inflation to stay elevated in the near-term amid lingering demand and cost pressures before decelerating in 2023. We are pencilling another 25bps rate hike in the first half of 2023 to bring the OPR to 3%.

The Fund will look to increase its corporate bonds' allocation for better yield pick-up when opportunity arises.

## **VI. SOFT COMMISSIONS**

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

## **VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS**

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

## **VIII. CROSS TRADE TRANSACTIONS**

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

## STATEMENT BY THE MANAGER

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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 14 to 47 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2022 and of its financial performance, changes in equity and cash flows for the financial period ended 31 December 2022 in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") 34 "Interim Financial Reporting".

For and on behalf of the Manager,

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

**HOO SEE KHENG**

Chief Executive Officer/Executive Director

Kuala Lumpur

16 February 2023

# TRUSTEE'S REPORT

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

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

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

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

For Deutsche Trustees Malaysia Berhad

**Soon Lai Ching**

Senior Manager, Trustee Operations

**Jiva Munusamy**

Head, Client Management

Kuala Lumpur

16 February 2023

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
<b>INVESTMENT INCOME</b>			
Interest income from financial assets measured at fair value through profit or loss ("FVTPL")		9,243,375	6,676,081
Interest income from financial assets measured at amortised cost	4	466,863	762,048
Dividend income		6,205,119	3,517,481
Net gain on financial assets at fair value through profit or loss ("FVTPL")	10	58,561,572	41,673,731
		<u>74,476,929</u>	<u>52,629,341</u>
<b>EXPENDITURE</b>			
Management fee	5	(11,398,643)	(10,032,989)
Trustee's fee	6	(455,946)	(401,320)
Auditors' remuneration		(3,882)	(3,882)
Tax agent's fee		(1,310)	(1,310)
Transaction costs		(682,347)	(1,147,298)
Other expenses		(37,939)	(92,678)
		<u>(12,580,067)</u>	<u>(11,679,477)</u>
<b>PROFIT BEFORE TAXATION</b>		61,896,862	40,949,864
Taxation	7	-	-
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<u>61,896,862</u>	<u>40,949,864</u>
Profit after taxation is made up as follows:			
Realised amount		(21,299,557)	5,463,650
Unrealised amount		83,196,419	35,486,214
		<u>61,896,862</u>	<u>40,949,864</u>
Distributions for the financial period:			
Net distributions	8	43,652,528	31,114,394
Net distributions per unit (sen)	8	<u>1.8000</u>	<u>1.7936</u>
Gross distributions per unit (sen)	8	<u>1.8000</u>	<u>1.8000</u>

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



# CONDENSED STATEMENT OF FINANCIAL POSITION *(Unaudited)*

AS AT 31 DECEMBER 2022

	Note	31.12.2022 RM	30.06.2022 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	33,213,676	44,693,568
Amount due from brokers/dealers		-	1,976,302
Amount due from the Manager			
-creation of units		230,132	532,688
Dividends receivable		504,216	703,116
Financial assets at fair value through profit or loss ("FVTPL")	10	1,125,115,410	1,066,828,946
<b>TOTAL ASSETS</b>		<u>1,159,063,434</u>	<u>1,114,734,620</u>
<b>LIABILITIES</b>			
Amount due to brokers/dealers		-	9,895,655
Amount due to the Manager			
-cancellation of units		415,899	767,824
-management fee		1,979,567	1,850,812
Amount due to the Trustee		79,183	74,032
Other payables and accruals		7,948	10,918
<b>TOTAL LIABILITIES</b>		<u>2,482,597</u>	<u>12,599,241</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>1,156,580,837</u>	<u>1,102,135,379</u>
<b>EQUITY</b>			
Unit holders' capital		1,193,443,664	1,177,938,236
Accumulated loss		(36,862,827)	(75,802,857)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>1,156,580,837</u>	<u>1,102,135,379</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	11	<u>2,472,740,767</u>	<u>2,395,240,882</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.4677</u>	<u>0.4601</u>

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

# CONDENSED STATEMENT OF CHANGES IN EQUITY *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Note	Unit holders' capital RM	(Accumulated loss)/ Retained earnings RM	Total RM
Balance as at 1 July 2022		1,177,938,236	(75,802,857)	1,102,135,379
Movement in net asset value:				
Creation of units from applications		54,116,189	-	54,116,189
Creation of units from distributions		14,331,629	-	14,331,629
Cancellation of units		(32,246,694)	-	(32,246,694)
Total comprehensive income for the financial period		-	61,896,862	61,896,862
Distributions for the financial period	8	(20,695,696)	(22,956,832)	(43,652,528)
Balance as at 31 December 2022		<u>1,193,443,664</u>	<u>(36,862,827)</u>	<u>1,156,580,837</u>
Balance as at 1 July 2021		714,913,232	125,822,453	840,735,685
Movement in net asset value:				
Creation of units from applications		338,127,872	-	338,127,872
Creation of units from distributions		10,242,972	-	10,242,972
Cancellation of units		(9,079,549)	-	(9,079,549)
Total comprehensive income for the financial period		-	40,949,864	40,949,864
Distributions for the financial period	8	-	(31,114,394)	(31,114,394)
Balance as at 31 December 2021		<u>1,054,204,527</u>	<u>135,657,923</u>	<u>1,189,862,450</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 2022

	2022 RM	2021 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of financial assets at FVTPL	105,329,346	139,775,644
Proceeds from redemption of financial assets at FVTPL	30,000,000	-
Purchase of financial assets at FVTPL	(144,354,520)	(409,680,572)
Interest income received from financial assets measured at FVTPL and amortised cost	10,744,818	7,438,675
Dividend income received	6,068,021	3,809,037
Management fee paid	(11,269,888)	(9,489,886)
Trustee's fee paid	(450,795)	(379,596)
Payment for other fees and expenses	(46,101)	(100,839)
Net cash used in operating activities	(3,979,119)	(268,627,537)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	54,418,745	335,384,320
Payments for cancellation of units	(32,598,619)	(9,079,549)
Payments for distributions	(29,320,899)	(20,871,422)
Net cash (used in)/generated from financing activities	(7,500,773)	305,433,349
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(11,479,892)	36,805,812
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	44,693,568	60,134,556
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	33,213,676	96,940,368

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

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Unaudited)*

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**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

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

Hong Leong Balanced Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 18 March 2002 and Supplemental Deeds dated 6 August 2002 and 30 April 2010 between the Manager, Hong Leong Asset Management Bhd and Universal Trustee (Malaysia) Berhad for the unit holders of the Fund. Universal Trustee (Malaysia) Berhad has been replaced with Deutsche Trustees Malaysia Berhad ("the Trustee") effective 1 August 2013 and Supplemental Master Deeds were entered into between the Manager and the Trustee for the unit holders of the Fund on 30 May 2013 and 25 March 2015 to effect the change ("the Deeds").

The Fund aims to achieve regular income and consistent capital growth over the Medium-To-Long Term by investing in a diversified investment portfolio containing a balanced mixture of equities and fixed income securities.

The Fund will invest in equity securities of companies operating in Malaysia. Generally, companies that have low shareholders' risk, strong balance sheets with strong operating cash flows and sustainable earnings, and low relative valuations represented by reasonable price earnings ratio (PER) or price-to-book ratios (P/B) are selected. Low shareholders' risk refers to shareholders or management with good business acumen, strong business performance track record and good corporate governance. The Fund may also invest into fixed income securities and money market instruments. The Fund commenced operations on 29 April 2002 and will continue its operations until terminated as provided under Part 12 of the Deed.

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

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **(a) Basis of preparation**

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

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

### **(b) Financial assets and financial liabilities**

#### Classification

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

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

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

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

The Fund classifies 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 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.

Unquoted fixed income securities are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission Malaysia as per the Securities Commission Malaysia's Guidelines on Unit Trust Funds. Where such quotation are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

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, auto-sweep facility bank account and unquoted fixed income securities 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 disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted fixed income securities, determined on cost adjusted for accretion of discount or amortisation of premium.

#### **(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>31.12.2022</b>			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	33,213,676	33,213,676
Amount due from the Manager			
-creation of units	-	230,132	230,132
Dividends receivable	-	504,216	504,216
Financial assets at FVTPL (Note 10)	1,125,115,410	-	1,125,115,410
	<u>1,125,115,410</u>	<u>33,948,024</u>	<u>1,159,063,434</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	415,899	415,899
-management fee	-	1,979,567	1,979,567
Amount due to the Trustee	-	79,183	79,183
Other payables and accruals	-	7,948	7,948
	-	<u>2,482,597</u>	<u>2,482,597</u>
<b>30.06.2022</b>			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	44,693,568	44,693,568
Amount due from the brokers/ dealers	-	1,976,302	1,976,302
Amount due from the Manager -creation of units	-	532,688	532,688
Dividends receivable	-	703,116	703,116
Financial assets at FVTPL (Note 10)	1,066,828,946	-	1,066,828,946
	<u>1,066,828,946</u>	<u>47,905,674</u>	<u>1,114,734,620</u>
<u>Financial liabilities</u>			
Amount due to the brokers/dealers	-	9,895,655	9,895,655
Amount due to the Manager			
-cancellation of units	-	767,824	767,824
-management fee	-	1,850,812	1,850,812
Amount due to the Trustee	-	74,032	74,032
Other payables and accruals	-	10,918	10,918
	-	<u>12,599,241</u>	<u>12,599,241</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 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>31.12.2022</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities	620,239,298	-	-	620,239,298
- Unquoted fixed income securities	-	504,876,112	-	504,876,112
	<u>620,239,298</u>	<u>504,876,112</u>	<u>-</u>	<u>1,125,115,410</u>
<b>30.06.2022</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities	552,675,686	-	-	552,675,686
- Unquoted fixed income securities	-	514,153,260	-	514,153,260
	<u>552,675,686</u>	<u>514,153,260</u>	<u>-</u>	<u>1,066,828,946</u>

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities. 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 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. INTEREST INCOME FROM FINANCIAL ASSETS MEASURED AT AMORTISED COST**

	<b>2022 RM</b>	<b>2021 RM</b>
Interest income from:		
- Deposits with licensed financial institutions	460,653	759,074
- Auto-sweep facility bank account	6,210	2,974
	<u>466,863</u>	<u>762,048</u>

#### **5. 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 31 December 2022, the management fee is recognised at a rate of 2.00% (2021: 2.00%) per annum.

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

#### **6. TRUSTEE'S FEE**

In accordance with Division 13.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.20% subject to a minimum of RM18,000 per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 December 2022, the Trustee's fee is recognised at a rate of 0.08% (2021: 0.08%) per annum.

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

## 7. TAXATION

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

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

	2022 RM	2021 RM
Profit before taxation	61,896,862	40,949,864
Taxation at Malaysian statutory rate of 24% (2021: 24%)	14,855,247	9,827,967
Tax effects of:		
Investment income not subject to tax	(17,874,463)	(12,631,042)
Expenses not deductible for tax purposes	273,854	386,881
Restriction on tax deductible expenses for unit trust fund	2,745,362	2,416,194
Taxation	-	-

## 8. DISTRIBUTIONS

	2022 RM	2021 RM
Prior financial years' realised income	18,504,737	30,001,800
Interest income	10,301,826	7,808,279
Dividend income	5,997,380	3,405,981
Realised gain on financial assets at FVTPL	-	729,384
Distribution equalisation	20,695,696	-
Less: Expenses	(11,847,111)	(10,831,050)
Net distributions amount	43,652,528	31,114,394
Net distributions per unit (sen)	1.8000	1.7936
Gross distributions per unit (sen)	1.8000	1.8000

### Date of Declaration

#### Distribution on 20/21 July

Net distribution per unit (sen)	0.8000	0.7936
Gross distribution per unit (sen)	0.8000	0.8000

#### Distribution on 22/20 Aug

Net distribution per unit (sen)	0.2000	0.2000
Gross distribution per unit (sen)	0.2000	0.2000

	2022 RM	2021 RM
<b>Distribution on 20 Sept</b>		
Net distribution per unit (sen)	0.2000	0.2000
Gross distribution per unit (sen)	0.2000	0.2000
<b>Distribution on 20 Oct</b>		
Net distribution per unit (sen)	0.2000	0.2000
Gross distribution per unit (sen)	0.2000	0.2000
<b>Distribution on 21/22 Nov</b>		
Net distribution per unit (sen)	0.2000	0.2000
Gross distribution per unit (sen)	0.2000	0.2000
<b>Distribution on 20 Dec</b>		
Net distribution per unit (sen)	0.2000	0.2000
Gross distribution per unit (sen)	0.2000	0.2000

Net distributions above are sourced from prior financial years' and current financial period's realised income. Gross distributions are derived using total income less total expenses.

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

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation prices of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of distribution available for unit holders.

## 9. CASH AND CASH EQUIVALENTS

	31.12.2022 RM	30.06.2022 RM
Deposits with licensed financial institutions	33,192,001	44,190,542
Cash at banks	21,675	503,026
	<u>33,213,676</u>	<u>44,693,568</u>

The weighted average effective interest rates per annum are as follows:

	31.12.2022 %	30.06.2022 %
Deposits with licensed financial institutions	<u>2.75</u>	<u>2.10</u>

Deposits with licensed financial institutions have an average remaining maturity of 3 days (30.06.2022: 1 day).

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

	31.12.2022 RM	30.06.2022 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities	620,239,298	552,675,686
Unquoted fixed income securities	504,876,112	514,153,260
	<u>1,125,115,410</u>	<u>1,066,828,946</u>

	2022 RM	2021 RM
<u>Net gain on financial assets at FVTPL:</u>		
Realised (loss)/gain on disposals	(24,514,633)	6,189,230
Changes in unrealised fair values	83,076,205	35,484,501
	<u>58,561,572</u>	<u>41,673,731</u>

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES</b>				
<u>Main Markets</u>				
<u>Consumer Products &amp; Services</u>				
Berjaya Food Berhad	19,500,000	15,600,000	20,280,000	1.75
Genting Berhad	6,400,000	31,295,847	28,672,000	2.48
Guan Chong Berhad	11,150,000	34,743,895	26,760,000	2.31
	<u>37,050,000</u>	<u>81,639,742</u>	<u>75,712,000</u>	<u>6.54</u>
<u>Financial Services</u>				
AEON Credit Service (M) Berhad	2,396,500	29,203,630	30,147,970	2.61
Alliance Bank Malaysia Berhad	3,800,000	14,238,770	13,946,000	1.21
AMMB Holdings Berhad	8,800,000	32,807,340	36,432,000	3.15
CIMB Group Holdings Berhad	7,000,000	38,619,250	40,600,000	3.51
	<u>21,996,500</u>	<u>114,868,990</u>	<u>121,125,970</u>	<u>10.48</u>
<u>Healthcare</u>				
IHH Healthcare Berhad	5,700,000	37,854,156	35,454,000	3.07
Top Glove Corporation Bhd	33,000,000	26,084,900	29,865,000	2.58
	<u>38,700,000</u>	<u>63,939,056</u>	<u>65,319,000</u>	<u>5.65</u>
<u>Industrial Products &amp; Services</u>				
Dufu Technology Corp. Berhad	380,000	716,377	680,200	0.06
Hiap Teck Venture Berhad	33,000,000	14,912,250	9,570,000	0.83
Hume Cement Industries Berhad	3,150,000	4,412,097	2,961,000	0.26
Kobay Technology Bhd.	6,924,600	20,020,762	18,834,912	1.63
SAM Engineering & Equipment (M) Berhad	4,350,000	21,400,610	21,445,500	1.86
	<u>47,804,600</u>	<u>61,462,096</u>	<u>53,491,612</u>	<u>4.64</u>
<u>Technology</u>				
D & O Green Technologies Berhad	11,870,200	16,915,865	50,804,456	4.39
Frontken Corporation Berhad	18,341,000	63,797,855	56,490,280	4.88
Inari Amertron Berhad	11,403,000	32,617,160	29,761,830	2.57
Malaysian Pacific Industries Bhd	1,025,000	32,754,906	29,479,000	2.55
Pentamaster Corporation Berhad	11,550,000	53,894,325	51,166,500	4.42
Unisem (M) Berhad	5,200,000	18,935,101	14,352,000	1.24
UWC Berhad	12,280,000	50,033,960	49,365,600	4.27
	<u>71,669,200</u>	<u>268,949,172</u>	<u>281,419,666</u>	<u>24.32</u>
<u>ACE Markets</u>				
<u>Technology</u>				
Genetec Technology Berhad	9,695,000	21,438,460	23,171,050	2.00
<b>TOTAL QUOTED EQUITY SECURITIES</b>				
	<b>226,915,300</b>	<b>612,297,516</b>	<b>620,239,298</b>	<b>53.63</b>

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<u>Corporate Sukuk</u>				
4.29% Bakun Hydro Power Generation Sdn Bhd (AAA) 11/08/2023 - IMTN	5,000,000	5,117,092	5,100,737	0.44
4.47% Bakun Hydro Power Generation Sdn Bhd (AAA) 11/08/2027 - IMTN	5,000,000	5,391,463	5,114,013	0.44
5.05% Grand Sepadu (NK) Sdn Bhd (AA-) 09/06/2023 - Series 2	333,333	335,437	335,776	0.03
4.38% Imtiaz Sukuk II Berhad (AA2) 12/05/2027 - IMTN	5,000,000	5,028,800	4,987,100	0.43
3.10% Malayan Banking Berhad (AA1) 08/10/2027   08/10/2032 - IMTN	7,000,000	7,048,751	6,601,731	0.57
4.90% Manjung Island Energy Berhad (AAA) 25/11/2031 - IMTN Series 2 (1)	5,000,000	5,405,779	5,118,436	0.44
2.49% Pengerang LNG (Two) Sdn Bhd (AAA) 21/10/2025 - IMTN Tranche No 5	5,000,000	5,024,559	4,802,759	0.42
2.86% Pengerang LNG (Two) Sdn Bhd (AAA) 20/10/2028 - IMTN Tranche No 8	5,000,000	5,028,208	4,636,958	0.40
3.75% Public Islamic Bank Berhad (AA1) 31/10/2024   31/10/2029 - T3 Sub्सुक Murabahah	5,000,000	5,031,849	4,992,799	0.43
4.40% Public Islamic Bank Berhad (AA1) 28/07/2027   28/07/2032 - T4 Sub्सुक Murabahah	5,000,000	5,094,630	5,074,080	0.44
4.32% RHB Islamic Bank Berhad (AA2) 21/05/2024   21/05/2029 - Series 3	10,000,000	10,143,796	10,073,226	0.87
5.50% Sarawak Energy Berhad (AAA) 04/07/2029 - IMTN	25,000,000	29,391,762	27,281,099	2.36
3.25% Tenaga Nasional Berhad (AAA) 10/08/2035 - IMTN	5,000,000	4,601,739	4,382,619	0.38
3.55% Tenaga Nasional Berhad (AAA) 10/08/2040 - IMTN	5,000,000	4,506,820	4,295,255	0.37
5.18% Tenaga Nasional Berhad (AAA) 03/08/2037 - IMTN	20,000,000	21,805,197	21,284,392	1.84
5.78% TNB Western Energy Bhd (AAA) 29/07/2033 - Tranche 19	5,000,000	5,675,175	5,485,868	0.47
5.80% TNB Western Energy Bhd (AAA) 30/01/2034 - Tranche 20	5,000,000	5,695,235	5,498,945	0.48
	122,333,333	130,326,292	125,065,793	10.81

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Private Debt Securities</u>				
3.60% Alliance Bank Malaysia Berhad (A2) 27/10/2025   25/10/2030 - MTN	15,000,000	15,056,867	14,608,494	1.26
3.80% Alliance Bank Malaysia Berhad (A2) 27/10/2027   27/10/2032 - MTN	10,000,000	9,985,692	9,507,212	0.82
5.00% Eternal Icon Sdn Bhd (AAA) 29/03/2024   31/03/2027 - MTN (S2)	5,000,000	5,132,566	5,090,399	0.44
5.10% Eternal Icon Sdn Bhd (AAA) 31/03/2025   31/03/2028 - MTN (S3)	10,000,000	10,301,293	10,202,145	0.88
4.90% GENM Capital Berhad (AA1) 22/08/2025 - MTN	2,000,000	2,034,904	2,043,124	0.18
4.49% IGB REIT Capital Sdn Bhd (AAA) 20/03/2030 - Tranche 2 MTN	5,000,000	5,063,352	5,060,102	0.44
3.93% Public Bank Bhd (AA1) 07/04/2027   07/04/2032 - Tranche 8	10,000,000	10,092,597	9,879,397	0.85
4.70% Public Bank Berhad (AA1) 30/10/2023   27/10/2028 - Sub Notes	6,000,000	6,047,901	6,084,921	0.53
3.65% RHB Bank Berhad (AA2) 28/04/2026   28/04/2031 - MTN	5,000,000	5,074,037	4,920,000	0.43
4.40% RHB Bank Berhad (AA2) 28/09/2027   28/09/2032 - MTN	12,000,000	12,137,425	12,059,305	1.04
3.00% United Overseas Bank (Malaysia) Bhd. (AA1) 01/08/2025   02/08/2030 - MTN	15,000,000	14,898,080	14,687,265	1.27
	95,000,000	95,824,714	94,142,364	8.14
<u>Government Investment Issues</u>				
3.465% Government of Malaysia 15/10/2030	30,000,000	30,275,284	28,993,650	2.51
3.726% Government of Malaysia 31/03/2026	3,000,000	3,166,474	3,020,729	0.26
4.119% Government of Malaysia 30/11/2034	10,000,000	11,128,709	9,882,511	0.85
4.130% Government of Malaysia 09/07/2029	20,000,000	21,470,601	20,494,746	1.77
4.467% Government of Malaysia 15/09/2039	20,000,000	22,788,835	20,256,939	1.75
4.638% Government of Malaysia 15/11/2049	8,000,000	8,814,931	8,062,334	0.70
	91,000,000	97,644,834	90,710,909	7.84
<u>Malaysian Government Securities</u>				
3.478% Government of Malaysia 14/06/2024	30,000,000	30,334,119	30,029,997	2.60
3.733% Government of Malaysia 15/06/2028	75,000,000	77,429,755	74,224,007	6.42
3.757% Government of Malaysia 22/05/2040	8,500,000	9,119,344	7,902,972	0.68
3.828% Government of Malaysia 05/07/2034	20,000,000	22,033,072	19,786,278	1.71
3.844% Government of Malaysia 15/04/2033	10,000,000	10,598,608	9,848,171	0.85
3.900% Government of Malaysia 30/11/2026	10,000,000	10,327,341	10,071,586	0.87
4.642% Government of Malaysia 07/11/2033	10,000,000	11,483,010	10,525,328	0.91



	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
4.921% Government of Malaysia 06/07/2048	20,000,000	24,317,318	21,501,128	1.86
	183,500,000	195,642,567	183,889,467	15.90
<u>Securities Guaranteed by Government of Malaysia</u>				
4.05% Lembaga Pembiayaan Perumahan Sektor Awam 21/09/2026 - IMTN Tranche No 4	3,000,000	3,033,953	3,036,773	0.26
2.58% PRIMA Corporation Malaysia 30/07/2027 - IMTN	5,000,000	4,758,792	4,744,434	0.41
3.56% Prasarana Malaysia Berhad 10/07/2035 - S16 Sukuk Murabahah	3,500,000	3,559,057	3,286,372	0.28
	11,500,000	11,351,802	11,067,579	0.95
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>503,333,333</b>	<b>530,790,209</b>	<b>504,876,112</b>	<b>43.64</b>
<b>TOTAL INVESTMENTS</b>		<b>1,143,087,725</b>	<b>1,125,115,410</b>	<b>97.27</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>(17,972,315)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>1,125,115,410</b>		

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES</b>				
<u>Main Markets</u>				
<u>Construction</u>				
Gamuda Berhad	5,600,000	20,472,260	20,048,000	1.82
<u>Consumer Products &amp; Services</u>				
Berjaya Food Berhad	3,900,000	15,600,000	16,185,000	1.47
British American Tobacco (Malaysia) Berhad	1,198,300	17,615,423	12,941,640	1.17
Genting Berhad	6,400,000	31,295,847	29,056,000	2.63
Genting Malaysia Berhad	11,100,000	31,213,890	31,524,000	2.86
Guan Chong Berhad	11,150,000	34,743,895	28,098,000	2.55
	33,748,300	130,469,055	117,804,640	10.68
<u>Energy</u>				
Dayang Enterprise Holdings Bhd.	5,654,800	4,724,020	5,485,156	0.50
<u>Financial Services</u>				
AEON Credit Service (M) Berhad	2,383,300	29,019,920	33,080,204	3.00
Alliance Bank Malaysia Berhad	3,800,000	14,238,770	12,084,000	1.10
AMMB Holdings Berhad	8,000,000	29,781,420	29,840,000	2.71
	14,183,300	73,040,110	75,004,204	6.81
<u>Health Care</u>				
IHH Healthcare Berhad	6,500,000	43,167,020	41,925,000	3.80
Top Glove Corp Bhd.	6,000,000	11,085,800	6,240,000	0.56
	12,500,000	54,252,820	48,165,000	4.36

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Industrial Products &amp; Services</u>				
Dufu Technology Corp. Berhad	380,000	716,377	1,067,800	0.10
Hiap Teck Venture Berhad	33,000,000	14,912,250	9,900,000	0.90
Hume Cement Industries Berhad	3,150,000	4,412,097	3,024,000	0.27
Kobay Technology Bhd.	5,124,600	14,811,512	15,168,816	1.38
	41,654,600	34,852,236	29,160,616	2.65
<u>Property</u>				
S P Setia Berhad	18,453,000	27,084,676	12,548,040	1.14
<u>Technology</u>				
D & O Green Technologies Berhad	11,870,200	16,915,865	45,700,270	4.15
Frontken Corporation Berhad	18,341,000	63,797,855	42,000,890	3.81
Inari Amertron Berhad	11,403,000	32,617,160	30,103,920	2.73
Malaysian Pacific Industries Bhd	975,000	31,493,751	27,300,000	2.48
Pentamaster Corporation Berhad	11,150,000	52,346,005	41,143,500	3.73
Unisem (M) Berhad	3,100,000	13,342,081	7,130,000	0.65
UWC Berhad	9,780,000	40,852,420	32,176,200	2.92
	66,619,200	251,365,137	225,554,780	20.47
<u>ACE Market</u>				
<u>Technology</u>				
Genetec Technology Berhad	9,695,000	21,438,461	18,905,250	1.72
<b>TOTAL QUOTED EQUITY SECURITIES</b>	<b>208,108,200</b>	<b>617,698,775</b>	<b>552,675,686</b>	<b>50.15</b>

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<u>Corporate Sukuk</u>				
4.29% Bakun Hydro Power Generation Sdn Bhd (AAA) 11/08/2023 - IMTN	5,000,000	5,142,104	5,139,924	0.47
4.47% Bakun Hydro Power Generation Sdn Bhd (AAA) 11/08/2027 - IMTN	5,000,000	5,401,726	5,095,926	0.46
5.05% Grand Sepadu (NK) Sdn Bhd (AA-) 09/06/2023 - Series 2	333,333	336,707	338,813	0.03
4.38% Imitiaz Sukuk II Berhad (AA2) 12/5/2027 - IMTN	5,000,000	5,030,000	4,973,300	0.45
4.90% Manjung Island Energy Berhad (AAA) 25/11/2031 - IMTN Series 2 (1)	5,000,000	5,423,634	5,051,936	0.46
3.10% Malayan Banking Berhad (AA1) 08/10/2027   08/10/2032 - IMTN	7,000,000	7,048,156	6,633,756	0.60
2.49% Pengerang LNG (Two) Sdn Bhd (AAA) 21/10/2025 - IMTN Tranche No 5	5,000,000	5,024,218	4,780,568	0.43
2.86% Pengerang LNG (Two) Sdn Bhd (AAA) 20/10/2028 - IMTN Tranche No 8	5,000,000	5,027,816	4,576,816	0.42
3.75% Public Islamic Bank Berhad (AA1) 31/10/2024   31/10/2029 - T3				
Subsukuk Murabahah	5,000,000	5,032,363	5,021,663	0.46
4.32% RHB Islamic Bank Berhad (AA3) 21/05/2024   21/05/2029 - Series 3	10,000,000	10,174,880	10,111,959	0.92
5.50% Sarawak Energy Berhad (AAA) 04/07/2029 - IMTN	25,000,000	29,637,142	27,027,548	2.45
3.25% Tenaga Nasional Berhad (AAA) 10/8/2035 - IMTN	5,000,000	4,585,689	4,192,593	0.38

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
3.55% Tenaga National Berhad (AAA) 10/8/2040 - IMTN	5,000,000	4,493,930	4,052,023	0.37
5.18% Tenaga National Berhad (AAA) 03/08/2037 - IMTN	20,000,000	21,829,846	20,309,277	1.84
5.78% TNB Western Energy Bhd (AAA) 29/07/2033 - Tranche 19	5,000,000	5,691,516	5,409,659	0.49
5.80% TNB Western Energy Bhd (AAA) 30/01/2034 - Tranche 20	5,000,000	5,711,069	5,416,273	0.49
	117,333,333	125,590,796	118,132,034	10.72
<u>Private Debt Securities</u>				
3.60% Alliance Bank Malaysia Berhad (A2) 27/10/2025   25/10/2030 - MTN	15,000,000	15,048,635	14,650,364	1.33
3.80% Alliance Bank Malaysia Berhad (A2) 27/10/2032 - MTN	10,000,000	9,977,439	9,548,271	0.87
5.00% Eternal Icon Sdn Bhd (AAA) 29/03/2024   31/03/2027 - MTN (S2)	5,000,000	5,159,077	5,127,464	0.47
5.10% Eternal Icon Sdn Bhd (AAA) 31/03/2025   31/03/2028 - MTN (S3)	10,000,000	10,336,332	10,249,948	0.93
4.90% GENM Capital Berhad (AA1) 22/08/2025 - MTN	2,000,000	2,034,099	2,028,859	0.18
4.40% IGB REIT Capital Sdn Bhd (AAA) 20/09/2022   20/09/2024 - Tranche 1	30,000,000	30,517,424	30,480,177	2.77
3.93% Public Bank Berhad (AA1) 07/04/2027   07/04/2032 - Sub Notes Tranche 8	10,000,000	10,091,521	9,859,321	0.89
4.70% Public Bank Berhad (AA1) 30/10/2023   27/10/2028 - Sub Notes	6,000,000	6,048,674	6,141,254	0.56
3.65% RHB Bank Berhad (AA3) 28/04/2026   28/04/2031 - MTN	5,000,000	5,079,468	4,864,000	0.44
3.00% United Overseas Bank (Malaysia) Berhad (AA1) 01/08/2025   02/08/2030 - MTN	15,000,000	14,841,699	14,672,466	1.33
	108,000,000	109,134,368	107,622,124	9.77
<u>Government Investment Issues</u>				
3.465% Government of Malaysia 15/10/2030	30,000,000	30,274,359	28,328,693	2.57
3.726% Government of Malaysia 31/03/2026	3,000,000	3,186,570	3,007,098	0.27
4.094% Government of Malaysia 30/11/2023	10,000,000	10,156,814	10,154,676	0.92
4.119% Government of Malaysia 30/11/2034	10,000,000	11,165,379	9,501,788	0.86
4.130% Government of Malaysia 09/07/2029	20,000,000	21,544,187	20,216,644	1.83
4.467% Government of Malaysia 15/09/2039	20,000,000	22,840,464	19,242,193	1.75
4.638% Government of Malaysia 15/11/2049	8,000,000	8,822,044	7,535,388	0.68
	101,000,000	107,989,817	97,986,480	8.88

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Malaysian Government Securities</u>				
3.478% Government of Malaysia 14/06/2024	30,000,000	30,426,442	30,138,464	2.73
3.733% Government of Malaysia 15/06/2028	75,000,000	77,614,682	73,277,393	6.65
3.757% Government of Malaysia 22/05/2040	8,500,000	9,131,260	7,421,211	0.67
3.828% Government of Malaysia 05/07/2034	20,000,000	22,093,015	18,932,940	1.72
3.844% Government of Malaysia 15/04/2033	10,000,000	10,618,282	9,430,871	0.86
3.900% Government of Malaysia 30/11/2026	10,000,000	10,361,200	10,008,033	0.91
4.642% Government of Malaysia 07/11/2033	10,000,000	11,536,574	10,094,978	0.92
4.921% Government of Malaysia 06/07/2048	20,000,000	24,361,847	20,248,306	1.84
	<u>183,500,000</u>	<u>196,143,302</u>	<u>179,552,196</u>	<u>16.30</u>
<u>Securities Guaranteed by Government of Malaysia</u>				
4.05% Lembaga Pembiayaan Perumahan Sektor Awam 21/09/2026 - IMTN Tranche No 4	3,000,000	3,033,953	3,030,473	0.27
2.58% PRIMA Corporation Malaysia 30/07/2027 - IMTN	5,000,000	4,727,739	4,671,217	0.42
3.56% Prasarana Malaysia Berhad 10/07/2035 - S16 Sukuk Murabahah	3,500,000	3,558,716	3,158,736	0.29
	<u>11,500,000</u>	<u>11,320,408</u>	<u>10,860,426</u>	<u>0.98</u>
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>521,333,333</b>	<b>550,178,691</b>	<b>514,153,260</b>	<b>46.65</b>
<b>TOTAL INVESTMENTS</b>		<b>1,167,877,466</b>	<b>1,066,828,946</b>	<b>96.80</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>(101,048,520)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>1,066,828,946</b>		

Note: Certain unquoted fixed income securities may have call date and it's presented as "call date | maturity date".

## 11. UNITS IN CIRCULATION

	<b>01.07.2022 to 31.12.2022 No. of units</b>	<b>01.07.2021 to 30.06.2022 No. of units</b>
At the beginning of the financial period/year	2,395,240,882	1,538,148,146
Add: Creation of units during the financial period/year		
- Arising from applications	116,628,195	864,813,865
- Arising from distributions	31,190,562	37,739,846
Less: Cancellation of units during the financial period/year	(70,318,872)	(45,460,975)
At the end of the financial period/year	<u>2,472,740,767</u>	<u>2,395,240,882</u>

## 12. TOTAL EXPENSE RATIO ("TER")

	<b>2022 %</b>	<b>2021 %</b>
TER (annualised)	<u>2.09</u>	<u>2.08</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:

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

Where;

- A = Management fee
- B = Trustee's fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Other expenses excluding Sales and Service Tax ("SST") on transaction costs
- 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 RM1,130,703,162 (2021: RM996,907,142).

### 13. PORTFOLIO TURNOVER RATIO ("PTR")

	2022 Times	2021 Times
PTR	0.12	0.27

PTR is derived from the following calculation:

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

Where; total acquisitions for the financial period  
= RM134,107,675 (2021: RM408,852,720)  
total disposals for the financial period  
= RM128,179,929 (2021: RM133,040,025)

## 14. UNITS HELD BY THE MANAGER AND RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

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

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

	<b>31.12.2022</b>	<b>30.06.2022</b>
	<b>RM</b>	<b>RM</b>
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	1,153	7,093
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<u>Related party transactions</u>		
Interest income from deposits with licensed financial institutions:		
- Hong Leong Bank Berhad	-	211,214
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	1,717	2,974
Purchase of quoted equity securities:		
- Hong Leong Investment Bank Berhad	110,983,097	176,331,951
Purchase of quoted collective investment scheme:		
- Hong Leong Investment Bank Berhad	-	18,460,000
Purchase of unquoted fixed income securities:		
- Hong Leong Bank Berhad	-	10,014,315
- Hong Leong Investment Bank Berhad	5,000,000	-
	5,000,000	10,014,315
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	91,939,605	81,924,092
Disposal of unquoted fixed income securities:		
- Hong Leong Islamic Bank Berhad	10,176,047	-



## 15. 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 %
<b>2022</b>				
Hong Leong Investment Bank Berhad*	207,922,702	87.50	502,530	98.76
RHB Investment Bank Berhad	12,539,610	5.28	1,355	0.26
Hong Leong Islamic Bank Berhad*	10,176,047	4.28	-	-
Public Investment Bank Berhad	5,000,000	2.10	-	-
JPMorgan Securities (Malaysia) Sdn. Bhd.	1,475,768	0.62	3,676	0.72
Affin Hwang Investment Bank Berhad	518,833	0.22	1,303	0.26
	<u>237,632,960</u>	<u>100.00</u>	<u>508,864</u>	<u>100.00</u>
<b>2021</b>				
Hong Leong Investment Bank Berhad*	276,716,043	50.39	644,972	63.39
RHB Investment Bank Berhad	80,231,479	14.61	11,904	1.17
JPMorgan Securities (Malaysia) Sdn. Bhd.	29,966,355	5.46	75,066	7.38
CIMB Bank Berhad	25,765,584	4.69	-	-
Nomura Securities Malaysia Sdn. Bhd.	23,542,531	4.29	58,734	5.77
CLSA Securities Malaysia Sdn. Bhd.	20,631,977	3.76	51,535	5.07
Credit Suisse Securities (Malaysia) Sdn. Bhd.	19,431,713	3.54	48,436	4.76
Citigroup Global Markets Malaysia Sdn. Bhd.	15,339,573	2.79	34,423	3.38
Macquarie Capital (Malaysia) Sdn Bhd	12,337,308	2.25	30,902	3.04
United Overseas Bank (Malaysia) Bhd.	10,547,820	1.92	-	-
Others	34,620,868	6.30	61,457	6.04
	<u>549,131,251</u>	<u>100.00</u>	<u>1,017,429</u>	<u>100.00</u>

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

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

# Performance Data

**A (i) Portfolio Compositions:**

- Consumer Products & Services
- Financial Services
- Industrial Products & Services
- Technology
- Construction
- Property
- Energy
- Transportation & Logistics
- Health Care
- Plantation

- Corporate Bonds**
- Malaysian Government Securities**
- Deposits & Cash Equivalents**

- (ii) Total Net Asset Value (ex-distribution)
- (iii) Net Asset Value Per Unit (ex-distribution)  
Units in Circulation (ex-distribution)
- (iv) Highest/Lowest NAV Per Unit (ex-distribution) Highest NAV Per Unit  
Lowest NAV Per Unit

- (v) Total Return of the Fund\*
  - Capital Growth
  - Income Distribution
- (vi) The distribution (gross) is made out of:-
  - The Fund's Capital
  - The Fund's Income
  - Total Distribution Amount
  - The Fund's Capital (% of Total Distribution Amount)
  - The Fund's Income (% of Total Distribution Amount)

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

- Additional Units
- Distribution (Gross)
- Distribution (Net)
- Distribution Date
- Cum-Distribution NAV/Unit
- EX-Distribution NAV/Unit

- Additional Units
- Distribution (Gross)
- Distribution (Net)
- Distribution Date
- Cum-Distribution NAV/Unit
- EX-Distribution NAV/Unit

- Additional Units
- Distribution (Gross)
- Distribution (Net)
- Distribution Date
- Cum-Distribution NAV/Unit
- EX-Distribution NAV/Unit

Financial Period 30/06/22- 31/12/22 %	Financial Year 30/06/21- 30/06/22 %	Financial Year 30/06/20- 30/06/21 %	Financial Year 30/06/19- 30/06/20 %
6.54	10.68	12.89	7.49
10.48	6.81	5.12	9.55
4.64	2.65	13.54	16.40
26.32	22.19	13.95	1.30
-	1.82	-	3.75
-	1.14	-	-
-	0.50	4.25	3.83
-	-	-	0.65
5.65	4.36	-	2.10
-	-	-	1.32
19.90	21.47	14.59	6.80
23.74	25.18	28.19	21.66
2.73	3.20	7.47	25.15
RM1,156,580,837	RM1,102,135,379	RM840,735,685	RM338,419,228
RM0.4677	RM0.4601	RM0.5466	RM0.4590
2,472,740,767	2,395,240,882	1,538,148,146	737,253,126
RM0.4789	RM0.5702	RM0.5664	RM0.5047
RM0.4412	RM0.4585	RM0.4610	RM0.3451
5.70%	-10.91%	24.75%	1.82%
1.65%	-15.83%	19.08%	-7.01%
4.05%	4.92%	5.67%	8.83%
0.0000 sen/unit	3.0000 sen/unit	0.0000 sen/unit	3.4600 sen/unit
1.8000 sen/unit	0.0000 sen/unit	2.4000 sen/unit	0.8400 sen/unit
1.8000 sen/unit	3.0000 sen/unit	2.4000 sen/unit	4.3000 sen/unit
0%	100%	0%	80%
100%	0%	100%	20%
-	-	-	-
0.8000 sen/unit	0.8000 sen/unit	0.2000 sen/unit	1.9000 sen/unit
0.8000 sen/unit	0.7936 sen/unit	0.1997 sen/unit	1.8730 sen/unit
20/07/2022	21/07/2021	20/07/2020	17/07/2019
RM0.4640	RM0.5506	RM0.4803	RM0.5028
RM0.4560	RM0.5427	RM0.4783	RM0.4841
-	-	-	-
0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
0.2000 sen/unit	0.2000 sen/unit	0.1998 sen/unit	0.1978 sen/unit
22/08/2022	20/08/2021	21/08/2020	20/08/2019
RM0.4713	RM0.5468	RM0.4846	RM0.4777
RM0.4693	RM0.5448	RM0.4826	RM0.4757
-	-	-	-
0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
0.2000 sen/unit	0.2000 sen/unit	0.1998 sen/unit	0.1986 sen/unit
20/09/2022	20/09/2021	21/09/2020	20/09/2019
RM0.4689	RM0.5581	RM0.4697	RM0.4771
RM0.4669	RM0.5561	RM0.4677	RM0.4751
-	-	-	-
0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
0.2000 sen/unit	0.2000 sen/unit	0.1998 sen/unit	0.1990 sen/unit
20/10/2022	20/10/2021	20/10/2020	21/10/2019
RM0.4459	RM0.5683	RM0.4856	RM0.4848
RM0.4439	RM0.5663	RM0.4836	RM0.4828

# Performance Data

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Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

Financial Period 30/06/22- 31/12/22 %	Financial Year 30/06/21- 30/06/22 %	Financial Year 30/06/20- 30/06/21 %	Financial Year 30/06/19- 30/06/20 %
-	-	-	-
0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
0.2000 sen/unit	0.2000 sen/unit	0.1998 sen/unit	0.1994 sen/unit
22/11/2022	22/11/2021	20/11/2020	20/11/2019
RM0.4563	RM0.5599	RM0.4940	RM0.4854
RM0.4543	RM0.5579	RM0.4920	RM0.4834
-	-	-	-
0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
0.2000 sen/unit	0.2000 sen/unit	0.1998 sen/unit	0.1995 sen/unit
20/12/2021	20/12/2021	21/12/2020	20/12/2019
RM0.4707	RM0.5404	RM0.5187	RM0.4821
RM0.4687	RM0.5384	RM0.5167	RM0.4801
-	-	-	-
-	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
-	0.2000 sen/unit	0.1998 sen/unit	0.1995 sen/unit
-	20/01/2022	20/01/2021	20/01/2020
-	RM0.5276	RM0.5353	RM0.4883
-	RM0.5256	RM0.5333	RM0.4863
-	-	-	-
-	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
-	0.2000 sen/unit	0.1998 sen/unit	0.1995 sen/unit
-	21/02/2022	22/02/2021	20/02/2020
-	RM0.5227	RM0.5465	RM0.4901
-	RM0.5207	RM0.5445	RM0.4881
-	-	-	-
-	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
-	0.2000 sen/unit	0.1998 sen/unit	0.1996 sen/unit
-	21/03/2022	22/03/2021	20/03/2020
-	RM0.5128	RM0.5547	RM0.3645
-	RM0.5108	RM0.5527	RM0.3625
-	-	-	-
-	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
-	0.2000 sen/unit	0.1999 sen/unit	0.1996 sen/unit
-	20/04/2022	20/04/2021	20/04/2020
-	RM0.4979	RM0.5637	RM0.4274
-	RM0.4959	RM0.5618	RM0.4254
-	-	-	-
-	0.2000 sen/unit	0.2000 sen/unit	0.2000 sen/unit
-	0.2000 sen/unit	0.1999 sen/unit	0.1996 sen/unit
-	20/05/2022	20/05/2021	20/05/2020
-	RM0.4796	RM0.5412	RM0.4566
-	RM0.4776	RM0.5392	RM0.4546
-	-	-	-
-	0.2000 sen/unit	0.2000 sen/unit	0.4000 sen/unit
-	0.2000 sen/unit	0.1999 sen/unit	0.3992 sen/unit
-	20/06/2022	21/06/2021	22/06/2020
-	RM0.4605	RM0.5564	RM0.4667
-	RM0.4585	RM0.5544	RM0.4627

# Performance Data

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(viii) Total Expense Ratio (TER)

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

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

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

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

# The PTR decreased by 0.38 times (76.00%) to 0.12 times for the financial period from 1 July 2022 to 31 December 2022 versus 0.50 times for the financial year ended 30 June 2022 and 0.15 times (55.56%) as compared to 0.27 times for the financial period from 1 July 2021 to 31 December 2021 mainly due to **lower level of rebalancing activities undertaken by the Fund.**

Financial Period 30/06/22– 31/12/22 %	Financial Year 30/06/21– 30/06/22 %	Financial Year 30/06/20– 30/06/21 %	Financial Year 30/06/19– 30/06/20 %
2.09%	2.09%	1.75%	1.59%
0.12#	0.50	1.11	1.84
-9.96%			
5.08%			
5.02%			

# 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

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Bukit Damansara  
50490 Kuala Lumpur

## Board of Directors

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

## Executive Director / Chief Executive Officer

Mr. Hoo See Kheng

## Trustee

Deutsche Trustees Malaysia Berhad

## Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

## Agents

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



# Corporate Directory

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## **Head Office**

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Fax: 03-2081 8500  
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Hong Leong Asset Management Bhd  
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