

# Hong Leong Islamic Income Management Fund

**Semi-Annual Report**  
Financial Period Ended 30 April 2024

**2023/2024**  
Unaudited



# HONG LEONG ISLAMIC INCOME MANAGEMENT FUND

---

## Contents

---

	Page
Manager's Review and Report	1-9
Statement by the Manager	10
Trustee's Report	11
Shariah Adviser's Report	12
Condensed Statement of Comprehensive Income	13
Condensed Statement of Financial Position	14
Condensed Statement of Changes in Equity	15
Condensed Statement of Cash Flows	16
Notes to the Condensed Financial Statements	17-39
Performance Data	40-45
Corporate Information	46
Corporate Directory	47

# Manager's Review and Report

---

## I. FUND INFORMATION

### **Fund Name**

Hong Leong Islamic Income Management Fund ("HLIIMF" or "the Fund")

### **Fund Category**

Fixed Income (Islamic)

### **Fund Type**

Income

### **Investment Objective**

To provide investors with a low risk investment portfolio offering a stable and regular stream of income\* and stability in capital\*\* while adhering to Shariah requirements.

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

Not Applicable

### **Benchmark**

Malayan Banking Berhad 1-Month General Investment Account (GIA) Rate

### **Distribution Policy**

The Fund aims to provide monthly income distributions on a best effort basis. The amount of the income distribution will be determined at every month end in order to bring the NAV of the Fund to the proposed range of RM0.5000 per Unit. The distribution will be subject to availability of sufficient reserves for income distribution.

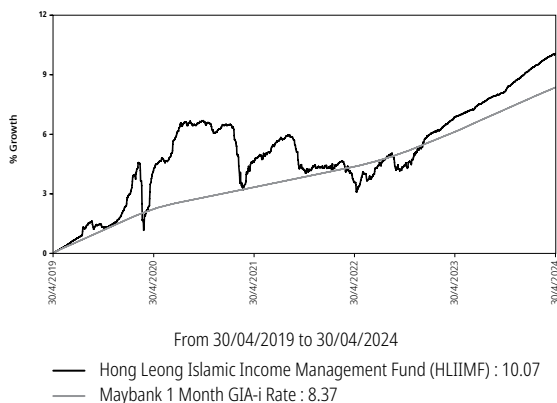
Notes:

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

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

## II. FUND PERFORMANCE

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



Source: Lipper for Investment Management, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLIIMF 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 November 2023 to 30 April 2024.

The Fund posted a return of 1.73% (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 Maybank 1-Month GIA-i Rate registered a return of 1.03%. During the financial period under review, the Fund has distributed 6 times of income distributions to its Unit holders. Unit holders should note that income distributions have the effect of reducing the Net Asset Value (NAV) of the Fund after distributions. For a full description of the income distributions, cum-distributions and ex-distributions NAV per unit of the Fund, kindly refer to section entitled 'Performance Data' at page 40-45.

For the five-year financial periods ended 30 April 2024, the Fund posted a return of 10.07% compared to the benchmark's return of 8.37% while distributing a total gross income of 6.2500 sen per unit (net income of 6.2500 sen per unit).

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

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Launch
HLIIMF Return (%)	0.72	1.73	3.00	5.20	10.07	28.45	55.34
Benchmark (%)	0.50	1.03	2.11	4.87	8.37	28.02	53.03

**Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 October 2023 to 30 April 2024 (Source: Lipper for Investment Management)**

	30-Apr-24	31-Oct-23	Return (%)
NAV Per Unit	RM0.4984	RM0.4977	1.73#
Benchmark	2.00%	2.10%	1.03
<b>vs Benchmark (%)</b>	-	-	0.70

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

### Table 3: Financial Highlights

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

	30-Apr-24 (RM)	31-Oct-23 (RM)	Change (%)
Unit Holders' Capital	<b>829,937,553</b>	390,902,534	112.31
Retained Earnings	<b>1,678,815</b>	1,455,949	15.31
<b>Net Asset Value</b>	<b>831,616,368</b>	392,358,483	111.95
<b>Units in Circulation</b>	<b>1,668,586,960</b>	788,361,918	111.65

**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 30 April and financial years ended 31 October**

	Financial Period 2024	Financial Year 2023	Financial Year 2022	Financial Year 2021
Highest NAV Per Unit (RM)	0.4999	0.4997	0.5003	0.5247
Lowest NAV Per Unit (RM)	0.4977	0.4925	0.4914	0.4987
Capital Growth (%)	0.14	0.89	-1.10	-4.94
Income Distribution (%)	1.59	2.70	1.32	2.70
<b>Total Return (%)</b>	<b>1.73</b>	<b>3.59</b>	<b>0.22</b>	<b>-2.24</b>

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

**Table 5: Average Total Return of the Fund for the financial period ended 30 April 2024**

	1 Year	3 Years	5 Years
Average Total Return (%)	3.00	1.73	2.01

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 HLIIMF reinvested.

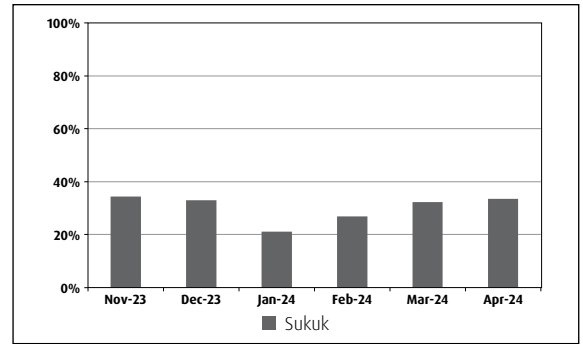
**Table 6: Annual Total Return of the Fund for the financial years ended 31 October**

Financial Year	2023	2022	2021	2020	2019
Annual Total Return (%)	3.59	0.22	-2.24	5.20	2.81

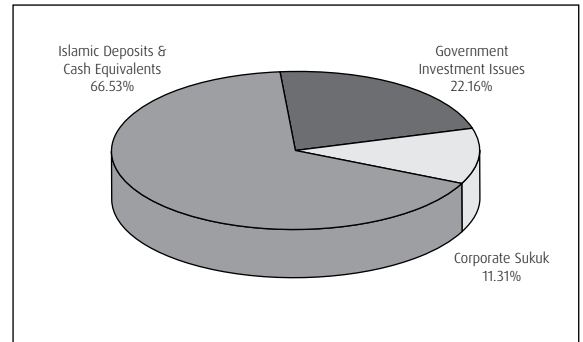
Source: Lipper for Investment Management, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLIIMF reinvested.

### III. INVESTMENT PORTFOLIO

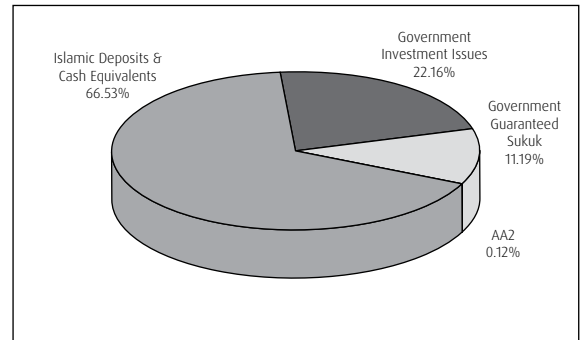
**Chart 2: Asset Allocation – November 2023 to April 2024**



**Chart 3: Sector Allocation as at 30 April 2024**



**Chart 4: Portfolio Composition by Ratings as at 30 April 2024**



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

During the financial period under review, we maintained our defensive tilt in duration by overweighting cash versus sukuk and for sukuk tactical positioning, heavy holdings exposure tilt towards short-duration Government sukuk and Government Guaranteed sukuk. The defensive tilt strategy employed by the Fund is driven by continuing expectations of elevated interest rate volatility arising from mixed economic indicator releases thereby obscuring market expectations on central bank's monetary paths.

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

During the financial period under review, the Fund continued to maintain its sukuk asset allocation holdings of 30% – 35% while the remaining balance of the Fund's NAV is invested into Islamic deposits. The Fund's investment composition is constructed and managed on a defensive tilt strategy that sought to cater investors' by offering a stable and regular income stream and stability in capital.

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

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

## **IV. MARKET REVIEW**

During the financial period under review, the Malaysia Government Securities (MGS) benchmark yield curve shifted upwards while the long-end remained sticky and flat with 3 years on-the-run yield surging 15 basis point (bps) (+0.15%) to settle at 3.63% as of end-April. The 20 years benchmark yield inched marginally higher to 4.22% as of end reporting date versus 4.18% as of end-November. Intermediate segment of the curve also inclined with 10-Year MGS benchmark yield rose 14 bps (+0.14%) to settle at 3.97% as of end-April while the 7 years on-the-run yield marginally increased to 3.91% as of end-reporting date from 3.84% in November 2023.

All-in-yield for high grade rated corporate bonds continued their tightening trend with AAA long-end 15-Year Private Debt Securities (PDS) yield plunged 21 bps (-0.21%) to settle at 4.27% end-April while the AA2 yields tumbled 23 bps (-0.23%) to register at 4.50% relative to prior levels in November 2023. PDS yields continued on a declining trend as expectations of lower PDS pipeline supplies, tightening of government guaranteed papers and United States (US) Federal (Fed) Funds Rate (FFR) stabilization amid 2 to 3 cuts projection.

Malaysia's headline Consumer Price Index (CPI) remained well-behaved, averaging 1.65% year-on-year (YoY) for reporting period under review with 0.2% average monthly momentum. The country's advance Gross Domestic Product (GDP) estimates accelerated in the first quarter of 2024 to 3.9% from 3.0% in prior quarter as manufacturing sector rebounded from contractionary region and construction segment posted strong growth underpinned by realization of multi-year public-private project partnerships.

US Treasuries (UST) selloffs resumed during the period under review as market continues to reprice the probability quantum of FFR cuts in 2024 arising from :- (1) mixed US economic data with slowdown in manufacturing sector offset by tight labor market; (2) the Fed is afforded with wait-and-see, in next future Federal Open Market Committee (FOMC) meetings, potential inflationary pickup and impact on supply chain prices; and (3) divergence in global central banks policies as United Kingdom and European Union could potentially ease policy rates earlier while Asian banks could raise rates to counteract US Dollar strengthening against home currencies. Relatively stable crude oil prices which has been range-bound between US\$75 – 80 per barrel anchored base metal prices. Domestic semiconductor and manufacturing segment which stands to benefit from friend-shoring amid heightened geopolitical and trade tensions amid neutral grounds.

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

Overall, domestic demand is likely to be sustained by private consumption, pickup in fixed investment activities and turnaround in trade performance. Looking ahead, with positive outlook on economic expansion coupled with moderate inflationary outlook, the market anticipates Bank Negara Malaysia (BNM) likely to maintain Overnight Policy Rate (OPR) at 3.00% despite Ringgit underperformance in 2023. MGS and Government Investment Issues (GII) yields remained likely to be volatile tracking UST yield as short-term yields continues to be influenced by offshore investors. The Fund maintained its defensive tilt strategy driven by continuing expectations of elevated interest rate volatility arising from mixed economic indicator.

## **VI. SOFT COMMISSIONS**

The Manager may receive 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.

During the financial period under review, the Fund has not received goods or services by way of soft commissions.

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

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

## **VIII. CROSS TRADE TRANSACTIONS**

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

## STATEMENT BY THE MANAGER

---

I, Lee Jim Leng, 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 39 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 April 2024 and of its financial performance, changes in equity and cash flows for the financial period ended 30 April 2024 in accordance with the Malaysian Financial Reporting Standard 134 “Interim Financial Reporting” and International Accounting Standard 34 “Interim Financial Reporting”.

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

**LEE JIM LENG**  
Chairman/Non-Executive Director

Kuala Lumpur  
19 June 2024

## TRUSTEE’S REPORT

---

### TO THE UNIT HOLDERS OF HONG LEONG ISLAMIC INCOME MANAGEMENT FUND (“Fund”)

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

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

We are of the opinion that the distributions of income by the Fund are appropriate and reflect the investment objective of the Fund.

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
19 June 2024



## SHARIAH ADVISER'S REPORT

### TO THE UNIT HOLDERS OF HONG LEONG ISLAMIC INCOME MANAGEMENT FUND ("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 semi-annual period ended 30 April 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  
19 June 2024

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

### FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Profit income from financial assets measured at fair value through profit or loss ("FVTPL")		2,780,425	369,307
Profit income from financial assets measured at amortised cost	4	6,501,773	1,006,741
Dividend Income		-	24,165
Net gain on financial assets at FVTPL	10	223,027	349,307
		<u>9,505,225</u>	<u>1,749,520</u>
<b>EXPENDITURE</b>			
Management fee	5	(564,632)	(127,430)
Trustee's fee	6	(213,138)	(33,981)
Auditors' remuneration		(3,333)	(2,851)
Tax agent's fee		(1,492)	(1,760)
Other expenses		(10,984)	(12,416)
		<u>(793,579)</u>	<u>(178,438)</u>
<b>PROFIT BEFORE TAXATION</b>			
		8,711,646	1,571,082
Taxation	7	-	-
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>			
		<u>8,711,646</u>	<u>1,571,082</u>
Profit after taxation is made up as follows:			
Realised amount		8,456,838	1,216,252
Unrealised amount		254,808	354,830
		<u>8,711,646</u>	<u>1,571,082</u>
Distributions for the financial period:			
Net distributions	8	8,488,780	1,274,346
Net distributions per unit (sen)	8	0.7860	0.5880
Gross distributions per unit (sen)	8	0.7860	0.5880

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

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

AS AT 30 APRIL 2024

	Note	30.04.2024 RM	31.10.2023 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	559,439,995	283,488,170
Amount due from brokers/dealers		12,202,748	10,339,912
Financial assets at FVTPL	10	278,346,421	135,291,921
<b>TOTAL ASSETS</b>		<u>849,989,164</u>	<u>429,120,003</u>
<b>LIABILITIES</b>			
Amount due to brokers/dealers		15,452,922	-
Amount due to the Manager			
-cancellation of units		2,730,421	36,610,812
-management fee		128,410	110,805
Amount due to the Trustee		51,364	29,548
Other payables and accruals		9,679	10,355
<b>TOTAL LIABILITIES</b>		<u>18,372,796</u>	<u>36,761,520</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>831,616,368</u>	<u>392,358,483</u>
<b>EQUITY</b>			
Unit holders' capital		829,937,553	390,902,534
Retained earnings		1,678,815	1,455,949
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>831,616,368</u>	<u>392,358,483</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	12	<u>1,668,586,960</u>	<u>788,361,918</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.4984</u>	<u>0.4977</u>

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

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

FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 November 2023		390,902,534	1,455,949	392,358,483
Movement in net asset value:				
Creation of units from applications		595,135,520	-	595,135,520
Creation of units from distributions		6,911,050	-	6,911,050
Cancellation of units		(163,011,551)	-	(163,011,551)
Total comprehensive income for the financial period		-	8,711,646	8,711,646
Distributions for the financial period	8	-	(8,488,780)	(8,488,780)
Balance as at 30 April 2024		<u>829,937,553</u>	<u>1,678,815</u>	<u>831,616,368</u>
Balance as at 1 November 2022		5,354,483	2,042,534	7,397,017
Movement in net asset value:				
Creation of units from applications		240,457,090	-	240,457,090
Creation of units from distributions		1,274,346	-	1,274,346
Cancellation of units		(58,991,792)	-	(58,991,792)
Total comprehensive income for the financial period		-	1,571,082	1,571,082
Distributions for the financial period	8	(68,806)	(1,205,540)	(1,274,346)
Balance as at 30 April 2023		<u>188,025,321</u>	<u>2,408,076</u>	<u>190,433,397</u>

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

## CONDENSED STATEMENT OF CASH FLOWS

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sales of financial assets at FVTPL	62,803,906	10,890,144
Purchase of financial assets at FVTPL	(192,206,435)	(69,369,468)
Profit income received from financial assets measured at FVTPL and amortised cost	9,443,340	1,249,026
Dividend received	-	24,165
Management fee rebate received	-	1,341
Management fee paid	(547,027)	(86,138)
Trustee's fee paid	(191,322)	(34,567)
Payment for other fees and expenses	(16,485)	(19,626)
Net cash used in operating activities	(120,714,023)	(57,345,123)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	595,135,520	240,457,090
Payments for cancellation of units	(196,891,942)	(58,991,792)
Payments for distributions	(1,577,730)	-
Net cash generated from financing activities	396,665,848	181,465,298
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	275,951,825	124,120,175
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	283,488,170	1,932,500
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	559,439,995	126,052,675

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

## NOTES TO THE CONDENSED FINANCIAL

STATEMENTS (Unaudited)

FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2024

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

Hong Leong Islamic Income Management Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 16 March 2007 and Supplemental Deeds dated 11 April 2007, 30 April 2010, 9 May 2013, 25 March 2015, 4 August 2017, 24 June 2022 and 28 February 2023 ("the Deeds") between Hong Leong Asset Management Bhd ("the Manager") and CIMB Commerce Trustee Berhad ("the Trustee") for the unit holders of the Fund.

The primary objective of the Fund is to provide investors with a low risk investment portfolio offering a stable and regular stream of income and stability in capital while adhering to Shariah requirements.

The Fund intends to invest mainly in Islamic money market instruments and short to-medium term sukuk. Islamic money market instruments include Islamic deposits, and other short-term Islamic money market instruments such as Islamic negotiable instruments. The Fund commenced operations on 26 April 2007 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 the Fund. The effective date for the appointment is at 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 to undertake the regulated activity of Islamic fund management.

The financial statements were authorised for issue by the Manager on 19 June 2024.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

### (a) Basis of preparation

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

The condensed financial statements should be read in conjunction with the audited financial statements of the Fund for the financial year ended 31 October 2023 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

### (b) Financial assets and financial liabilities

#### Classification

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

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

The Fund classifies its Shariah-compliant 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<sup>1</sup> as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities<sup>2</sup> 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 amount due from brokers/dealers and cash and cash equivalents as financial asset measured at amortised cost as this financial asset is held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to brokers/dealers, amount 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.

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.

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

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

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

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

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 and Islamic money market instruments 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 and Islamic money market instruments, which is a close estimate of their fair value due to the short term nature of the Islamic deposits and Islamic money market instruments. 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 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**

Profit income from Islamic deposits with licensed financial institutions, Islamic money market instruments 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 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 bank 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 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) 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.

## (j) 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>30.04.2024</b>			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	559,439,995	559,439,995
Amount due from brokers/dealers	-	12,202,748	12,202,748
Financial assets at FVTPL (Note 10)	278,346,421	-	278,346,421
	<u>278,346,421</u>	<u>571,642,743</u>	<u>849,989,164</u>
<u>Financial liabilities</u>			
Amount due to the brokers/dealers	-	15,452,922	15,452,922
Amount due from the Manager			
-cancellation of units	-	2,730,421	2,730,421
-management fee	-	128,410	128,410
Amount due to the Trustee	-	51,364	51,364
Other payables and accruals	-	9,679	9,679
	-	<u>18,372,796</u>	<u>18,372,796</u>
<b>31.10.2023</b>			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	283,488,170	283,488,170
Amount due from brokers/dealers	-	10,339,912	10,339,912
Financial assets at FVTPL (Note 10)	135,291,921	-	135,291,921
	<u>135,291,921</u>	<u>293,828,082</u>	<u>429,120,003</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	36,610,812	36,610,812
-management fee	-	110,805	110,805
Amount due to the Trustee	-	29,548	29,548
Other payables and accruals	-	10,355	10,355
	-	<u>36,761,520</u>	<u>36,761,520</u>

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

**(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. FAIR VALUE ESTIMATION**

The fair value of financial assets traded in active market (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 period end date. Valuation techniques used for non-standardised financial instruments such as Islamic options, currency swaps and other over-the-counter Islamic 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 Shariah-compliant equity and sukuk instruments for which market were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

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

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



(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that requires significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires 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>30.04.2024</b>				
<u>Financial assets at FVTPL:</u>				
- Unquoted sukuk	-	278,346,421	-	278,346,421
<b>31.10.2023</b>				
<u>Financial assets at FVTPL:</u>				
- Unquoted sukuk	-	135,291,921	-	135,291,921

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. This 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. 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	6,440,042	1,002,972
- Cash at bank	61,731	3,769
	6,501,773	1,006,741

## 5. MANAGEMENT FEE AND MANAGEMENT FEE REBATE

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

For the financial period 1 November 2023 to 30 November 2023 the management fee is recognised at a rate of 0.30% (01.11.2022 to 30.04.2023: 0.30%) per annum. With effective from 1 December 2023, the management fee is recognised at a rate of 0.20% per annum.

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

The management fee rebates relate to the rebates received from the Manager for investing in unquoted Islamic collective investment scheme. The average rates of rebates were calculated on the net asset value of respective unquoted collective Islamic investment scheme on a daily basis as follow:

	2024 %	2023 %
Unquoted Islamic collective investment scheme:		
- Hong Leong Dana Al-Safa' MYR Class A	-	0.20

## 6. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deeds, the Trustee is entitled to a fee not exceeding 0.20% 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 30 April 2024, the Trustee's fee is recognised at a rate of 0.08% (2023: 0.08%) per annum.

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

## 7. TAXATION

	2024 RM	2023 RM
Tax charge for the financial period:		
Current taxation	-	-

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

	2024 RM	2023 RM
Profit before taxation	8,711,646	1,571,082
Taxation at Malaysian statutory rate of 24% (2023: 24%)	2,090,795	377,060
Tax effects of:		
(Shariah-compliant investment income not subject to tax)	(2,281,254)	(419,885)
Expenses not deductible for tax purposes	52,639	9,715
Restriction on tax deductible expenses for unit trust fund	137,820	33,110
Taxation	-	-

## 8. DISTRIBUTIONS

Distribution to unit holders is derived from the following sources:

	2024 RM	2023 RM
Prior financial years' realised income	131,296	-
Profit income from financial assets at FVTPL and amortised cost	9,204,095	1,348,322
Dividend income	-	24,165
Management fee rebate	-	1,341
Dividend Equalisation	-	68,806
Less: Expenses	(846,611)	(168,288)
Net distributions amount	8,488,780	1,274,346
Gross/net distributions per unit (sen)	0.7860	0.5880

	2024 RM	2023 RM
<b>Date of Declaration</b>		
<b>27 November 2023 / 25 November 2022</b>		
Gross/net distribution per unit (sen)	0.1290	0.0440
<b>26 December 2023 / 27 December 2022</b>		
Gross/net distribution per unit (sen)	0.1240	0.0930
<b>26 January 2024 / 25 January 2023</b>		
Gross/net distribution per unit (sen)	0.1360	0.0940
<b>26 February 2024 / 27 February 2023</b>		
Gross/net distribution per unit (sen)	0.1380	0.1280
<b>25 March 2024 / 27 March 2023</b>		
Gross/net distribution per unit (sen)	0.1230	0.1110
<b>25 April 2024 / 25 April 2023</b>		
Gross/net distribution per unit (sen)	0.1360	0.1180

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

	Income RM	%	Capital RM	%
<b>2024</b>	8,488,780	100.00	-	-
<b>2023</b>	1,274,346	100.00	-	-

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

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

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

## 9. CASH AND CASH EQUIVALENTS

	30.04.2024 RM	31.10.2023 RM
Islamic deposits with licensed financial institutions	545,089,694	283,098,583
Cash at bank	14,350,301	389,587
	<u>559,439,995</u>	<u>283,488,170</u>

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

	30.04.2024 %	31.10.2023 %
Islamic deposits with licensed financial institutions	<u>3.56</u>	<u>3.52</u>

Islamic deposits with licensed financial institutions for the financial period ended 30 April 2024 have an average remaining maturity of 55 days (31.10.2023: 12 days).

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

	30.04.2024 RM	31.10.2023 RM
<i>Financial assets at FVTPL:</i>		
Unquoted sukuk	<u>278,346,421</u>	<u>135,291,921</u>

	2024 RM	2023 RM
<i>Net gain on financial assets at FVTPL:</i>		
Realised gain/(loss) on disposals	2,824	(6,864)
Changes in unrealised fair values	220,203	354,830
Management fee rebate (Note 5)	-	1,341
	<u>223,027</u>	<u>349,307</u>

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

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED SUKUK</b>				
<u>Sukuk</u>				
4.320% RHB Islamic Bank Berhad (AA2) 21/05/2024   21/05/2029 - Series 3	1,000,000	1,019,174	1,019,474	0.12
<u>Government Investment Issues</u>				
3.726% Government of Malaysia 31/03/2026	56,000,000	56,522,401	56,455,610	6.79
4.070% Government of Malaysia 30/09/2026	123,000,000	125,124,551	124,777,014	15.00
4.128% Government of Malaysia 15/08/2025	3,000,000	3,052,154	3,048,005	0.37
	182,000,000	184,699,106	184,280,629	22.16
<u>Sukuk Guaranteed by Government of Malaysia</u>				
4.030% Danainfra Nasional Berhad 01/04/2026 - IMTN Tranche No 85	5,000,000	5,060,488	5,062,062	0.61
4.290% Danainfra Nasional Berhad 30/04/2026 - IMTN Tranche No 44	13,500,000	14,009,400	13,980,818	1.68
4.530% Danainfra Nasional Berhad 12/11/2025 - IMTN Tranche No 38	24,000,000	24,910,125	24,867,709	2.99
4.200% Jambatan Kedua Sdn. Bhd. 28/07/2026 - IMTN	5,000,000	5,106,638	5,119,557	0.61
4.000% Lembaga Pembiayaan Perumahan Sektor Awam - 10/04/2026 IMTN Tranche No 28	5,000,000	5,052,049	5,051,861	0.61
4.150% Pengurusan Air SPV Berhad 06/02/2026 - IMTN Issue No 36	8,000,000	8,175,750	8,157,685	0.98
4.560% Pengurusan Air SPV Berhad 06/06/2025 - IMTN Issue No 35	15,000,000	15,452,922	15,448,422	1.86
4.470% Prasarana Malaysia Berhad 26/06/2026 - IMTN Series 8	15,000,000	15,381,226	15,358,204	1.85
	90,500,000	93,148,598	93,046,318	11.19
<b>TOTAL UNQUOTED SUKUK</b>	<b>273,500,000</b>	<b>278,866,878</b>	<b>278,346,421</b>	<b>33.47</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>(520,457)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>278,346,421</b>		

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

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED SUKUK</b>				
<u>Corporate Sukuk</u>				
4.32% RHB Islamic Bank Berhad (AA2) 21/05/2024   21/05/2029 - Series 3	1,000,000	1,019,292	1,021,782	0.26

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Government Investment Issues</u>				
3.726% Government of Malaysia 31/03/2026	32,000,000	32,354,252	32,136,247	8.19
4.070% Government of Malaysia 30/09/2026	43,000,000	43,840,958	43,608,814	11.11
4.128% Government of Malaysia 15/08/2025	12,000,000	12,266,129	12,234,595	3.12
	87,000,000	88,461,339	87,979,656	22.42
<u>Sukuk Guaranteed by Government of Malaysia</u>				
4.03% Danainfra Nasional Berhad 01/04/2026 - IMTN Tranche No 85	5,000,000	5,071,428	5,050,862	1.29
4.29% Danainfra Nasional Berhad 30/04/2026 - IMTN Tranche No 44	10,000,000	10,418,853	10,346,412	2.64
4.53% Danainfra Nasional Berhad 12/11/2025 - IMTN Tranche No 38	20,000,000	20,878,674	20,746,819	5.29
4.20% Jambatan Kedua Sdn. Bhd. 28/07/2026 - IMTN Tranche No 58	5,000,000	5,119,623	5,107,033	1.30
4.00% Lembaga Pembiayaan Perumahan Sektor Awam - 10/04/2026 IMTN Tranche No 28	5,000,000	5,063,372	5,039,357	1.28
	45,000,000	46,551,950	46,290,483	11.80
<b>TOTAL UNQUOTED SUKUK</b>	<b>133,000,000</b>	<b>136,032,581</b>	<b>135,291,921</b>	<b>34.48</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>(740,660)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>135,291,921</b>		

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

## 11. SHARIAH INFORMATION OF THE FUND

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

- (i) 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;
- (ii) Collective investment scheme which was verified as Shariah-compliant by the Shariah Adviser; and
- (iii) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

## 12. UNITS IN CIRCULATION

	01.11.2023 to 30.04.2024 No. of units	01.11.2022 to 31.10.2023 No. of units
At the beginning of the financial period/year	788,361,918	14,994,179
Add: Creation of units during the financial period/year		
- Arising from applications	1,192,920,576	1,345,652,037
- Arising from distributions	13,866,850	12,461,262
Less: Cancellation of units during the financial period/year	(326,562,384)	(584,745,560)
At the end of the financial period/year	<u>1,668,586,960</u>	<u>788,361,918</u>

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

	2024 %	2023 %
TER (annualised)	<u>0.30</u>	<u>0.42</u>

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
- 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 RM538,181,582 (2023: RM86,659,712).

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

	2024 Times	2023 Times
PTR	<u>0.25</u>	<u>0.46</u>

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  
= RM205,218,600 (2023: RM68,818,400)
- total disposals for the financial period  
= RM62,977,417 (2023: RM10,500,050)

## 15. 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 related parties of the Manager

	30.04.2024		31.10.2023	
	Units	RM	Units	RM
Hong Leong Assurance Berhad	43,843,680	21,851,496	71,092,587	35,382,781
Hong Leong Financial Group Berhad	741,799,001	369,709,344	-	-
Hong Leong MSIG Takaful Berhad	20,611,666	10,272,763	-	-

The above units were transacted at the prevailing market price.

No units were held by the Manager as at 30 April 2024 and 31 October 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.

	30.04.2024 RM	31.10.2023 RM
<u>Related party balances</u>		
Short term Islamic deposits with licensed financial institutions:		
- Hong Leong Islamic Bank Berhad	103,431,599	74,939,345
Cash at bank:		
- Hong Leong Islamic Bank Berhad	14,350,301	389,499
Amount due from brokers/dealers:		
- Hong Leong Bank Berhad	-	10,339,912
Amount due to brokers/dealers:		
- Hong Leong Bank Berhad	(15,452,922)	-
	102,328,978	85,668,756
	<b>2024 RM</b>	<b>2023 RM</b>
<u>Related party transactions</u>		
Profit income from Islamic deposits with licensed financial institutions:		
- Hong Leong Islamic Bank Berhad	1,252,274	189,656
Profit income from auto-sweep facility bank account:		
- Hong Leong Islamic Bank Berhad	61,731	3,769
	1,314,005	193,425
Dividend income from unquoted Islamic collective investment scheme managed by the Manager	-	24,165
Purchase of unquoted sukuk:		
- Hong Leong Bank Berhad	24,708,098	-
- Hong Leong Islamic Bank Berhad	22,535,505	5,103,815
	47,243,603	5,103,815
Purchase of unquoted Islamic collective investment scheme:		
- Hong Leong Asset Management Bhd	-	10,000,000
Disposal of unquoted sukuk:		
- Hong Leong Bank Berhad	41,274,284	-

	2024 RM	2023 RM
Disposal of unquoted Islamic collective investment scheme:		
- Hong Leong Asset Management Bhd	-	9,993,986

## 16. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %
<b>2024</b>		
Hong Leong Bank Berhad*	65,982,382	24.33
CIMB Islamic Bank Berhad	44,140,983	16.27
Ambank (M) Berhad	31,692,955	11.69
CIMB Bank Berhad	24,570,610	9.06
Hong Leong Islamic Bank Berhad*	22,535,505	8.31
Bank Islam Malaysia Berhad	20,462,052	7.54
J.P. Morgan Chase Bank Berhad	17,268,868	6.37
Standard Chartered Bank Malaysia Berhad	15,332,291	5.65
Malayan Banking Berhad	11,752,434	4.33
Affin Islamic Bank Berhad	11,308,589	4.17
Others	6,189,213	2.28
	271,235,882	100.00
<b>2023</b>		
CIMB Islamic Bank Berhad	20,435,816	25.59
Hong Leong Asset Management Bhd*	19,993,986	25.03
Bank Islam Malaysia Berhad	11,754,469	14.72
Malayan Banking Berhad	10,345,379	12.95
J.P.Morgan Chase Bank Berhad	10,199,528	12.77
Hong Leong Islamic Bank Berhad*	5,103,815	6.39
CIMB Bank Berhad	2,038,711	2.55
	79,871,704	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 30 April and Financial Years Ended 31 October

		Financial Period 2024 %	Financial Year 2023 %	Financial Year 2022 %	Financial Year 2021 %
<b>A. (i) Portfolio Compositions:</b>					
Corporate Sukuk		11.31	12.06	20.35	17.33
Government Investment Issues		22.16	22.42	53.87	45.95
<b>Islamic Deposits &amp; Cash Equivalents</b>		<b>66.53</b>	<b>65.52</b>	<b>25.78</b>	<b>36.72</b>
<b>(ii) Total Net Asset Value</b>	(ex-distribution)	<b>RM831,616,368</b>	RM392,358,483	RM7,397,017	RM8,952,045
<b>(iii) Net Asset Value Per Unit Units in Circulation</b>	(ex-distribution) (ex-distribution)	<b>RM0.4984</b> <b>1,668,586,960</b>	RM0.4977 788,361,918	RM0.4933 14,994,179	RM0.4988 17,949,228
<b>(iv) Highest/Lowest NAV Per Unit</b>	Highest NAV Per Unit	<b>RM0.4999</b>	RM0.4997	RM0.5003	RM0.5247
(ex-distribution)	Lowest NAV Per Unit	<b>RM0.4977</b>	RM0.4925	RM0.4914	RM0.4987
<b>(v) Total Return of the Fund*</b>		<b>1.73%</b>	3.59%	0.22%	-2.24%
- Capital Growth		<b>0.14%</b>	0.89%	-1.10%	-4.94%
- Income Distribution		<b>1.59%</b>	2.70%	1.32%	2.70%
<b>(vi) The distribution (gross) is made out of:-</b>					
- The Fund's Capital		<b>0.0000 sen/unit</b>	0.0000 sen/unit	0.5500 sen/unit	1.4300 sen/unit
- The Fund's Income		<b>0.7860 sen/unit</b>	1.3140 sen/unit	0.1100 sen/unit	0.0000 sen/unit
- Total Distribution Amount		<b>0.7860 sen/unit</b>	1.3140 sen/unit	0.6600 sen/unit	1.4300 sen/unit
- The Fund's Capital (% of Total Distribution Amount)		<b>0%</b>	0%	83%	100%
- The Fund's Income (% of Total Distribution Amount)		<b>100%</b>	100%	17%	0%
<b>(vii) Distribution Per Unit</b>					
	Additional Units	-	-	-	-
	Distribution (Gross)	<b>0.1290 sen/unit</b>	0.0440 sen/unit	0.0600 sen/unit	0.0800 sen/unit
	Distribution (Net)	<b>0.1290 sen/unit</b>	0.0440 sen/unit	0.0600 sen/unit	0.0800 sen/unit
	Distribution Date	<b>27/11/2023</b>	25/11/2022	25/02/2022	25/11/2020
	Cum-Distribution NAV/Unit	<b>RM0.4994</b>	RM0.4945	RM0.4999	RM0.5237
	Ex-Distribution NAV/Unit	<b>RM0.4981</b>	RM0.4941	RM0.4993	RM0.5229
	Additional Units	-	-	-	-
	Distribution (Gross)	<b>0.1240 sen/unit</b>	0.0930 sen/unit	0.0720 sen/unit	0.0800 sen/unit
	Distribution (Net)	<b>0.1240 sen/unit</b>	0.0930 sen/unit	0.0720 sen/unit	0.0800 sen/unit
	Distribution Date	<b>26/12/2023</b>	27/12/2022	25/03/2022	24/12/2020
	Cum-Distribution NAV/Unit	<b>RM0.4996</b>	RM0.4969	RM0.4990	RM0.5222
	Ex-Distribution NAV/Unit	<b>RM0.4983</b>	RM0.4960	RM0.4983	RM0.5214
	Additional Units	-	-	-	-
	Distribution (Gross)	<b>0.1360 sen/unit</b>	0.0940 sen/unit	0.0780 sen/unit	0.0800 sen/unit
	Distribution (Net)	<b>0.1360 sen/unit</b>	0.0940 sen/unit	0.0780 sen/unit	0.0800 sen/unit
	Distribution Date	<b>26/01/2024</b>	25/01/2023	25/04/2022	25/01/2021
	Cum-Distribution NAV/Unit	<b>RM0.4999</b>	RM0.4991	RM0.4951	RM0.5224
	Ex-Distribution NAV/Unit	<b>RM0.4986</b>	RM0.4981	RM0.4944	RM0.5216
	Additional Units	-	-	-	-
	Distribution (Gross)	<b>0.1380 sen/unit</b>	0.1280 sen/unit	0.0790 sen/unit	0.0800 sen/unit
	Distribution (Net)	<b>0.1380 sen/unit</b>	0.1280 sen/unit	0.0790 sen/unit	0.0800 sen/unit
	Distribution Date	<b>26/02/2024</b>	27/02/2023	25/05/2022	25/02/2021
	Cum-Distribution NAV/Unit	<b>RM0.4998</b>	RM0.4993	RM0.4949	RM0.5164
	Ex-Distribution NAV/Unit	<b>RM0.4984</b>	RM0.4980	RM0.4941	RM0.5156

## Performance Data

for the Financial Period Ended 30 April and Financial Years Ended 31 October

	Financial Period 2024 %	Financial Year 2023 %	Financial Year 2022 %	Financial Year 2021 %
Additional Units	-	-	-	-
Distribution (Gross)	<b>0.1230 sen/unit</b>	0.1110 sen/unit	0.0900 sen/unit	0.0800 sen/unit
Distribution (Net)	<b>0.1230 sen/unit</b>	0.1110 sen/unit	0.0900 sen/unit	0.0800 sen/unit
Distribution Date	<b>25/03/2024</b>	27/03/2023	27/06/2022	25/03/2021
Cum-Distribution NAV/Unit	<b>RM0.4998</b>	RM0.4993	RM0.4937	RM0.5058
Ex-Distribution NAV/Unit	<b>RM0.4986</b>	RM0.4982	RM0.4928	RM0.5050
Additional Units	-	-	-	-
Distribution (Gross)	<b>0.1360 sen/unit</b>	0.1180 sen/unit	0.0800 sen/unit	0.0500 sen/unit
Distribution (Net)	<b>0.1360 sen/unit</b>	0.1180 sen/unit	0.0800 sen/unit	0.0500 sen/unit
Distribution Date	<b>25/04/2024</b>	25/04/2023	25/07/2022	23/04/2021
Cum-Distribution NAV/Unit	<b>RM0.4995</b>	RM0.4997	RM0.4960	RM0.5106
Ex-Distribution NAV/Unit	<b>RM0.4981</b>	RM0.4985	RM0.4952	RM0.5101
Additional Units	-	-	-	-
Distribution (Gross)	-	0.1200 sen/unit	0.0640 sen/unit	0.0500 sen/unit
Distribution (Net)	-	0.1200 sen/unit	0.0640 sen/unit	0.0500 sen/unit
Distribution Date	-	25/05/2023	25/08/2022	25/05/2021
Cum-Distribution NAV/Unit	-	RM0.4994	RM0.4973	RM0.5120
Ex-Distribution NAV/Unit	-	RM0.4982	RM0.4967	RM0.5115
Additional Units	-	-	-	-
Distribution (Gross)	-	0.1200 sen/unit	0.0910 sen/unit	0.0500 sen/unit
Distribution (Net)	-	0.1200 sen/unit	0.0910 sen/unit	0.0500 sen/unit
Distribution Date	-	26/06/2023	26/09/2022	25/06/2021
Cum-Distribution NAV/Unit	-	RM0.4992	RM0.4938	RM0.5121
Ex-Distribution NAV/Unit	-	RM0.4980	RM0.4929	RM0.5116
Additional Units	-	-	-	-
Distribution (Gross)	-	0.1140 sen/unit	0.0460 sen/unit	0.2200 sen/unit
Distribution (Net)	-	0.1140 sen/unit	0.0460 sen/unit	0.2200 sen/unit
Distribution Date	-	25/07/2023	25/10/2022	23/07/2021
Cum-Distribution NAV/Unit	-	RM0.4994	RM0.4934	RM0.5144
Ex-Distribution NAV/Unit	-	RM0.4982	RM0.4929	RM0.5122
Additional Units	-	-	-	-
Distribution (Gross)	-	0.1240 sen/unit	-	0.2200 sen/unit
Distribution (Net)	-	0.1240 sen/unit	-	0.2200 sen/unit
Distribution Date	-	25/08/2023	-	25/08/2021
Cum-Distribution NAV/Unit	-	RM0.4993	-	RM0.5136
Ex-Distribution NAV/Unit	-	RM0.4981	-	RM0.5114
Additional Units	-	-	-	-
Distribution (Gross)	-	0.1200 sen/unit	-	0.2200 sen/unit
Distribution (Net)	-	0.1200 sen/unit	-	0.2200 sen/unit
Distribution Date	-	25/09/2023	-	24/09/2021
Cum-Distribution NAV/Unit	-	RM0.4990	-	RM0.5093
Ex-Distribution NAV/Unit	-	RM0.4978	-	RM0.5071
Additional Units	-	-	-	-
Distribution (Gross)	-	0.1280 sen/unit	-	0.2200 sen/unit
Distribution (Net)	-	0.1280 sen/unit	-	0.2200 sen/unit
Distribution Date	-	25/10/2023	-	25/10/2021
Cum-Distribution NAV/Unit	-	RM0.4986	-	RM0.5013
Ex-Distribution NAV/Unit	-	RM0.4973	-	RM0.4991



## Performance Data

for the Financial Period Ended 30 April and Financial Years Ended 31 October

	Financial Period 2024 %	Financial Year 2023 %	Financial Year 2022 %	Financial Year 2021 %
(viii) Total Expense Ratio (TER)	0.30%	0.39%	0.86%	0.96%
(ix) Portfolio Turnover Ratio (PTR) (times)	0.25#	0.55	–	0.39
<b>B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 30/04/2024)*</b>				
(i) One year	3.00%			
(ii) Three years	1.73%			
(iii) Five years	2.01%			

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

# The PTR decreased by 0.30 times (54.55%) to 0.25 times for the financial period from 1 November 2023 to 30 April 2024 versus 0.55 times for the financial year ended 31 October 2023 and 0.21 times (45.65%) as compared to 0.46 times for the financial period from 1 November 2022 to 30 April 2023 mainly due to lower level of rebalancing activities undertaken by the Fund.

## Corporate Information

---

### Manager

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

### Registered Office

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

### Business Office

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

### Board of Directors

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

### Executive Director / Chief Executive Officer

Mr. Hoo See Kheng

### External Fund Manager

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

### Trustee

CIMB Commerce Trustee Berhad

### Shariah Adviser

BIMB Securities Sdn Bhd

### Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

### Distributors

Hong Leong Bank Berhad  
Hong Leong Islamic Bank Berhad  
Affin Bank Berhad  
Areca Capital Sdn Bhd  
Malayan Banking Berhad  
OCBC Al-Amin Bank Berhad  
Phillip Mutual Berhad  
Standard Chartered Bank Malaysia Berhad  
United Overseas Bank (Malaysia) Berhad  
Registered Independent Tied Agents with FIMM

## Corporate Directory

---

### Head Office

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

### Pulau Pinang

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

### Ipoh

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



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

