

Hong Leong Dana Maa'rof

Annual Report

Financial Year Ended 30 June 2024

2023/2024

Audited



HONG LEONG DANA MAA'ROF

Contents

	Page
Manager's Review and Report	1-9
Statement by the Manager	10
Trustee's Report	11
Shariah Adviser's Report	12
Independent Auditors' Report	13-16
Statement of Comprehensive Income	17
Statement of Financial Position	18
Statement of Changes in Equity	19
Statement of Cash Flows	20
Notes to the Financial Statements	21-57
Performance Data	58-61
Corporate Information	62
Corporate Directory	63

Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Dana Maa'rof ("HLDM2" or "the Fund")

Fund Category

Balanced (Islamic)

Fund Type

Growth and Income

Investment Objective

The Fund is primarily* an Islamic balanced fund which seeks to achieve not only regular income** but also meaningful*** medium to long-term capital growth. The Fund provides the public an affordable**** access into a diversified investment portfolio containing a 'balanced' mixture of equities and fixed income securities that comply with the Shariah requirements.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

3-months KLIBOR rate (40% weightage) and FBM EMAS Shariah Index (60% weightage)

Distribution Policy

The Fund intends to provide regular income^ and consistent long term capital growth. As such, regular income returns will be declared on a semi annual basis, subject to availability of income.

Notes:

* The Fund will generally maintain its asset allocation as an Islamic balanced fund at all times.

** Income may be distributed in the form of cash and/or Units.

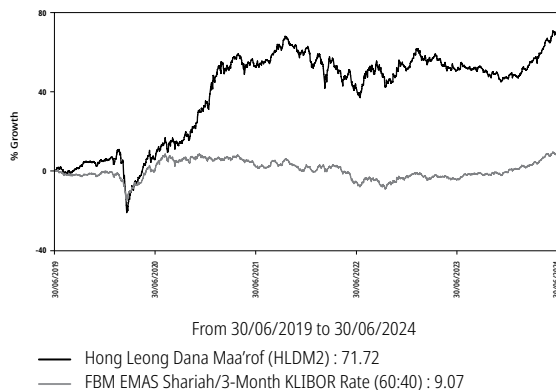
*** Please take note that the Fund aims to provide sustainable risk-adjusted returns in the form of capital growth and income in accordance with the performance benchmark and distribution policy of the Fund, although this is not guaranteed.

**** Unit holders may purchase Units in the Fund at a minimum initial investment from as low as RM100, subject to sales charge.

^ 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 financial years



Source: Lipper for Investment Management, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDM2 reinvested.

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

Performance Review

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

The Fund posted a return 12.46% (based on NAV-to-NAV Per Unit basis with gross income (if any) reinvested) in the past twelve months while its benchmark the FTSE Bursa Malaysia (FBM) EMAS Shariah/3-Month KLIBOR Rate (60:40) registered a return of 13.53%. During the financial year under review, the Fund had distributed gross income distributions of 0.7000 sen per unit (net income distribution of 0.7000 sen per unit) on 17 July 2023 and 0.3500 sen per unit (net income distribution of 0.3500 sen per unit) on 16 October 2023, 22 January 2024 and 17 April 2024. Prior to the income distributions, the cum-distribution Net Asset Value (NAV) per unit of the Fund were RM0.5353, RM0.5126, RM0.5032 and RM0.5272 while the ex-distribution NAV per unit were RM0.5283, RM0.5091, RM0.4997 and RM0.5237 respectively. Unit holders should note that income distributions have the effect of reducing the NAV per unit of the Fund after distributions.

For the five financial years ended 30 June 2024, the Fund registered cumulative returns of 71.72% compared to the benchmark's cumulative return of 9.07%. The Fund had distributed a cumulative total gross income of 13.25 sen per unit (net income of 13.25 sen per unit).

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

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Launch
HLDM2 Return (%)	9.03	15.48	12.46	11.33	71.72	98.91	395.86
Benchmark (%)	5.01	9.12	13.53	6.02	9.07	11.03	151.52

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

	30-Jun-24	30-Jun-23	Return (%)
NAV Per Unit	RM0.5673	RM0.5217	12.46#
Benchmark	226.59	199.58	13.53
vs Benchmark (%)	-	-	-1.07

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

Table 3: Financial Highlights

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

	30-Jun-24 (RM)	30-Jun-23 (RM)	Change (%)
Unit Holders' Capital	110,273,889	69,665,327	58.29
Retained Earnings	21,542,557	6,902,346	212.10
Net Asset Value	131,816,446	76,567,673	72.16
Units in Circulation	232,368,628	146,753,379	58.34

Table 4: The Highest and Lowest NAV Per Unit, Total Return of the Fund and the breakdown into Capital Growth and Income Distribution for the financial years ended 30 June

	Financial Year 2024	Financial Year 2023	Financial Year 2022
Highest NAV Per Unit (RM)	0.5712	0.5665	0.6383
Lowest NAV Per Unit (RM)	0.4917	0.5008	0.5138
Capital Growth (%)	8.74	0.75	-11.61
Income Distribution (%)	3.72	5.67	4.63
Total Return (%)	12.46	6.42	-6.98

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 HLDLM2 reinvested.

Table 5: Average Total Return of the Fund for the financial year ended 30 June 2024

	1 Year	3 Years	5 Years
Average Total Return (%)	12.46	3.78	14.34

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 HLDLM2 reinvested.

Table 6: Annual Total Return of the Fund for the financial years ended 30 June

Financial Year	2024	2023	2022	2021	2020
Annual Total Return (%)	12.46	6.42	-6.98	43.99	7.12

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 HLDLM2 reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – July 2023 to June 2024

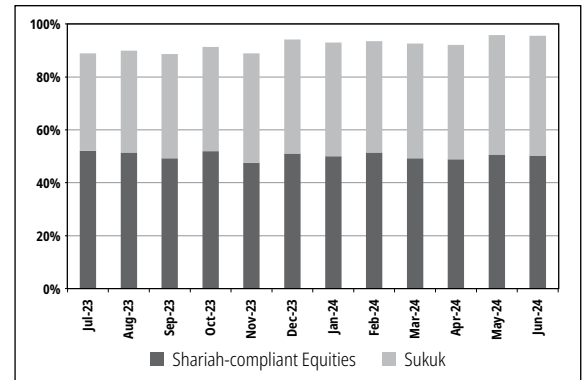
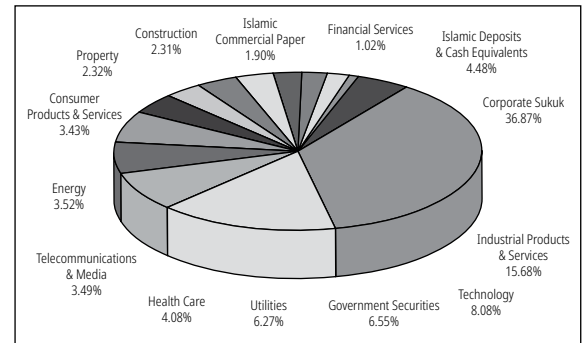


Chart 3: Sector Allocation as at 30 June 2024



Strategies employed by the Fund during the period under review

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

On the sukuk front, the Fund had reduced its holding exposure to near-term maturing sukuk and replacing the sukuk with longer-dated, higher-grade corporate sukuk trading at an attractive all-in-yield-to-profit in anticipation of a terminal policy rate tightening cycle and expectations of rate-cuts in the Fiscal Year 2024.

An explanation on the differences in portfolio composition

In the Shariah-compliant equities segment, there was an increase in allocation to utilities due to improving outlook and attractive valuations.

In the sukuk segment, the Fund had increased its exposure towards high-grade corporate sukuk to enhance the yield of the portfolio and improve the income generation of the Fund.

Operational review of the Fund

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

IV. MARKET REVIEW

Shariah-compliant Equities

During the financial year under review, the FBM KLCI rose 15.5%. The Fund's benchmark, FBM EMAS Shariah Index rose 20.5% during the same period. Small caps outperformed both indices as the FBM Small Cap Index rose 29.9%.

The second half of 2023 saw Malaysia equities market registered positive growth, with property sector leading the market. This was due to the better corporate results and undemanding valuations for this sector. Other sectors such as utilities and constructions also outperformed the broad market as big tickets projects were being reinvigorated and economic activities picked up during the period.

The first half of 2024 also saw the domestic equities market rallied as the Artificial Intelligence (AI) and Data Centres (DC) theme drove the market, especially in the utility, construction, property and technology sectors. These sectors outperformed the broader market as investors' risk appetite increased, following the rally in the global market. Malaysia tops the Asia ex Japan markets with FBM KLCI return of 9.6%, beating the MSCI AC Asia ex Japan Index by 1.3% for the 6 months period.

The positive returns and better overall sentiments for the financial year under review were driven by:- (i) stable political environment and growth-driven policies; (ii) better corporate results coupled with undemanding valuations; and (iii) prospects of United States (US) cutting its interest rates.

Sukuk

During the financial year under review, Malaysia Government Investment Issuance (MGII) were little changed with 3 years MGII benchmark yield ended lower by -3.0 basis points (bps) to 3.49% while the 10 years MGII on-the-run yield were steady at 3.866% while the ultra-long 30 years yield declined to 4.239% from 4.356% a year prior. Malaysia economy grew modestly in 2023 by 3.6% as compared to 8.9% in 2022 over diminishing base effect, missing official forecast of 4.0%–5.0%. Annual inflation rose at slower pace to 2.5% in 2023 (2022: 3.3%) year-on-year (YoY) while core inflation averaged at 3%.

Performance in the second half of 2023 was largely in-line and with Overnight Policy Rate (OPR) maintained at 3.00% as the central bank balance of risks views are broadly balanced with upside skew on external risks underscoring the geopolitical risks, divergence in global monetary policy and elevated commodity prices. In the second half of 2024, the domestic economy continued to expand with the first quarter of 2024 Gross Domestic Product (GDP) growth posted 4.2% YoY up from 2.9% in previous quarter driven by private consumption. Local inflationary pressures remained tepid, rising by 1.9% in the second quarter of 2024 (first quarter of 2024:1.7%) quarter-on-quarter (QoQ) on removal of electricity rebate albeit the expectations on impact of diesel blanket subsidy removal is expected to be minimal.

MGII benchmark yields bear steepened in the first half of 2024 albeit elevated global interest rate levels and anticipated persistency in inflationary pressures. Despite some disinflationary trend, major central banks are reluctant to cut policy rates for fear of inflation turnaround thereby requiring greater conviction that price pressures are trending towards the central bank's target window. For the first half of the year, domestic yields are broadly driven by flows and market's expectations of policy rate direction with yields mainly consolidated in a predictable range. However, given improvements in Malaysia narratives with rising themes of DC as well as major continuation in infrastructure projects, the country is poised to benefit from foreign inflows given positive rerating of country's outlook.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

Shariah-compliant Equities

We expect market to be volatile in the near to mid-term as investors are speculating on US interest rate cuts and whether the AI theme could translate to real earnings for the corporates. The US political risk could be in investors radar, with other geo-political risks globally could dampen the economic growth. Domestically, while Malaysia's GDP forecast seems to be in line, investors are also looking out for the potential subsidies removal that could potentially lift the inflation numbers. This in turn could slow the economy as higher input costs would lower the margins for the manufacturing and export related sectors.

Despite these factors, domestic market could fare better due to better political stability, mega-projects reinvigoration and a more acceptable valuation. Other external factors that might support interest in the local market includes the expected correction in the US Dollar (USD) and the US interest rate cuts could mean the interest rate differential would lessen and investors might look for risky assets on this side of the region.

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 Shariah-compliant stock picking and remain invested in high quality companies.

Sukuk

MGII benchmark yield is expected to outperform on anticipation of narrowing interest rate differential between US rates and the rest of the world, stable OPR expectations throughout 2024 and improvements in growth and trade performance as a consequence of geopolitical trade wars between US and China. We expect long-duration high grade corporate sukuk to outperform given peaked interest rate levels, potential disinflation trend in 2024 within central bank's range and eventual policy rate easing by US Federal Reserve (Fed), European Central Bank (ECB), Bank of England, Swiss National Bank and People's Bank of China (PBOC). We also expect the Malaysia Ringgit to outperform against regional currencies on improving political sentiment, realignment of trade in lieu with US-China trade wars and positive thematic narratives e.g. DC, southern Johore development and ongoing infrastructure.

VI. SOFT COMMISSIONS

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

STATEMENT BY THE MANAGER

I, Chue Kwok Yan, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 17 to 57 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 30 June 2024 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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

CHUE KWOK YAN

Acting Chief Executive Officer/Executive Director

Kuala Lumpur
20 August 2024

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG DANA MAA'ROF ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 June 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

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

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching

Senior Manager, Trustee Operations

Kuala Lumpur, Malaysia
20 August 2024

Sylvia Beh

Chief Executive Officer

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG DANA MAA'ROF ("Fund")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Bhd has operated and managed the Fund for the period covered by these financial statements namely, the year ended 30 June 2024, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

NURUL AQILA SUFIYAH LOKMAN
Designated Shariah Officer

Kuala Lumpur
20 August 2024

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF HONG LEONG DANA MAA'ROF

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 17 to 57.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
20 August 2024

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Profit income from financial assets measured at fair value through profit or loss ("FVTPL")		1,892,034	701,674
Profit income from financial assets measured at amortised cost	4	246,062	124,114
Dividend income		1,045,803	367,605
Net gain on financial assets at FVTPL	10	14,781,388	2,260,792
		<u>17,965,287</u>	<u>3,454,185</u>
EXPENDITURE			
Management fee	5	(1,760,017)	(772,736)
Trustee's fee	6	(82,134)	(36,061)
Auditors' remuneration		(6,900)	(6,400)
Tax agent's fee		(3,350)	(3,750)
Transaction costs		(411,270)	(168,322)
Other expenses		(58,001)	(37,444)
		<u>(2,321,672)</u>	<u>(1,024,713)</u>
PROFIT BEFORE TAXATION			
		15,643,615	2,429,472
Taxation	7	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR			
		<u>15,643,615</u>	<u>2,429,472</u>
Profit after taxation is made up as follows:			
Realised amount		4,707,293	52,276
Unrealised amount		10,936,322	2,377,196
		<u>15,643,615</u>	<u>2,429,472</u>
Distributions for the financial year:			
Net distributions	8	<u>3,604,602</u>	<u>2,597,111</u>
Net distributions per unit (sen)	8	<u>1.7500</u>	<u>2.9000</u>
Gross distributions per unit (sen)	8	<u>1.7500</u>	<u>2.9000</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	9	5,582,259	2,712,023
Amount due from brokers/dealers		823,278	-
Amount due from the Manager			
-creation of units		365,752	2,051,086
Dividends receivable		103,600	65,080
Financial assets at FVTPL	10	125,909,278	72,061,638
Prepayment		-	1,096
TOTAL ASSETS		<u>132,784,167</u>	<u>76,890,923</u>
LIABILITIES			
Amount due to brokers/dealers		526,253	160,187
Amount due to the Manager			
-cancellation of units		258,182	59,551
-management fee		162,536	89,377
Amount due to the Trustee		7,585	4,171
Other payables and accruals		13,165	9,964
TOTAL LIABILITIES		<u>967,721</u>	<u>323,250</u>
NET ASSET VALUE OF THE FUND		<u>131,816,446</u>	<u>76,567,673</u>
EQUITY			
Unit holders' capital		110,273,889	69,665,327
Retained earnings		21,542,557	6,902,346
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>131,816,446</u>	<u>76,567,673</u>
UNITS IN CIRCULATION (UNITS)	12	<u>232,368,628</u>	<u>146,753,379</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5673</u>	<u>0.5217</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 July 2023		69,665,327	6,902,346	76,567,673
Movement in net asset value:				
Creation of units from applications		80,128,624	-	80,128,624
Creation of units from distributions		2,993,632	-	2,993,632
Cancellation of units		(39,912,496)	-	(39,912,496)
Total comprehensive income for the financial year		-	15,643,615	15,643,615
Distributions for the financial year	8	(2,601,198)	(1,003,404)	(3,604,602)
Balance as at 30 June 2024		<u>110,273,889</u>	<u>21,542,557</u>	<u>131,816,446</u>
Balance as at 1 July 2022		35,454,815	6,639,476	42,094,291
Movement in net asset value:				
Creation of units from applications		45,724,244	-	45,724,244
Creation of units from distributions		2,012,260	-	2,012,260
Cancellation of units		(13,095,483)	-	(13,095,483)
Total comprehensive income for the financial year		-	2,429,472	2,429,472
Distributions for the financial year	8	(430,509)	(2,166,602)	(2,597,111)
Balance as at 30 June 2023		<u>69,665,327</u>	<u>6,902,346</u>	<u>76,567,673</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of financial assets at FVTPL		61,644,872	14,552,408
Proceeds from redemption of financial assets at FVTPL		-	1,333,333
Purchase of financial assets at FVTPL		(101,385,174)	(51,902,974)
Profit income received from financial assets measured at FVTPL and amortised cost		1,943,664	912,279
Dividend income received		1,007,283	314,965
Management fee paid		(1,686,858)	(734,738)
Trustee's fee paid		(78,720)	(34,288)
Payment for other fees and expenses		(63,954)	(46,697)
Net cash used in operating activities		<u>(38,618,887)</u>	<u>(35,605,712)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		81,813,958	44,866,325
Payments for cancellation of units		(39,713,865)	(13,035,932)
Payments for distributions		(610,970)	(584,851)
Net cash generated from financing activities		<u>41,489,123</u>	<u>31,245,542</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,870,236	(4,360,170)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>2,712,023</u>	<u>7,072,193</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u>5,582,259</u>	<u>2,712,023</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Dana Maa'rof ("the Fund") was constituted pursuant to the execution of a Deed dated 27 February 2003 and Supplemental Deed dated 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, 23 March 2023 and 23 October 2023 to effect the change ("the Deeds").

The Fund is primarily an Islamic balanced fund which seeks to achieve not only regular income but also meaningful medium to long-term capital growth. The Fund provides the public an affordable access into a diversified investment portfolio containing a 'balanced' mixture of equities and fixed income securities that comply with the Shariah requirements.

The Fund will invest into Shariah-compliant equities. The Fund follows a strict selection process to ensure only appropriate Shariah-compliant securities are invested in. Generally, the Fund selects undervalued companies that have the potential to offer medium to long-term capital growth. Undervalued companies refer to companies with stock price selling at a price lower than what is believed to be its intrinsic value and can be measured by its price to earnings ratio (PER), price to book ratio (P/B), dividend yield or any other appropriate method as determined by the Manager. The Fund may also invest into Islamic money market instruments and sukuk. The Fund commenced operations on 25 March 2003 and will continue its operations until terminated as provided under Part 12 of the Deeds.

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

Hong Leong Islamic Asset Management Sdn Bhd (HLISAM) is the external fund manager appointed for Hong Leong Dana Maa'rof. The effective date for the appointment is on 17 April 2020. HLISAM is a wholly own subsidiary of the Manager. On November 2019, HLISAM was issued with an Islamic fund management license by the Securities Commission Malaysia ("SC") to undertake the regulated activity of Islamic fund management.

The financial statements were authorised for issue by the Manager on 20 August 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

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

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

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

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

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

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

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

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

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

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

The amendment shall be applied retrospectively.

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flows characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities¹ as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities² are solely principal and profit, 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. Shariah-compliant 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 Shariah-compliant 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 year which they arise.

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

Quoted Shariah-compliant 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.

Unquoted Shariah-compliant equity security are valued at the initial public offering ("IPO") issue price as announced in the Bursa Securities.

¹ For the purposes of the investments made by the Fund, equity securities refer to Shariah-compliant equity securities.

² For the purposes of the investments made by the Fund, debt securities refer to sukuk.

If a valuation based on the market price does not represent the fair value of the quoted Shariah-compliant 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 Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant 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 sukuk 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 sukuk 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.

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

Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) 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.

Profit income from cash at bank, Islamic deposits with licensed financial institutions and unquoted sukuk are recognised on the effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit 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 profit 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 Shariah-compliant investments is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted Shariah-compliant investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted sukuk is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted sukuk, 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 Islamic deposits held in highly liquid Shariah-compliant 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 Shariah-compliant 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 profit 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, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial year.

(h) Distributions

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

(i) Transaction costs

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

(j) Unit holders' capital

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

- the units entitle the unit holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss and change in the net asset value of the Fund.

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

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

(k) Critical accounting estimates and judgements in applying accounting policies

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

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

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

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

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

	Financial assets at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
2024			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	5,582,259	5,582,259
Amount due from brokers/dealers	-	823,278	823,278
Amount due from the Manager			
-creation of units	-	365,752	365,752
Dividends receivable	-	103,600	103,600
Financial assets at FVTPL (Note 10)	125,909,278	-	125,909,278
	<u>125,909,278</u>	<u>6,874,889</u>	<u>132,784,167</u>
<u>Financial liabilities</u>			
Amount due to brokers/dealers	-	526,253	526,253
Amount due to the Manager			
-cancellation of units	-	258,182	258,182
-management fee	-	162,536	162,536
Amount due to the Trustee	-	7,585	7,585
Other payables and accruals	-	13,165	13,165
	<u>-</u>	<u>967,721</u>	<u>967,721</u>

	Financial assets at FVTPL RM	Financial assets/liabilities at amortised cost RM	Total RM
2023			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	2,712,023	2,712,023
Amount due from the Manager			
-creation of units	-	2,051,086	2,051,086
Dividends receivable	-	65,080	65,080
Financial assets at FVTPL (Note 10)	72,061,638	-	72,061,638
	<u>72,061,638</u>	<u>4,828,189</u>	<u>76,889,827</u>
<u>Financial liabilities</u>			
Amount due to brokers/dealers	-	160,187	160,187
Amount due to the Manager			
-cancellation of units	-	59,551	59,551
-management fee	-	89,377	89,377
Amount due to the Trustee	-	4,171	4,171
Other payables and accruals	-	9,964	9,964
	-	<u>323,250</u>	<u>323,250</u>

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

(a) Market risk

(i) Price risk

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

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

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

	2024 RM	2023 RM
<u>Financial assets at FVTPL:</u>		
- Quoted Shariah-compliant equity securities	66,171,242	38,928,916
- Unquoted Shariah-compliant equity security	-	1,664,000
- Unquoted sukuk*	59,738,036	31,468,722
	<u>125,909,278</u>	<u>72,061,638</u>

* Includes profit receivables of RM605,223 (2023: RM308,580).

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

% Change in price of financial assets at FVTPL	Market value RM	Impact on profit after taxation/net asset value RM
2024		
-5%	119,038,852	(6,265,203)
0%	125,304,055	-
5%	131,569,258	6,265,203
2023		
-5%	68,165,404	(3,587,654)
0%	71,753,058	-
5%	75,340,711	3,587,654

(ii) Interest rate risk

In general, when interest rates rise, valuation for sukuk will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold a sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since unquoted sukuk portfolio management depends on forecasting interest rate movements. Valuation of unquoted sukuk move inversely to interest rate movements, therefore as interest rates rise, the valuation of unquoted sukuk decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower yield profit rates are more susceptible to interest rate movements.

Investors should note that unquoted sukuk are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of profit income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

The table below summarises the sensitivity of the Fund's net asset value and profit after taxation to movements in valuation for unquoted sukuk held by the Fund at the end of the reporting period as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (100 basis points) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on profit after taxation/net asset value	
	2024 RM	2023 RM
+1%	(1,831,303)	(711,550)
-1%	1,831,303	711,550

The Fund's exposure to interest rate risk associated with Islamic deposits with licensed financial institutions is not material as the Islamic deposits with licensed financial institutions are placed on a short term basis.

(b) Credit risk

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

Investment in unquoted sukuk may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted sukuk and subsequently depress the net asset value of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund.

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

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

For amount due from brokers/dealers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities. The credit/default risk is minimal as all transactions in quoted Shariah-compliant investments, unquoted Shariah-compliant equity security and unquoted sukuk are settled/paid upon delivery using approved brokers/dealers.

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

	Cash and cash equivalents RM	Amount due from brokers/dealers RM	Amount due from the Manager - creation of units RM	Dividends receivable RM	Unquoted sukuk RM	Total RM
2024						
- AAA	5,365,717	-	-	-	10,465,519	15,831,236
- AA1/AA+	216,542	-	-	-	12,995,412	13,211,954
- AA2/AA	-	-	-	-	25,142,143	25,142,143
- AA3	-	340,819	-	-	-	340,819
- P1	-	482,459	365,752	103,600	2,497,500	2,497,500
- NR#	-	-	-	-	8,637,462	9,589,273
Total	5,582,259	823,278	365,752	103,600	59,738,036	66,612,925
2023						
- AAA	2,658,386	-	-	-	2,269,650	4,928,036
- AA1/AA+	53,637	-	-	-	4,157,119	4,210,756
- AA2/AA	-	-	-	-	5,234,792	5,234,792
- NR#	-	-	2,051,086	65,080	19,807,161	21,923,327
Total	2,712,023	-	2,051,086	65,080	31,468,722	36,296,911

The unquoted sukuk are not rated as the sukuk are guaranteed and issued by the Government of Malaysia.

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

(c) Liquidity risk

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

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

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

	Less than 1 month RM	1 month to 1 year RM	Total RM
2024			
<u>Financial liabilities</u>			
Amount due to brokers/dealers	526,253	-	526,253
Amount due to the Manager			
-cancellation of units	258,182	-	258,182
-management fee	162,536	-	162,536
Amount due to the Trustee	7,585	-	7,585
Other payables and accruals	-	13,165	13,165
Contractual cash out flows	<u>954,556</u>	<u>13,165</u>	<u>967,721</u>
2023			
<u>Financial liabilities</u>			
Amount due to brokers/dealers	160,187	-	160,187
Amount due to the Manager			
-cancellation of units	59,551	-	59,551
-management fee	89,377	-	89,377
Amount due to the Trustee	4,171	-	4,171
Other payables and accruals	-	9,964	9,964
Contractual cash out flows	<u>313,286</u>	<u>9,964</u>	<u>323,250</u>

(d) Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at

the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah-compliant investment activities of the Fund.

(e) Shariah status reclassification risk

- Shariah-compliant equity securities

The risk that the currently held Shariah-compliant equity securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission ("SAC of the SC") or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the SAC of the SC or date of review ("Review") by the Shariah Adviser. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification or Review. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification or Review should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;

- (ii) to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification or Review until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or
 - (iii) to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.
- Sukuk or Islamic money market instruments or Islamic deposits

This risk refers to the risk of a possibility that the currently held sukuk or Islamic money market instruments or Islamic deposits invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such fixed income instruments or money market instruments or deposits.

(f) Fair value estimation

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

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

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

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

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as Islamic options, Islamic currency swaps and other over-the-counter Islamic derivatives, include the use of comparable recent arm's length transactions, reference to other Shariah-compliant 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 Shariah-compliant equity and sukuk instruments for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
<u>Financial assets at FVTPL:</u>				
- Quoted Shariah-compliant equity securities	66,171,242	-	-	66,171,242
- Unquoted sukuk	-	59,738,036	-	59,738,036
	<u>66,171,242</u>	<u>59,738,036</u>	<u>-</u>	<u>125,909,278</u>
2023				
<u>Financial assets at FVTPL:</u>				
- Quoted Shariah-compliant equity securities	38,928,916	-	-	38,928,916
- Unquoted Shariah-compliant equity security	-	1,664,000	-	1,664,000
- Unquoted sukuk	-	31,468,722	-	31,468,722
	<u>38,928,916</u>	<u>31,468,722</u>	<u>1,664,000</u>	<u>72,061,638</u>

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant equities. The Fund does not adjust the quoted prices for this instrument. 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 sukuk. 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. Unquoted Shariah-compliant equity security is valued at the initial public offering ("IPO") issue price and classified at Level 3. 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. PROFIT INCOME FROM FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2024 RM	2023 RM
Profit income from:		
- Islamic deposits with licensed financial institutions	244,630	123,224
- Cash at bank	1,432	890
	246,062	124,114

5. MANAGEMENT FEE

In accordance with Seventh Supplemental Master Deed dated 23 March 2023, 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 year ended 30 June 2024, the management fee is recognised at a rate of 1.50% (2023: 1.50%) 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 Deeds, the Trustee is entitled to a fee not exceeding 0.07% per annum subject to a minimum of RM18,000 per annum calculated daily based on the net asset value of the Fund.

For the financial year ended 30 June 2024, the Trustee's fee is recognised at a rate of 0.07% (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.

7. TAXATION

	2024 RM	2023 RM
Tax charge for the financial year:		
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:

	2024 RM	2023 RM
Profit before taxation	15,643,615	2,429,472
Taxation at Malaysian statutory rate of 24% (2023: 24%)	3,754,468	583,073
Tax effects of:		
Shariah-compliant investment income not subject to tax	(4,311,669)	(829,004)
Expenses not deductible for tax purposes	120,531	51,712
Restriction on tax deductible expenses for unit trust fund	436,670	194,219
Taxation	-	-

8. DISTRIBUTIONS

Distributions to unit holders are from the following sources:

	2024 RM	2023 RM
Prior financial years' realised income	114,190	1,956,632
Profit income from financial assets measured at FVTPL	1,595,282	637,130
Profit income from financial assets measured at amortised cost	196,360	86,932
Dividend income	842,901	196,956
Distribution equalisation	2,601,198	430,509
Less: Expenses	(1,745,329)	(711,048)
Net distributions amount	<u>3,604,602</u>	<u>2,597,111</u>
Net distributions per unit (sen)	<u>1.7500</u>	<u>2.9000</u>
Gross distributions per unit (sen)	<u>1.7500</u>	<u>2.9000</u>

Date of Declaration

17 July 2023 / 21 July 2022

Gross/net distribution per unit (sen)	<u>0.7000</u>	<u>0.8000</u>
---------------------------------------	---------------	---------------

16 October 2023 / 17 October 2022

Gross/net distribution per unit (sen)	<u>0.3500</u>	<u>0.7000</u>
---------------------------------------	---------------	---------------

22 January 2024 / 13 January 2023

Gross/net distribution per unit (sen)	<u>0.3500</u>	<u>0.7000</u>
---------------------------------------	---------------	---------------

17 April 2024 / 17 April 2023

Gross/net distribution per unit (sen)	<u>0.3500</u>	<u>0.7000</u>
---------------------------------------	---------------	---------------

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

	Income RM	%	Capital RM	%
2024	<u>1,003,404</u>	27.84	2,601,198	72.16
2023	<u>2,597,111</u>	100.00	-	-

Net distributions above are sourced from prior and current financial year'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 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

	2024 RM	2023 RM
Islamic deposits with licensed financial institutions	5,360,299	2,658,215
Cash at banks	221,960	53,808
	<u>5,582,259</u>	<u>2,712,023</u>

The weighted average effective rate of return per annum are as follows:

	2024 %	2023 %
Islamic deposits with licensed financial institutions	<u>2.95</u>	<u>2.95</u>

Islamic deposits with licensed financial institutions have an average remaining maturity of 1 day (2023: 3 days).

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

	2024 RM	2023 RM
<i>Financial assets at FVTPL:</i>		
Quoted Shariah-compliant equity securities	66,171,242	38,928,916
Unquoted Shariah-compliant equity security	-	1,664,000
Unquoted sukuk	59,738,036	31,468,722
	<u>125,909,278</u>	<u>72,061,638</u>

	2024 RM	2023 RM
<u>Net gain on financial assets at FVTPL:</u>		
Realised gain/(loss) on disposals	3,899,405	(116,404)
Changes in unrealised fair values	10,881,983	2,377,196
	14,781,388	2,260,792

Financial assets at FVTPL as at 30 June 2024 are as detailed below:

	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES				
<u>Main Market</u>				
<u>Construction</u>				
IJM Corporation Berhad	1,000,000	2,258,900	3,050,000	2.31
<u>Consumer Products & Services</u>				
Guan Chong Berhad	800,000	3,101,680	2,944,000	2.24
Sime Darby Berhad	600,000	1,581,540	1,572,000	1.19
	1,400,000	4,683,220	4,516,000	3.43
<u>Energy</u>				
Deleum Berhad	1,500,000	1,415,360	1,965,000	1.49
Uzma Berhad	2,350,000	1,693,690	2,679,000	2.03
	3,850,000	3,109,050	4,644,000	3.52
<u>Financial Services</u>				
Syarikat Takaful Malaysia Keluarga Berhad	360,200	1,376,180	1,343,546	1.02
<u>Health Care</u>				
Hartalega Holdings Berhad	850,000	1,891,270	2,788,000	2.12
Kossan Rubber Industries Berhad	1,100,000	2,339,350	2,585,000	1.96
	1,950,000	4,230,620	5,373,000	4.08
<u>Industrial Products & Services</u>				
Aurelius Technologies Berhad	800,000	2,221,220	2,936,000	2.23
Dufu Technology Corp. Berhad	1,000,000	1,923,558	2,570,000	1.95
EG Industries Berhad	1,750,000	2,686,575	3,587,500	2.72
Hiap Teck Venture Berhad	1,500,000	635,700	637,500	0.48
Press Metal Aluminium Holdings Berhad	200,000	1,158,232	1,152,000	0.87
SAM Engineering & Equipment (M) Berhad	350,000	1,586,400	2,152,500	1.63
Seng Fong Holdings Berhad	753,933	414,337	738,855	0.56
SKP Resources Bhd	200,000	221,415	230,000	0.18
V.S. Industry Berhad	1,700,000	1,404,540	2,159,000	1.64
	8,253,933	12,251,977	16,163,355	12.26
<u>Property</u>				
Eastern & Oriental Berhad	3,100,000	1,906,510	3,053,500	2.32

	Quantity/ Nominal value units/RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Technology</u>				
Frontken Corporation Berhad	700,000	2,424,278	3,122,000	2.37
Malaysian Pacific Industries Bhd	70,000	1,846,264	2,759,400	2.09
Pentamaster Corporation Berhad	500,000	1,889,024	2,510,000	1.90
UWC Berhad	761,000	2,648,368	2,267,780	1.72
	2,031,000	8,807,934	10,659,180	8.08
<u>Telecommunications & Media</u>				
Telekom Malaysia Berhad	680,000	3,780,188	4,596,800	3.49
<u>Utilities</u>				
Tenaga Nasional Berhad	600,000	6,116,198	8,268,000	6.27
<u>ACE Market</u>				
<u>Industrial Products & Services</u>				
Coraza Integrated Technology Berhad	3,490,000	2,493,591	1,867,150	1.42
YBS International Berhad	3,424,300	2,094,833	2,636,711	2.00
	6,914,300	4,588,424	4,503,861	3.42
TOTAL QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES	30,139,433	53,109,201	66,171,242	50.20

UNQUOTED SUKUK

<u>Corporate Sukuk</u>				
4.43% Bakun Hydro Power Generation Sdn. Bhd. (AAA) 11/08/2026 - Series 2	2,200,000	2,262,062	2,268,553	1.72
4.95% CIMB Group Holdings Berhad (AA2) 02/12/2032 02/12/2027 - T2 Sukuk Wakalah S3 T1	5,000,000	5,156,189	5,188,658	3.94
3.80% CIMB Group Holdings Berhad (AA2) 29/12/2031 29/12/2026 - T2 Sukuk Wakalah S1 T1	5,000,000	4,964,150	4,994,962	3.79
4.03% CIMB Islamic Bank Berhad (AAA) 27/03/2031 - IMTN Series 3 Tranche 3	2,000,000	2,021,199	2,032,139	1.54
4.30% CIMB Group Holdings Berhad(AA2) 08/03/2033 08/03/2028- T2 Sukuk Wakalah S4 T1	4,500,000	4,621,220	4,624,146	3.51
4.40% CIMB Group Holdings Berhad (AA2) 08/09/2032 08/09/2027 - T2 Sukuk Wakalah S2 T1	5,000,000	5,119,798	5,148,215	3.90
4.12% Infracap Resources Sdn. Bhd. (AAA) 14/04/2028 - T1 S4	5,000,000	5,061,871	5,099,858	3.87
5.25% Kimanis Power Sdn. Bhd. (AA) 08/08/2025 - IMTN Tranche No. 10	5,000,000	5,174,165	5,186,162	3.93
4.38% RHB Bank Berhad (AA1) 17/11/2028 - IMTN	3,500,000	3,518,900	3,593,100	2.73
5.35% Samalaju Industrial Port Sdn. Bhd. (AA1) 28/12/2026 - IMTN Issue No.4	4,000,000	4,153,656	4,149,759	3.15
5.10% Sepangar Bay Power Sdn. Bhd. (AA1) 03/07/2026 - Series 12	5,000,000	5,224,408	5,252,553	3.98
5.29% TNB Western Energy Bhd (AAA) 28/01/2028 - Tranche 8	1,000,000	1,047,081	1,064,969	0.81
	47,200,000	48,324,699	48,603,074	36.87

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Government Investment Issues</u>				
3.422% Government of Malaysia 30/09/2027	1,000,000	1,021,600	1,005,432	0.76
3.726% Government of Malaysia 31/03/2026	5,000,000	5,076,860	5,073,079	3.85
4.070% Government of Malaysia 30/09/2026	2,500,000	2,558,928	2,558,951	1.94
	8,500,000	8,657,388	8,637,462	6.55
<u>Islamic Commercial Paper</u>				
Hong Leong Islamic Bank - Senior ICP 182D 12/07/2024 - Tranche 1 (Islamic)	2,500,000	2,497,250	2,497,500	1.90
TOTAL UNQUOTED SUKUK	58,200,000	59,479,337	59,738,036	45.32
TOTAL SHARIAH-COMPLIANT INVESTMENTS		112,588,538	125,909,278	95.52
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		13,320,740		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		125,909,278		

Financial assets at FVTPL as at 30 June 2023 are as detailed below:

	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES				
<u>Main Market</u>				
<u>Consumer Products & Services</u>				
DKN Holdings Bhd.	1,874,000	1,311,800	1,368,020	1.79
Focus Point Holdings Berhad	2,244,600	636,825	1,784,457	2.33
	4,118,600	1,948,625	3,152,477	4.12
<u>Energy</u>				
Deleum Berhad	100,000	89,570	90,000	0.12
Uzma Berhad	2,050,000	1,342,690	1,271,000	1.66
Velesto Energy Berhad	7,600,000	1,484,260	1,672,000	2.18
	9,750,000	2,916,520	3,033,000	3.96
<u>Health Care</u>				
Top Glove Corporation Bhd.	2,000,000	1,722,780	1,620,000	2.12
<u>Industrial Products & Services</u>				
Dufu Technology Corp. Berhad	760,000	1,603,910	1,444,000	1.89
Hiap Teck Venture Berhad	3,000,000	1,021,400	900,000	1.17
Kobay Technology Bhd.	855,000	2,156,545	1,624,500	2.12
MCE Holdings Berhad	400,000	620,000	776,000	1.01
QES Group Berhad	2,200,000	1,312,870	1,243,000	1.62

	Quantity/ Normal value units/RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>SAM Engineering & Equipment (M) Berhad</u>				
SAM Engineering & Equipment (M) Berhad	350,000	1,607,205	1,606,500	2.10
Seng Fong Holdings Berhad	1,500,000	1,086,850	1,080,000	1.41
SKP Resources Bhd.	1,770,000	1,997,942	1,929,300	2.52
	10,835,000	11,406,722	10,603,300	13.84
<u>Plantation</u>				
Ta Ann Holdings Berhad	440,000	1,472,552	1,469,600	1.92
<u>Technology</u>				
D & O Green Technologies Berhad	455,000	365,675	1,674,400	2.19
Frontken Corporation Berhad	580,000	1,967,733	1,827,000	2.39
Malaysian Pacific Industries Bhd	70,000	1,846,264	1,947,400	2.54
Pentamaster Corporation Berhad	400,000	1,342,744	1,968,000	2.57
UWC Berhad	661,000	2,278,238	1,969,780	2.57
	2,166,000	7,800,654	9,386,580	12.26
<u>ACE Market</u>				
<u>Health Care</u>				
Cengild Medical Berhad	2,880,000	1,440,944	1,137,600	1.48
<u>Industrial Products & Services</u>				
Coraza Integrated Technology Berhad	2,440,000	1,820,496	1,830,000	2.39
YBS International Berhad	3,424,300	2,094,833	2,277,159	2.97
	5,864,300	3,915,329	4,107,159	5.36
<u>Technology</u>				
Energengz Berhad	1,520,000	1,043,254	1,314,800	1.72
ECA Integrated Solution Berhad	1,590,000	1,302,012	1,399,200	1.83
Genetec Technology Berhad	735,000	1,398,903	1,705,200	2.23
	3,845,000	3,744,169	4,419,200	5.78
TOTAL QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES	41,898,900	36,368,295	38,928,916	50.84

UNQUOTED SHARIAH-COMPLIANT EQUITY SECURITY

<u>Initial Public Offering ("IPO")</u>				
Skyworld Development Berhad #	2,080,000	1,664,000	1,664,000	2.17
TOTAL UNQUOTED SHARIAH-COMPLIANT EQUITY SECURITY	2,080,000	1,664,000	1,664,000	2.17

UNQUOTED SUKUK

<u>Corporate Sukuk</u>				
4.43% Bakun Hydro Power Generation Sdn. Bhd. (AAA) 11/08/2026 - IMTN	2,200,000	2,272,961	2,269,650	2.96
5.25% Kimanis Power Sdn. Bhd. (AA) 08/08/2025 - IMTN Tranche No. 10	5,000,000	5,235,029	5,234,792	6.84
5.35% Samalaju Industrial Port Sdn Bhd (AA1) 28/12/2026 - IMTN Issue No.4	4,000,000	4,210,786	4,157,119	5.43
	11,200,000	11,718,776	11,661,561	15.23

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Government Investment Issues</u>				
3.422% Government of Malaysia 30/09/2027	1,000,000	1,025,366	1,000,372	1.31
3.655% Government of Malaysia 15/10/2024	7,000,000	7,127,841	7,080,496	9.25
3.726% Government of Malaysia 31/03/2026	5,000,000	5,093,367	5,079,330	6.63
4.070% Government of Malaysia 30/09/2026	2,500,000	2,573,011	2,569,826	3.36
4.444% Government of Malaysia 22/05/2024	2,000,000	2,029,589	2,031,381	2.65
	17,500,000	17,849,174	17,761,405	23.20
<u>Sukuk Guaranteed by Government of Malaysia</u>				
4.05% Lembaga Pembiayaan Perumahan Sektor Awam 21/09/2026 - IMTN Tranche No 4	2,000,000	2,022,636	2,045,756	2.67
TOTAL UNQUOTED SUKUK	30,700,000	31,590,586	31,468,722	41.10
TOTAL SHARIAH-COMPLIANT INVESTMENTS		69,622,881	72,061,638	94.11
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		2,438,757		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		72,061,638		

- # During the financial year ended 30 June 2023, a total of 1,000,000,000 shares for Skyworld Development Berhad were made available for Initial Public Offering ("IPO") at a cost of RM0.80 per share by way of private placement.
- Subsequent to the financial year ended 30 June 2023, Skyworld Development Berhad began trading on the main market on 10 July 2023 at a price of RM0.74 per share.

11. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

- Equity securities listed on Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission;
- Sukuk as per the list of sukuk available at Bond Info Hub, Fully Automated System for Issuing/Tendering of Bank Negara Malaysia and The Bond and Sukuk Information Exchange; and
- Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

12. UNITS IN CIRCULATION

	2024 No. of units	2023 No. of units
At the beginning of the financial year	146,753,379	81,296,038
Add: Creation of units during the financial year		
- Arising from applications	155,840,111	86,072,584
- Arising from distributions	5,802,959	3,779,311
Less: Cancellation of units during the financial year	(76,027,821)	(24,394,554)
At the end of the financial year	232,368,628	146,753,379

13. TOTAL EXPENSE RATIO ("TER")

	2024 %	2023 %
TER	1.63	1.66

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

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

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 year calculated on a daily basis is RM117,447,486 (2023: RM51,612,493).

14. PORTFOLIO TURNOVER RATIO ("PTR")

	2024 Times	2023 Times
PTR	0.68	0.64

PTR is derived from the following calculation:

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

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

Where;

total acquisitions for the financial year
= RM101,177,997 (2023: RM51,729,104)

total disposals for the financial year
= RM58,435,441 (2023: RM14,416,835)

15. 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 HILFG as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

Units held by related parties of the Manager

	2024		2023	
	Units	RM	Units	RM
Hong Leong MSIG Takaful Berhad	5,230,988	2,967,539	-	-

The above units were transacted at the prevailing market price.

No units were held by the Manager as at 30 June 2024 and 30 June 2023.

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

	2024 RM	2023 RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Islamic Bank Berhad	5,418	171
Amount due to brokers/dealers:		
- Hong Leong Investment Bank Berhad	-	(160,187)
Islamic deposits with licensed financial institution		
- Hong Leong Islamic Bank Berhad	5,360,299	-
	5,365,717	(160,016)

Related party transactions

Profit income from Islamic deposits with licensed financial institution:		
- Hong Leong Islamic Bank Berhad	1,853	62,771
Profit income from cash at bank:		
- Hong Leong Islamic Bank Berhad	685	5
Purchase of quoted Shariah-compliant equity securities:		
- Hong Leong Investment Bank Berhad	33,719,744	7,727,215
Purchase of unquoted sukuk:		
- Hong Leong Bank Berhad	2,454,500	2,266,064
- Hong Leong Islamic Bank Berhad	-	2,544,262
	2,454,500	4,810,326
Disposal of quoted Shariah-compliant equity securities:		
- Hong Leong Investment Bank Berhad	18,316,770	2,215,341
Disposal of unquoted sukuk:		
- Hong Leong Investment Bank Berhad	2,033,115	-

16. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2024				
Hong Leong Investment Bank Berhad*	54,069,629	32.99	129,969	45.78
RHB Investment Bank Berhad	23,507,019	14.34	-	-
Nomura Securities Malaysia Sdn Bhd	16,611,580	10.14	41,497	14.61
MIDF Amanah Investment Bank Berhad	11,423,358	6.97	28,581	10.07
CIMB Islamic Bank Berhad	9,152,472	5.58	-	-
Phillip Capital Sdn Bhd	8,151,485	4.97	20,363	7.17
JPMorgan Securities (Malaysia) Sdn Bhd	6,944,545	4.24	17,373	6.12
CLSA Securities Malaysia Sdn Bhd	6,793,224	4.14	17,031	6.00
Maybank Investment Bank Berhad	5,995,751	3.66	14,993	5.28
United Overseas Bank (Malaysia) Berhad	5,120,935	3.12	-	-
Others#	16,138,858	9.85	14,103	4.97
	<u>163,908,856</u>	<u>100.00</u>	<u>283,910</u>	<u>100.00</u>
2023				
Hong Leong Investment Bank Berhad*	9,942,556	14.98	24,800	23.18
CLSA Securities Malaysia Sdn Bhd	9,148,316	13.79	22,854	21.36
CIMB Islamic Bank Berhad	6,663,112	10.04	-	-
RHB Investment Bank	5,232,247	7.89	-	-
JPMorgan Securities (Malaysia) Sdn Bhd	5,094,298	7.68	12,696	11.86
J.P. Morgan Chase Bank Berhad	5,023,374	7.57	-	-
Credit Suisse Securities (Malaysia) Sdn Bhd	4,713,300	7.10	11,778	11.01
Nomura Securities Malaysia Sdn Bhd	3,338,594	5.03	8,311	7.77
CIMB Bank Berhad	2,552,418	3.85	-	-
Hong Leong Islamic Bank Berhad*	2,544,262	3.83	-	-
Others#	12,105,296	18.24	26,555	24.82
	<u>66,357,773</u>	<u>100.00</u>	<u>106,994</u>	<u>100.00</u>

* Transactions with brokers/dealers related to the Manager.

Included in transactions by the Fund are trades with Hong Leong Bank Berhad, a related company of the Manager, of which the value of trades amounted to RM2,454,500 (2023: RM2,266,064).

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

17. SUBSEQUENT EVENT

The Manager proposed for the payment of a net distribution of RM1,625,584 at 0.7000 sen (gross and net) per unit in respect of the month of July 2024, which has been approved by the Board of Directors of the Manager. The distribution will be accrued for in the assets attributable to unit holders as an appropriation of the retained earnings for the financial year ending 30 June 2025.

Performance Data

for the Financial Years Ended 30 June

		Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
A. (i) Portfolio Compositions:				
Construction		2.31	-	-
Consumer Products & Services		3.43	4.12	5.89
Energy		3.52	3.96	1.15
Financial Services		1.02	-	-
Health Care		4.08	3.60	-
Industrial Products & Services		15.68	19.20	13.14
Plantation		-	1.92	-
Property		2.32	2.17	-
Technology		8.08	18.04	22.78
Telecommunications & Media		3.49	-	-
Utilities		6.27	-	-
Corporate Sukuk		36.87	17.90	17.86
Government Securities		6.55	23.20	19.13
Islamic Commercial Paper		1.90	-	-
Islamic Deposits & Cash Equivalents		4.48	5.89	20.05
(ii) Total Net Asset Value	(ex-distribution)	RM131,816,446	RM76,567,673	RM42,094,291
(iii) Net Asset Value Per Unit	(ex-distribution)	RM0.5673	RM0.5217	RM0.5178
Units in Circulation	(ex-distribution)	232,368,628	146,753,379	81,296,038
(iv) Highest/Lowest NAV Per Unit	Highest NAV Per Unit	RM0.5712	RM0.5665	RM0.6383
(ex-distribution)	Lowest NAV Per Unit	RM0.4917	RM0.5008	RM0.5138
(v) Total Return of the Fund*		12.46%	6.42%	-6.98%
- Capital Growth		8.74%	0.75%	-11.61%
- Income Distribution		3.72%	5.67%	4.63%
(vi) The distribution (gross) is made out of:-				
- The Fund's Capital		0.0000 sen/unit	0.0000 sen/unit	3.0000 sen/unit
- The Fund's Income		1.7500 sen/unit	2.9000 sen/unit	0.0000 sen/unit
- Total Distribution Amount		1.7500 sen/unit	2.9000 sen/unit	3.0000 sen/unit
- The Fund's Capital (% of Total Distribution Amount)		0%	0%	100%
- The Fund's Income (% of Total Distribution Amount)		100%	100%	0%
(vii) Distribution Per Unit				
	Additional Units	-	-	-
	Distribution (Gross)	0.7000 sen/unit	0.8000 sen/unit	0.7000 sen/unit
	Distribution (Net)	0.7000 sen/unit	0.8000 sen/unit	0.7000 sen/unit
	Distribution Date	17/07/2023	21/07/2022	22/07/2021
	Cum-Distribution NAV/Unit	RM0.5353	RM0.5212	RM0.5955
	Ex-Distribution NAV/Unit	RM0.5283	RM0.5132	RM0.5885
	Additional Units	-	-	-
	Distribution (Gross)	0.3500 sen/unit	0.7000 sen/unit	0.7000 sen/unit
	Distribution (Net)	0.3500 sen/unit	0.7000 sen/unit	0.7000 sen/unit
	Distribution Date	16/10/2023	17/10/2022	21/10/2021
	Cum-Distribution NAV/Unit	RM0.5126	RM0.5132	RM0.6356
	Ex-Distribution NAV/Unit	RM0.5091	RM0.5062	RM0.6286

Performance Data

for the Financial Years Ended 30 June

	Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
Additional Units	–	–	–
Distribution (Gross)	0.3500 sen/unit	0.7000 sen/unit	0.8000 sen/unit
Distribution (Net)	0.3500 sen/unit	0.7000 sen/unit	0.8000 sen/unit
Distribution Date	22/01/2024	13/01/2023	20/01/2022
Cum-Distribution NAV/Unit	RM0.5032	RM0.5499	RM0.5793
Ex-Distribution NAV/Unit	RM0.4997	RM0.5429	RM0.5713
Additional Units	–	–	–
Distribution (Gross)	0.3500 sen/unit	0.7000 sen/unit	0.8000 sen/unit
Distribution (Net)	0.3500 sen/unit	0.7000 sen/unit	0.8000 sen/unit
Distribution Date	17/04/2024	17/04/2023	21/04/2022
Cum-Distribution NAV/Unit	RM0.5272	RM0.5528	RM0.5675
Ex-Distribution NAV/Unit	RM0.5237	RM0.5458	RM0.5595
(viii) Total Expense Ratio (TER)	1.63%	1.66%	1.68%
(ix) Portfolio Turnover Ratio (PTR) (times)	0.68#	0.64	0.79
B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 30/06/2024)*			
(i) One year	12.46%		
(ii) Three years	3.78%		
(iii) Five years	14.34%		

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

The PTR increased by 0.04 times (6.25%) to 0.68 times for the financial year ended 30 June 2024 versus 0.64 times for the financial year ended 30 June 2023 mainly due to higher level of rebalancing activities undertaken by the Fund.

Corporate Information

Manager

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

Registered Office

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

Business Office

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

Board of Directors

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

Executive Director / Acting Chief Executive Officer

Mr. Chue Kwok Yan

External Fund Manager

Hong Leong Islamic Asset Management Sdn Bhd [198501008000 (140445-U)]

Trustee

Deutsche Trustees Malaysia Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Shariah Adviser

BIMB Securities Sdn Bhd

Distributors

Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Affin Bank Berhad
Areca Capital Sdn Bhd
CIMB Investment Bank Berhad
Kenanga Investors Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
Phillip Mutual Berhad
Standard Chartered Bank Malaysia Berhad
TA Investment Management Berhad of Malaysia
United Overseas Bank (Malaysia) Berhad
UOB Kay Hian Securities (M) Sdn Bhd
Registered Independent Tied Agents with FIMM

Corporate Directory

Head Office

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

