

# Hong Leong Strategic Fund

## Semi-Annual Report

Financial Period Ended 28 February 2025

**2024/2025**

Unaudited



# HONG LEONG STRATEGIC FUND

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# Manager’s Review and Report

## I. FUND INFORMATION

### Fund Name

Hong Leong Strategic Fund (“HLSTF” or “the Fund”)

### Fund Category

Mixed Assets

### Fund Type

Growth and Income

### Investment Objective

To provide investors with an investment that strives for stable\* returns as well as consistency in performance and income\*\*.

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

Not Applicable

### Benchmark

FTSE Bursa Malaysia (FBM) KLCI (88%) and Malayan Banking Berhad (Maybank) 1-Year Fixed Deposit (FD) Rate (12%)

### Distribution Policy

Subject to the Manager’s discretion, the Fund will strive to provide yearly distribution, if any, in the form of either cash or additional Units to the Unit holders, depending on interest rates, market conditions and performance of the Fund to all Unit holders. In essence, Unit holders are expected to enjoy cash or Unit distribution plus NAV appreciation from this Fund.

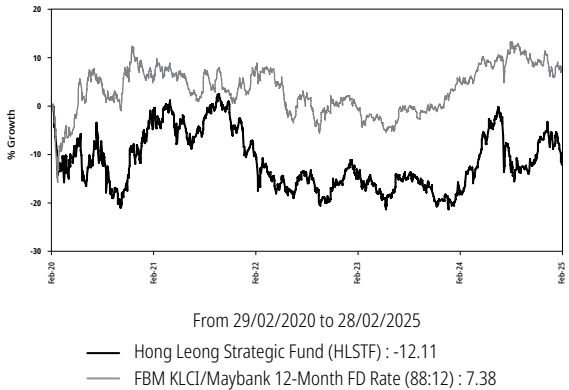
Notes:

\* Please take note that this Fund is not a capital guaranteed fund or a capital protected fund and the returns are not guaranteed.

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

## II. FUND PERFORMANCE

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



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

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

### Performance Review

This Semi-Annual Report covers the six-month financial period from 1 September 2024 to 28 February 2025.

The Fund posted a return of 0.63% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the FBM KLCI/Maybank 12-Month FD Rate (88:12) registered a return of -5.32%.

For the five-year financial periods, the Fund has registered a return of -12.11% compared to the benchmark’s return of 7.38%.

**Table 1: Performance of the Fund for the following periods as at 28 February 2025 (Source: Lipper)**

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Launch
<b>HLSTF Return (%)</b>	-1.34	0.63	7.14	-2.40	-12.11	-10.76	105.98
<b>Benchmark (%)</b>	-1.00	-5.32	1.68	-0.75	7.38	-8.48	78.64

**Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 August 2024 to 28 February 2025 (Source: Lipper)**

	28-Feb-25	31-Aug-24	Return (%)
NAV Per Unit	RM0.2730	RM0.2713	0.63
Benchmark	178.64	188.67	-5.32
<b>vs Benchmark (%)</b>	-	-	5.95

**Table 3: Financial Highlights**

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

	28-Feb-25 (RM)	31-Aug-24 (RM)	Change (%)
Unit Holders' Capital	<b>25,936,520</b>	26,911,863	(3.62)
Retained Earnings	<b>2,928,556</b>	2,723,844	7.52
<b>Net Asset Value</b>	<b>28,865,076</b>	29,635,707	(2.60)
<b>Units in Circulation</b>	<b>105,750,743</b>	109,225,738	(3.18)

**Table 4: The Highest and Lowest NAV Per Unit, Total Return of the Fund and the breakdown into Capital Growth and Income Distribution for the financial period ended 28 February and financial years ended 31 August**

	Financial Period 2025	Financial Year 2024	Financial Year 2023	Financial Year 2022
Highest NAV Per Unit (RM)	0.3004	0.3100	0.2757	0.3183
Lowest NAV Per Unit (RM)	0.2620	0.2445	0.2442	0.2516
Capital Growth (%)	0.63	1.84	0.72	-13.02
Income Distribution (%)	-	-	-	-
<b>Total Return (%)</b>	<b>0.63</b>	<b>1.84</b>	<b>0.72</b>	<b>-13.02</b>

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

**Table 5: Average Total Return of the Fund for the financial period ended 28 February 2025**

	1 Year	3 Years	5 Years
Average Total Return (%)	7.14	-0.80	-2.42

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

**Table 6: Annual Total Return of the Fund for the financial years ended 31 August**

Financial Year	2024	2023	2022	2021	2020
Annual Total Return (%)	1.84	0.72	-13.02	11.64	-15.69

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

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation - September 2024 to February 2025

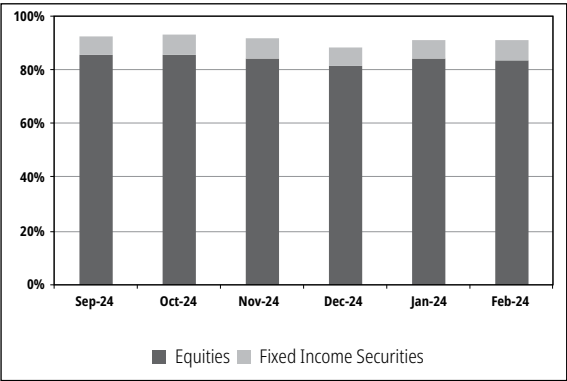


Chart 3: Sector Allocation as at 28 February 2025

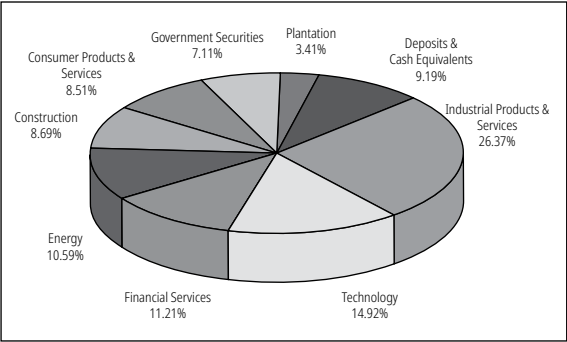
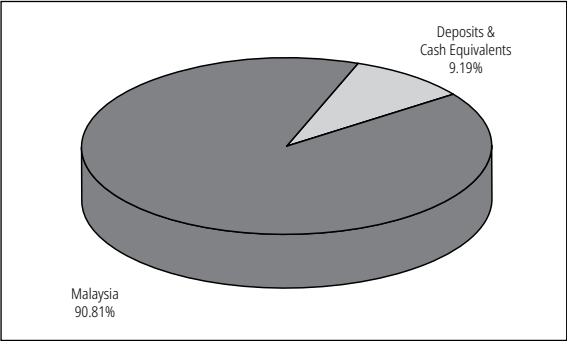


Chart 4: Geographical Allocation as at 28 February 2025



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

On the equity front, the Fund shifted towards holding more defensive names as the Fund raised cash and took profit in names which have done well.

The Fund continues to adhere to a bottom-up stock-picking strategy.

On the fixed income front, the Fund invested 7.11% of the Fund's NAV in government securities.

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

On the equity front, there was a decrease in allocation to the technology sector while the Fund also took profit in some consumer products & services and industrial products & services sector names. The Fund increased exposure in the plantation sector and raised cash levels to reflect its slightly more defensive stance.

On the fixed income front, the Fund maintained its asset allocation in fixed income during the financial period under review.

**Operational review of the Fund**

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

## IV. MARKET REVIEW

### Equities

During the financial period under review, the MSCI AC Asia Pacific ex Japan Index declined 0.1%. The best performing markets were Hong Kong and China while the worst performing markets were Indonesia and Philippines. In the local market, the FBM KLCI declined 6.2%. Small caps underperformed as the FBM Small Cap Index fell 8.8%.

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

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

The first quarter of 2025 started with Korea reversing much of its losses in 2024 as the political climate eased. China started the year weak with renewed fear of tariffs but quickly recovered after the emergence of DeepSeek boosted tech stocks there. ASEAN stocks lagged, partly due to news on US chip export restrictions.

The third quarter of 2024 started strongly for the Malaysian market as the construction sector remained in favour due to the Data Centre (DC) driven jobs. August saw global markets correct sharply due to the JPY carry trade unwind, and Malaysia was not spared. The markets broadly rebounded over the month with financials leading as better-than-expected Gross Domestic Product (GDP) data saw fund flows into banks.

The final quarter of 2024 saw the federal budget being announced in Malaysia, which was broadly in line with market expectations. The budget appears to show fiscal restraint, but without any so-called 'big bang' budgetary reforms. November saw the local market initially reacting negatively to the result of the US general election, but quickly turned positive especially some export related stocks.

The Malaysian market sold off at the start of 2025 mainly due to the announcement of chip export restriction by the US. This sparked widespread selling in the market as much of the rally in 2024 was riding on this theme. February saw heavy foreign selling in names which had high foreign ownership, mainly due to weak sentiment towards ASEAN.

### Fixed Income

During the financial period under review, the US Fed lowered the target range for the Fed Funds Rate (FFR) by 50 basis points (bps) to 4.75%-5.00% in the September Federal Open Market Committee (FOMC) meeting, marking the first rate cut since March 2020. In 4Q 2024, the Fed cut interest rates further by 50 bps to 4.25%-4.50%, bringing the total rate cuts to 100 bps in 2024. Chair Powell said the re-calibration phase of policy rate is completed, and the Fed will proceed into the next phase more carefully. In January, FOMC was a non-event with a unanimous vote for a hold. US Treasury (UST) 2Y and 10Y yields ended the financial year at 3.99% (end-February 2024: 4.64%) and 4.21% (end-February 2024: 4.27%).

Personal Consumption Expenditure (PCE) and core PCE inflation have been steadily coming down but not as fast as the Fed had hoped. The Fed revised inflation forecasts higher in the December economic projection, with the 2.0% target shifted to 2027 (from 2026). Market anticipated potential higher inflation pressures from the projected tariff implementation from the Trump 2.0 administration in the latter part of 2025.

The Ringgit bond market saw a sell-off in 4Q 2024 (high: 3.93%), dragged by weak UST and foreign outflows. The bond market subsequently recovered in December. 10Y Malaysian Government Securities (MGS) yields ended the financial year at 3.79% (end-February 2024: 3.88%). The long-end part of the curve was less affected, supported by ample domestic liquidity as investors buy on dip for absolute yields especially 4% handle. 2024 headline and core inflation averaged at 1.8% (2023: 2.5%; 3.0%). Inflation is expected to be benign, although may tick up in 2H 2025 on subsidy rationalisation. Malaysia's 2024 economy was robust, with a GDP growth of 5.1%. (2023: 3.6%) Economic outlook is expected to remain resilient with a GDP forecast of 4.5%-5.5% for 2025, to be supported by private consumption, stable labour conditions, cash handouts and civil servants pay rise.

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

### **Equities**

We expect investor sentiment to be cautious as the market works through policy decisions that are taken by the new US president. It appears that given the strong economic data, we could see less Fed rate cuts in the coming year, as compared to initially expected. Over in China, it appears that long awaited stimulus measures by the government have started to take place, although it remains unclear whether it will be enough to kickstart the Chinese economy again. A recent meeting involving President Xi and business leaders suggests that China might be taking a more friendly approach towards the business community. With inflation expected to be at manageable levels, it is encouraging to know that global central banks will have the flexibility to ease monetary policy to support the economy should the need arises.

We expect the local market to remain resilient given the diversified nature of the economy and a degree of political stability. Themes such as the AI and DC driven CapEx investments appear at risk now given protectionist policies announced by the US. However, other prevailing themes such as Johor-Singapore Special Economic Zone continue to put the spotlight on Malaysia. Successful implementation of fiscal reforms such as the subsidy rationalisation scheme could bode well for the market in the medium to long term.

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

### **Fixed Income**

We remain cautiously optimistic on Malaysia's economic growth for 2025, supported by private consumption with stable labour condition, cash handouts and civil servant pay rise. This should help cushion impact from external headwinds from potential tariffs under Trump's second presidency, a challenging growth prospect for China and lingering geopolitical tensions. The steady economic outlook and benign inflation expectation for 2025 suggest that Bank Negara Malaysia (BNM) would likely maintain Overnight Policy Rate (OPR) at 3.00% for 2025. With expected lower government bond supply in 2025, domestic bond market is expected to remain well supported.

We will continue to look for trading opportunities to generate better returns.

## **VI. SOFT COMMISSIONS**

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

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

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

## **VIII. CROSS TRADE TRANSACTIONS**

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

Notes: Q = Quarter  
H = Half  
Y = Year

# STATEMENT BY THE MANAGER

I, Chue Kwok Yan, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 13 to 40 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 28 February 2025 and of its financial performance, changes in equity and cash flows for the financial period ended 28 February 2025 in accordance with the Malaysian Financial Reporting Standard 134 “Interim Financial Reporting” and International Accounting Standard 34 “Interim Financial Reporting”.

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

**CHUE KWOK YAN**  
Chief Executive Officer/Executive Director

Kuala Lumpur  
25 April 2025

# TRUSTEE’S REPORT

## TO THE UNIT HOLDERS OF HONG LEONG STRATEGIC FUND (“Fund”)

We have acted as Trustee of the Fund for the financial period ended 28 February 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

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

For Deutsche Trustees Malaysia Berhad

**Ng Hon Leong**  
Head, Fund Operations

**Sylvia Beh**  
Chief Executive Officer

Kuala Lumpur  
25 April 2025

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

	Note	2025 RM	2024 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income from financial assets measured at fair value through profit or loss ("FVTPL")		36,836	37,124
Interest income from financial assets measured at amortised cost		38,399	22,813
Dividend income		294,936	214,578
Net gain/(loss) on financial assets at FVTPL	7	184,874	(1,249,703)
		<u>555,045</u>	<u>(975,188)</u>
<b>EXPENDITURE</b>			
Management fee	4	(268,668)	(294,393)
Trustee's fee	5	(10,448)	(10,304)
Auditors' remuneration		(5,604)	(5,501)
Tax agent's fee		(1,488)	(1,492)
Transaction costs		(57,456)	(65,046)
Other expenses		(6,669)	(10,472)
		<u>(350,333)</u>	<u>(387,208)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		204,712	(1,362,396)
Taxation	6	-	-
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>204,712</u>	<u>(1,362,396)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		(1,367,480)	(670,274)
Unrealised amount		1,572,192	(692,122)
		<u>204,712</u>	<u>(1,362,396)</u>

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

## CONDENSED STATEMENT OF FINANCIAL POSITION *(Unaudited)*

AS AT 28 FEBRUARY 2025

	Note	28.02.2025 RM	31.08.2024 RM
<b>ASSETS</b>			
Cash and cash equivalents		1,961,425	2,189,420
Amount due from brokers/dealers		706,614	220,279
Dividends receivable		13,891	16,250
Financial assets at FVTPL	7	26,213,558	28,110,147
Tax recoverable		23,405	23,405
<b>TOTAL ASSETS</b>		<u>28,918,893</u>	<u>30,559,501</u>
<b>LIABILITIES</b>			
Amount due to brokers/dealers		-	840,643
Amount due to the Manager			
-cancellation of units		-	18,815
-management fee		41,858	47,062
Amount due to the Trustee		1,628	1,830
Other payables and accruals		10,331	15,444
<b>TOTAL LIABILITIES</b>		<u>53,817</u>	<u>923,794</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>28,865,076</u>	<u>29,635,707</u>
<b>EQUITY</b>			
Unit holders' capital		25,936,520	26,911,863
Retained earnings		2,928,556	2,723,844
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>28,865,076</u>	<u>29,635,707</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	8	<u>105,750,743</u>	<u>109,225,738</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.2730</u>	<u>0.2713</u>

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

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

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 September 2024	26,911,863	2,723,844	29,635,707
Movement in net asset value:			
Creation of units from applications	33,940	-	33,940
Cancellation of units	(1,009,283)	-	(1,009,283)
Total comprehensive income for the financial period	-	204,712	204,712
Balance as at 28 February 2025	25,936,520	2,928,556	28,865,076
Balance as at 1 September 2023	29,629,013	2,170,614	31,799,627
Movement in net asset value:			
Creation of units from applications	20,557	-	20,557
Cancellation of units	(1,694,068)	-	(1,694,068)
Total comprehensive loss for the financial period	-	(1,362,396)	(1,362,396)
Balance as at 29 February 2024	27,955,502	808,218	28,763,720

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

## CONDENSED STATEMENT OF CASH FLOWS *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of financial assets at FVTPL	8,131,856	9,208,228
Purchase of financial assets at FVTPL	(7,415,597)	(8,008,125)
Interest income received from financial assets measured at FVTPL and amortised cost	79,699	64,114
Dividend income received	273,601	196,704
Management fee paid	(273,872)	(302,418)
Trustee's fee paid	(10,650)	(10,585)
Payment for other fees and expenses	(18,874)	(20,754)
Net cash generated from operating activities	766,163	1,127,164
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	33,940	21,734
Payments for cancellation of units	(1,028,098)	(1,666,133)
Net cash used in financing activities	(994,158)	(1,644,399)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(227,995)	(517,235)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	2,189,420	2,256,159
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	1,961,425	1,738,924

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

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

FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2025

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

Hong Leong Strategic Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 20 January 2005 and Supplemental Deeds dated 22 November 2007, 28 January 2008, 2 June 2009 and 30 April 2010 between Hong Leong Asset Management Bhd ("the Manager") and AmTrustee Berhad for the unit holders of the Fund. AmTrustee Berhad has been replaced with Deutsche Trustees Malaysia Berhad ("the Trustee") effective 1 September 2012 and Supplemental Master Deeds were entered into between the Manager and the Trustee for the unit holders of the Fund on 27 July 2012, 25 March 2015, 28 November 2019, 7 February 2020, 21 December 2021, 28 April 2022, 23 March 2023, 23 October 2023 and 13 February 2024 to effect the change ("the Deeds").

The Fund aims to provide investors with an investment that strives for stable returns as well as consistency in performance and income.

For equity portion, the Fund will generally invest in companies with good income and growth potential, i.e. companies that are projected to achieve earnings growth over the next 12 to 24 months. The Fund may also invest in undervalued companies that have longer term upside i.e. over the next 12 to 24 months. For the fixed income portion, the Fund will not invest in any fixed income securities that are rated "BBB" and below, and will only invest in fixed income securities that are rated at least "A3" as rated by RAM Rating Services Berhad or its equivalent ratings by Malaysia Rating Corporation Berhad. The Fund commenced operations on 8 March 2005 and will continue its operations until terminated as provided under Part 12 of the Deeds.

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

The financial statements were authorised for issue by the Manager on 25 April 2025.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

### (a) Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard 134 "Interim Financial Reporting" and International Accounting Standard 34 "Interim Financial Reporting".

The condensed financial statements should be read in conjunction with the audited financial statements of the Fund for the financial year ended 31 August 2024 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

### (b) Financial assets and financial liabilities

#### Classification

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

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

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

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

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

### Recognition and measurement

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

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

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss including the effects of currency translation are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the period which they arise.

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

Quoted investments are valued at the last traded market prices quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

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

If a valuation based on the market price does not represent the fair value of the quoted investments, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

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

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

#### Impairment

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

#### Significant increase in credit risk

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

#### Definition of default and credit-impaired financial assets

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

#### Write-off

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

### **(c) Functional and presentation currency**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

### **(d) Income recognition**

Dividend income is recognised on the ex-dividend date when the Fund's right to receive payment is established.

Interest income from deposits with licensed financial institutions, auto-sweep facility bank account and unquoted fixed income securities are recognised on the effective interest rate method on an accrual basis.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Realised gain or loss on disposal of quoted investments is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted investments determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted fixed income securities, determined on cost adjusted for accretion of discount or amortisation of premium.

#### **(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks and deposits held in highly liquid investments that are readily convertible to known amounts of cash with an original maturity of three months or lesser which are subject to an insignificant risk of changes in value.

#### **(f) Amount due from/to brokers/dealers**

Amount due from/to brokers/dealers represents receivables/payables for investments sold/purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment for amount due from brokers/dealers. A provision for impairment of amount due from a broker/dealer is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker/dealer. Significant financial difficulties of the broker/dealer, probability that the broker/dealer will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers/dealers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

#### **(g) Taxation**

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

#### **(h) Distributions**

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

#### **(i) Transaction costs**

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

## (j) Unit holders' capital

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

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

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

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

## (k) Fair value of financial instruments

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

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

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

	Financial assets at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<b>28.02.2025</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	1,961,425	1,961,425
Amount due from brokers/ dealers	-	706,614	706,614
Dividends receivable	-	13,891	13,891
Financial assets at FVTPL (Note 7)	26,213,558	-	26,213,558
	<u>26,213,558</u>	<u>2,681,930</u>	<u>28,895,488</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	41,858	41,858
Amount due to the Trustee	-	1,628	1,628
Other payables and accruals	-	10,331	10,331
	-	<u>53,817</u>	<u>53,817</u>
<b>31.08.2024</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	2,189,420	2,189,420
Amount due from Manager			
-creation of units	-	220,279	220,279
Dividends receivable	-	16,250	16,250
Financial assets at FVTPL (Note 7)	28,110,147	-	28,110,147
	<u>28,110,147</u>	<u>2,425,949</u>	<u>30,536,096</u>
<u>Financial liabilities</u>			
Amount due to brokers/dealers	-	840,643	840,643
Amount due to the Manager			
-cancellation of units	-	18,815	18,815
-management fee	-	47,062	47,062
Amount due to the Trustee	-	1,830	1,830
Other payables and accruals	-	15,444	15,444
	-	<u>923,794</u>	<u>923,794</u>

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

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

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

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

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

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

## **3. FAIR VALUE ESTIMATION**

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

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

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each period/year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial period/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 counterparty risk.

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>28.02.2025</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities	24,152,521	-	-	24,152,521
- Quoted warrant	8,800	-	-	8,800
- Unquoted fixed income security	-	2,052,237	-	2,052,237
	24,161,321	2,052,237	-	26,213,558
<b>31.08.2024</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities	25,375,576	-	-	25,375,576
- Unquoted equity security	-	-	668,250	668,250
- Unquoted fixed income security	-	2,066,321	-	2,066,321
	25,375,576	2,066,321	668,250	28,110,147

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

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income security. 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 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. MANAGEMENT FEE

In accordance with Division 13.1 of the Deeds, the Manager is entitled to a management fee of up to 2.50% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 28 February 2025, the management fee is recognised at a rate of 1.80% (2024: 2.00%) per annum.

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

#### 5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deeds, the Trustee is entitled to a fee not exceeding 1.00% 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 period ended 28 February 2025, the Trustee's fee is recognised at a rate of 0.07% (2024: 0.07%) per annum.

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

#### 6. TAXATION

	2025 RM	2024 RM
Tax charge for the financial period:		
Current taxation	-	-

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

	2025 RM	2024 RM
Profit/(loss) before taxation	204,712	(1,362,396)
Taxation at Malaysian statutory rate of 24% (2024: 24%)	49,131	(326,975)
Tax effects of:		
Investment income not subject to tax	(133,211)	234,045
Expenses not deductible for tax purposes	16,685	18,484
Restriction on tax deductible expenses for unit trust fund	67,395	74,446
Taxation	-	-

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

	28.02.2025 RM	31.08.2024 RM
Financial assets at FVTPL:		
Quoted equity securities	24,152,521	25,375,576
Quoted warrant	8,800	-
Unquoted equity security	-	668,250
Unquoted fixed income security	2,052,237	2,066,321
	26,213,558	28,110,147

	2025 RM	2024 RM
Net gain/(loss) on financial assets at FVTPL:		
Realised loss on disposals	(1,387,318)	(557,581)
Changes in unrealised fair values	1,572,192	(692,122)
	184,874	(1,249,703)

Financial assets at FVTPL as at 28 February 2025 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES</b>				
<u>Main Market</u>				
<u>Construction</u>				
Binastra Corporation Berhad	500,000	512,500	890,000	3.08
Crest Builder Holdings Berhad	700,000	481,000	406,000	1.41
Gamuda Berhad	277,828	502,835	1,211,330	4.20
	1,477,828	1,496,335	2,507,330	8.69
<u>Consumer Products &amp; Services</u>				
99 Speed Mart Retail Holdings Berhad	295,000	499,912	622,450	2.16
CAB Cakaran Corporation Berhad	1,300,000	1,035,080	643,500	2.23
Formosa Prosonic Industries Berhad	160,000	485,036	433,600	1.50
Life Water Berhad	900,000	815,610	756,000	2.62
	2,655,000	2,835,638	2,455,550	8.51
<u>Energy</u>				
Bumi Armada Berhad	1,000,000	559,312	560,000	1.94
DIALOG Group Berhad	250,000	384,255	395,000	1.37
Petra Energy Berhad	600,000	906,880	798,000	2.76
Uzma Berhad	513,333	595,000	297,733	1.03
Velesto Energy Berhad	6,100,000	1,579,540	1,006,500	3.49
	8,463,333	4,024,987	3,057,233	10.59
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	100,000	341,526	525,000	1.82
AMMB Holdings Berhad	250,000	962,500	1,440,000	4.99
RHB Bank Berhad	183,688	1,009,776	1,269,284	4.40
	533,688	2,313,802	3,234,284	11.21
<u>Industrial Products &amp; Services</u>				
Aurelius Technologies Berhad	250,000	837,500	767,500	2.66
EG Industries Berhad	450,000	719,858	976,500	3.38
Feytech Holdings Berhad	1,680,000	1,291,728	890,400	3.08
Hiap Teck Venture Berhad	2,000,000	700,550	590,000	2.04
Sunway Berhad	300,000	586,490	1,383,000	4.79
V.S. Industry Berhad	800,000	705,560	776,000	2.69
	5,480,000	4,841,686	5,383,400	18.64
<u>Plantation</u>				
Johor Plantations Group Berhad	800,000	941,665	984,000	3.41
<u>Technology</u>				
D & O Green Technologies Berhad	500,000	1,015,865	575,000	1.99
Frontken Corporation Berhad	150,000	495,399	561,000	1.94
Genetec Technology Berhad	655,600	1,402,680	845,724	2.93
Malaysian Pacific Industries Berhad	35,000	1,159,189	644,000	2.23
Pentamaster Corporation Berhad	300,000	1,456,774	927,000	3.21
Unisem (M) Berhad	350,000	1,101,630	756,000	2.62
	1,990,600	6,631,537	4,308,724	14.92

	Quantity/ Nominal value Units/RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>ACE Market</u>				
<u>Industrial Products &amp; Services</u>				
KJTS Group Berhad	2,200,000	1,128,230	2,222,000	7.70
<b>TOTAL QUOTED EQUITY SECURITIES</b>	<b>23,600,449</b>	<b>24,213,880</b>	<b>24,152,521</b>	<b>83.67</b>
<b>QUOTED WARRANT</b>				
<u>Main Market</u>				
<u>Industrial Products &amp; Services</u>				
V.S. Industry Berhad - Warrants C	80,000	-	8,800	0.03
<b>TOTAL QUOTED WARRANT</b>	<b>80,000</b>	<b>-</b>	<b>8,800</b>	<b>0.03</b>
<b>UNQUOTED FIXED INCOME SECURITY</b>				
<u>Government Investment Issue</u>				
4.13% Government of Malaysia 9/07/2029				
	2,000,000	2,049,956	2,052,237	7.11
<b>TOTAL UNQUOTED FIXED INCOME SECURITY</b>	<b>2,000,000</b>	<b>2,049,956</b>	<b>2,052,237</b>	<b>7.11</b>
<b>TOTAL INVESTMENTS</b>		<b>26,263,836</b>	<b>26,213,558</b>	<b>90.81</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>(50,278)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>26,213,558</b>		

Financial assets at FVTPL as at 31 August 2024 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES</b>				
<u>Main Market</u>				
<u>Construction</u>				
Binastra Corporation Berhad	600,000	615,000	756,000	2.55
Crest Builder Holdings Berhad	700,000	481,000	455,000	1.54
Gamuda Berhad	136,996	489,140	1,027,470	3.47
	1,436,996	1,585,140	2,238,470	7.56
<u>Consumer Products &amp; Services</u>				
CAB Cakaran Corporation Berhad	1,300,000	1,035,080	845,000	2.85
Formosa Prosonic Industries Berhad	160,000	485,036	460,800	1.55
Genting Malaysia Berhad	400,000	1,203,438	1,008,000	3.40
	1,860,000	2,723,554	2,313,800	7.80
<u>Energy</u>				
Bumi Armada Berhad	1,800,000	1,006,761	963,000	3.25
Petra Energy Berhad	600,000	906,880	858,000	2.90
Uzma Berhad	500,000	585,000	500,000	1.69
Velesto Energy Berhad	5,800,000	1,520,140	1,218,000	4.11
	8,700,000	4,018,781	3,539,000	11.95
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	200,000	683,051	862,000	2.91
AMMB Holdings Berhad	250,000	962,500	1,300,000	4.39
RHB Bank Berhad	183,688	1,009,776	1,126,007	3.80
	633,688	2,655,327	3,288,007	11.10
<u>Industrial Products &amp; Services</u>				
Aurelius Technologies Berhad	250,000	837,500	732,500	2.47
Cape EMS Berhad	2,350,000	2,064,825	857,750	2.89
EG Industries Berhad	700,000	1,119,780	1,288,000	4.35
Hiap Teck Venture Berhad	2,000,000	700,550	670,000	2.26
Sunway Berhad	507,600	992,340	2,081,160	7.02
V.S. Industry Berhad	800,000	705,561	872,000	2.94
	6,607,600	6,420,556	6,501,410	21.93
<u>Plantation</u>				
Johor Plantations Group Berhad	145,000	121,800	140,650	0.47
<u>Technology</u>				
Frontken Corporation Berhad	150,000	495,399	540,000	1.82
Genetec Technology Berhad	430,000	1,128,104	430,000	1.45
Malaysian Pacific Industries Berhad	35,000	1,159,189	1,036,000	3.50
Notion VTec Berhad	500,000	449,100	475,000	1.60
Pentamaster Corporation Berhad	300,000	1,456,774	1,185,000	4.00
Unisem (M) Berhad	300,000	949,330	945,000	3.19
	1,715,000	5,637,896	4,611,000	15.56

	Quantity/ Nominal value Units/RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>ACE Market</u>				
<u>Industrial Products &amp; Services</u>				
Coraza Integrated Technology Berhad	1,500,000	956,450	622,500	2.10
KJTS Group Berhad	2,200,000	1,128,230	1,430,000	4.83
	3,700,000	2,084,680	2,052,500	6.93
<u>Technology</u>				
ECA Integrated Solution Berhad	1,800,000	1,538,100	540,000	1.82
Visdynamics Holdings Berhad	443,350	224,112	150,739	0.51
	2,243,350	1,762,212	690,739	2.33
<b>TOTAL QUOTED EQUITY SECURITIES</b>	<b>27,041,634</b>	<b>27,009,946</b>	<b>25,375,576</b>	<b>85.63</b>
<b>UNQUOTED EQUITY SECURITY</b>				
<u>Consumer Products &amp; Services</u>				
99 Speed Mart Retail Holdings Berhad#	405,000	668,250	668,250	2.25
<b>TOTAL UNQUOTED EQUITY SECURITY</b>	<b>405,000</b>	<b>668,250</b>	<b>668,250</b>	<b>2.25</b>
<b>UNQUOTED FIXED INCOME SECURITY</b>				
<u>Government Investment Issue</u>				
4.13% Government of Malaysia 09/07/2029	2,000,000	2,054,421	2,066,321	6.97
<b>TOTAL UNQUOTED FIXED INCOME SECURITY</b>	<b>2,000,000</b>	<b>2,054,421</b>	<b>2,066,321</b>	<b>6.97</b>
<b>TOTAL INVESTMENTS</b>		<b>29,732,617</b>	<b>28,110,147</b>	<b>94.85</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>				
		<b>(1,622,470)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>			<b>28,110,147</b>	

# During the financial year ended 31 August 2024, a total of 8,400,000,000 shares for 99 Speed Mart Retail Holdings Berhad were made available for Initial Public Offering ("IPO") at a cost of RM1.65 per share by way of bookbuilding.

Subsequent to the financial year ended 31 August 2024, 99 Speed Mart Retail Holdings Berhad began trading on the main market on 9 September 2024 at a price of RM1.88 per share.

8. UNITS IN CIRCULATION

	01.09.2024 to 28.02.2025 No. of units	01.09.2023 to 31.08.2024 No. of units
At the beginning of the financial period/year	109,225,738	119,366,187
Add: Creation of units during the financial period/year		
- Arising from applications	125,453	1,577,261
Less: Cancellation of units during the financial period/year	(3,600,448)	(11,717,710)
At the end of the financial period/year	105,750,743	109,225,738

9. TOTAL EXPENSE RATIO (“TER”)

	2025 %	2024 %
TER (annualised)	1.96	2.18

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

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

Where;

- A = Management fee
- B = Trustee’s fee
- C = Auditors’ remuneration
- D = Tax agent’s fee
- E = Other expenses excluding Sales and Service Tax (“SST”) on transaction costs
- F = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial period calculated on a daily basis is RM30,092,462 (2024: RM29,590,163).

10. PORTFOLIO TURNOVER RATIO (“PTR”)

	2025 Times	2024 Times
PTR	0.28	0.30

PTR is derived from the following calculation:

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

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

Where;

total acquisitions for the financial period  
= RM6,550,390 (2024: RM7,978,608)  
total disposals for the financial period  
= RM10,038,401 (2024: RM9,954,494)

11. UNITS HELD BY THE MANAGER AND RELATED PARTIES TRANSACTIONS AND BALANCES

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

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

## Units held by parties related to the Manager

	28.02.2025		31.08.2024	
	Units	RM	Units	RM
HLB Nominees (Tempatan)				
Sdn Bhd	24,856,971	6,785,953	-	-
Hong Leong Assurance Berhad	46,786,361	12,772,677	-	-
	71,643,332	19,558,630	-	-

The above units were transacted at the prevailing market price.

The units held by HLB Nominees (Tempatan) Sdn Bhd, a subsidiary of ultimate holding company of the Manager, is under the nominees structure.

No units were held by the Manager as at 28 February 2025 and 31 August 2024.

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

	28.02.2025 RM	31.08.2024 RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	1,940,710	2,090,816
	2024 RM	2023 RM

### Related party transactions

Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	32,676	22,413
Purchase of quoted equities securities:		
- Hong Leong Investment Bank Berhad	5,129,162	3,202,046
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	4,175,032	3,552,559

## 12. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
<b>2025</b>				
Hong Leong Investment Bank Berhad*	9,304,194	61.24	23,252	61.74
RHB Investment Bank Berhad	1,527,233	10.05	3,833	10.18
AmInvestment Bank Berhad	1,428,978	9.41	3,572	9.48
Public Investment Bank Berhad	680,364	4.48	1,702	4.52
Phillip Capital Sdn Bhd	624,920	4.11	1,565	4.15
Kenanga Investment Bank Berhad	554,734	3.65	1,392	3.70
Nomura Securities Malaysia Sdn Bhd	456,816	3.01	1,145	3.04
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	445,012	2.93	1,117	2.96
CIMB Securities Sdn Bhd	170,894	1.12	85	0.23
	15,193,145	100.00	37,663	100.00
<b>2024</b>				
Hong Leong Investment Bank Berhad*	6,754,605	38.89	16,661	39.20
Affin Hwang Investment Bank Berhad	2,206,777	12.70	5,513	12.97
RHB Investment Bank Berhad	2,062,053	11.87	5,146	12.11
CLSA Securities Malaysia Sdn Bhd	1,865,734	10.74	4,677	11.01
Public Investment Bank Berhad	1,535,139	8.84	3,846	9.05
Alliance Investment Bank Bhd	854,333	4.92	1,554	3.66
Nomura Securities Malaysia Sdn Bhd	777,923	4.48	1,950	4.59
JPMorgan Securities (Malaysia) Sdn Bhd	656,958	3.78	1,636	3.85
Maybank Investment Bank Berhad	230,630	1.33	579	1.36
UOB Kay Hian Securities (M) Sdn Bhd	183,002	1.05	459	1.08
Others	242,355	1.40	477	1.12
	17,369,509	100.00	42,498	100.00

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

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

## Performance Data

for the Financial Period Ended 28 February and Financial Years Ended 31 August

		Financial Period 2025 %	Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
<b>A. (i) Portfolio Compositions:</b>					
Construction		8.69	7.56	5.68	8.28
Consumer Products & Services		8.51	10.05	9.33	7.85
Energy		10.59	11.95	11.54	-
Financial Services		11.21	11.10	2.71	17.93
Health Care		-	-	4.58	7.20
Industrial Products & Services		26.37	28.86	11.03	1.92
Plantation		3.41	0.47	-	-
Property		-	-	-	3.92
Technology		14.92	17.89	38.53	34.56
Telecommunications & Media		-	-	3.21	0.50
<b>Government Securities</b>		7.11	6.97	6.45	6.32
<b>Deposits &amp; Cash Equivalents</b>		9.19	5.15	6.94	11.52
<b>Geographical Allocation:</b>					
Malaysia		90.81	94.85	93.06	88.48
<b>Deposits &amp; Cash Equivalents</b>		9.19	5.15	6.94	11.52
<b>(ii) Total Net Asset Value</b>	(ex-distribution)	<b>RM28,865,076</b>	RM29,635,707	RM31,799,627	RM32,277,263
<b>(iii) Net Asset Value Per Unit</b>	(ex-distribution)	<b>RM0.2730</b>	RM0.2713	RM0.2664	RM0.2645
<b>Units in Circulation</b>	(ex-distribution)	<b>105,750,743</b>	109,225,738	119,366,187	122,037,749
<b>(iv) Highest/Lowest NAV Per Unit</b>	Highest NAV Per Unit	<b>RM0.3004</b>	RM0.3100	RM0.2757	RM0.3183
(ex-distribution)	Lowest NAV Per Unit	<b>RM0.2620</b>	RM0.2445	RM0.2442	RM0.2516
<b>(v) Total Return of the Fund*</b>		<b>0.63%</b>	1.84%	0.72%	-13.02%
- Capital Growth		<b>0.63%</b>	1.84%	0.72%	-13.02%
- Income Distribution		-	-	-	-
<b>(vi) The distribution (gross) is made out of:-</b>					
- The Fund's Capital		-	-	-	-
- The Fund's Income		-	-	-	-
- Total Distribution Amount		-	-	-	-
- The Fund's Capital (% of Total Distribution Amount)		-	-	-	-
- The Fund's Income (% of Total Distribution Amount)		-	-	-	-
<b>(vii) Distribution Per unit</b>					
Additional Units		-	-	-	-
Distribution (Gross)		-	-	-	-
Distribution (Net)		-	-	-	-
Distribution Date		-	-	-	-
Cum-Distribution NAV/Unit		-	-	-	-
Ex-Distribution NAV/Unit		-	-	-	-

# Performance Data

for the Financial Period Ended 28 February and Financial Years Ended 31 August

	Financial Period 2025 %	Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
(viii) Total Expense Ratio (TER)	1.96%#	2.08%	2.17%	2.16%
(ix) Portfolio Turnover Ratio (PTR) (times)	0.28##	0.80	0.86	0.94
B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 28/02/2025)*				
(i) One year	7.14%			
(ii) Three years	-0.80%			
(iii) Five years	-2.42%			

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

# The TER 0.22 percentage point lower as compared to 2.18% for the financial period from 1 September 2023 to 29 February 2024 mainly due to decrease in expenses of the Fund.

## The PTR decreased by 0.52 times (65.00%) to 0.28 times for the financial period from 1 September 2024 to 28 February 2025 versus 0.80 times for the financial year ended 31 August 2024 and 0.02 times (6.67%) as compared to 0.30 times for the financial period from 1 September 2023 to 29 February 2024 mainly due to lower level of rebalancing activities undertaken by the Fund.

# Corporate Information

## Manager

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

## Registered Office

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

## Business Office

Level 18, Block B, Plaza Zurich  
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Bukit Damansara  
50490 Kuala Lumpur

## Board of Directors

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

## Executive Director/Chief Executive Officer

Mr. Chue Kwok Yan

## Trustee

Deutsche Trustees Malaysia Berhad

## Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

## Distributors

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

# Corporate Directory

## Head Office

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