

Hong Leong Asia Pacific Equity Fund

Semi-Annual Report

Financial Period Ended 30 April 2023

2022/2023

Unaudited



Hong Leong Asia Pacific Equity Fund

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Manager's Review & Report

I. FUND INFORMATION

Fund Name

Hong Leong Asia Pacific Equity Fund

Fund Category

Equity

Fund Type

Growth

Investment Objective

The Fund aims to achieve capital growth over the Medium-To-Long Term* by investing primarily in equities listed in the Asia Pacific ex Japan region.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

MSCI AC Asia Pacific ex Japan Index

Distribution Policy

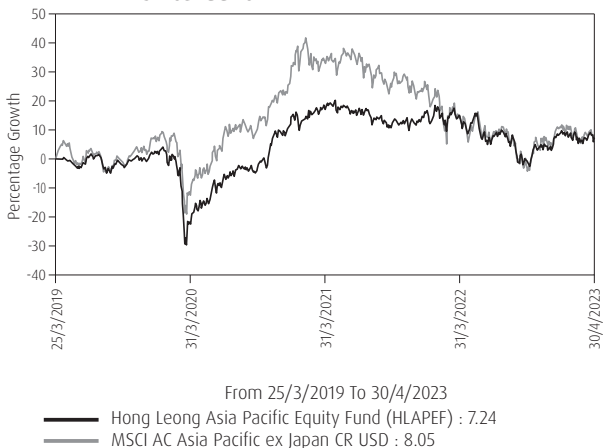
The Fund intends to provide Unit holder with Medium-To-Long Term* capital growth. As such, income distributions will be incidental to the overall capital growth objective and a substantial portion of the income returns from investments will be reinvested. The Fund may also declare distributions in the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

Note:

* Medium-To-Long Term refers to a period of 3 to 5 years.

II. FUND PERFORMANCE

Chart 1: Performance of the Fund versus the benchmark since launch



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 HLAPEF 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 2022 to 30 April 2023.

The Fund posted a return of 10.02% (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 MSCI AC Asia-Pacific ex Japan Index registered a return of 11.97% (in Malaysian Ringgit terms).

Since launch, the Fund registered a return of 7.24% compared to the benchmark's return of 8.05% while distributing a total gross income of 6.00 sen per unit (net income of 6.00 sen per unit).

Table 1: Performance of the Fund for the following periods as at 30 April 2023 (Source: Lipper For Investment Management)

	31/01/23- 30/04/23 3 Months	31/10/22- 30/04/23 6 Months	30/04/22- 30/04/23 1 Year	30/04/20- 30/04/23 3 Years	25/03/19- 30/04/23 Since Launch
HLAPEF (%)	-1.34	10.02	-4.82	25.14	7.24
Benchmark	-2.02	11.97	-5.80	11.45	8.05

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 October 2022 to 30 April 2023 (Source: Lipper For Investment Management)

	30-Apr-23	31-Oct-22	Return (%)
NAV Per Unit	RM1.0130*	RM0.9207	10.02
Benchmark	2,295.25	2,049.93	11.97
vs Benchmark (%)	-	-	-1.95

* Based on NAV Per Unit on 28 April 2023 as the above-mentioned reporting date falls on a weekend.

Table 3: Financial Highlights

The Net Asset Value attributable to Unitholders is represented by:

	30-Apr-23 (RM)	31-Oct-22 (RM)	Change (%)
Unitholders' Capital	7,039,973	7,875,793	(10.61)
Retained Earnings	2,767,878	1,801,845	53.61
Net Asset Value	9,807,851	9,677,638	1.35
Units in Circulation	9,683,014	10,510,640	(7.87)

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

	Financial Period 31/10/22– 30/04/23	Financial Year 31/10/21– 31/10/22	Financial Year 31/10/20– 31/10/21	Financial Year 31/10/19– 31/10/20
Highest NAV Per Unit (RM)	1.0383	1.1851	1.2025	1.0415
Lowest NAV Per Unit (RM)	0.9270	0.9207	0.9750	0.7049
Capital Growth (%)	10.02	-18.00	15.87	-2.94
Income Distribution (%)	-	4.81	-	-
Total Return (%)	10.02	-13.19	15.87	-2.94

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 HLAPEF reinvested.

Table 5: Average Total Return of the Fund

	31/10/21– 31/10/22 1 Year	31/10/19– 31/10/22 3 Years
Average Total Return (%)	-4.82	8.38

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 HLAPEF reinvested.

Table 6: Annual Total Return of the Fund

Financial Year/Period	31/10/21– 31/10/22	31/10/20– 31/10/21	31/10/19– 31/10/20	25/03/19– 31/10/19
Annual Total Return (%)	-13.19	15.87	-2.94	-0.16

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 HLAPEF reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation - November 2022 to April 2023

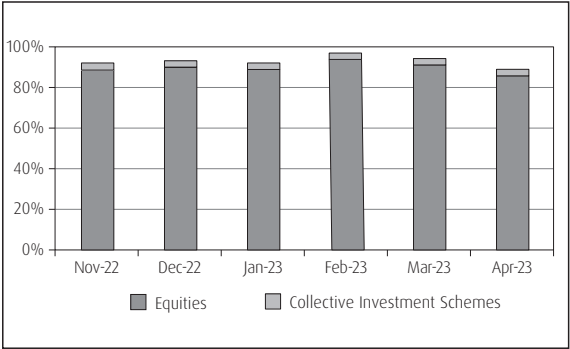


Chart 3: Sector Allocation as at 30 April 2023

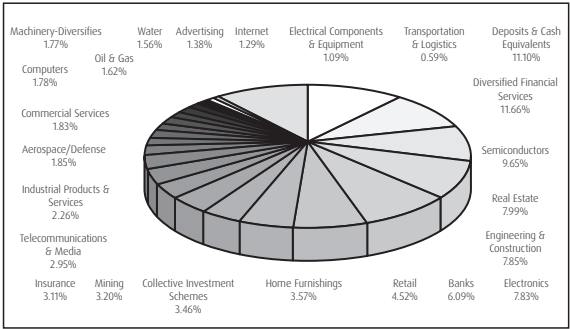
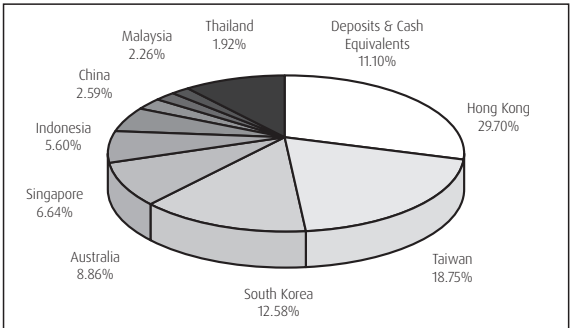


Chart 4: Geographical Allocation as at 30 April 2023



Strategies employed by the Fund during the period under review

The Fund maintained strategy that focused on bottom-up stock pick based on 1) long term capability of cash flow generation, 2) healthy balance sheet and 3) reasonable valuations.

An explanation on the differences in portfolio composition

During the period under review, the Fund increased exposure to industrial sector in China based on the expectation of higher infrastructure spending to boost the economy post COVID. In view of peaking net interest margin and less compelling valuations, the Fund reduced exposure to financial sector in Australia and Singapore.

Operational review of the Fund

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

IV. MARKET REVIEW

During the period under review, Asia Pacific ex Japan markets recorded a strong rebound, mainly due to:- 1) stringent COVID control in China ended earlier than expected, 2) inflation in United States (US) came under control, and 3) the rising popularity of artificial intelligence (AI) generated content Artificial Intelligence Global Company (AIGC) drove the sentiment of semiconductor industry.

China was a key outperformer due to:- 1) cessation of "Zero-COVID policy" and 2) state owned enterprises reform to emphasis on return on equity (ROE) improvement. Taiwan also outperformed driven by the likelihood of tech cycle bottoming out and better demand outlook of AI server. On the contrary, India underperformed to:- 1) higher than expected inflation, and 2) concerned about inappropriate accounting of Adani Group.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

With lower inflation risk and potential pausing interest rate hike by US, we believe growth stocks would become attractive again and that could lead to higher interest to Asia equity market. Given the new growth driver of AI sever, we believe the tech sector in Korea and Taiwan would remain under the spotlight.

As for China, domestic consumption and infrastructure spending could remain the key growth drivers of economy this year. Given the geopolitical risk is likely priced in to current valuation, any stepping up in policy support to boost the economy could trigger a rerating to the country.

We recognize cash flow based valuation is particularly important in current environment hence we continue focusing on:- 1) sustainability of cash earnings growth, 2) shareholder return polity and 3) valuations.

VI. SOFT COMMISSIONS

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

STATEMENT BY THE MANAGER

I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 10 to 47 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 30 April 2023 and of its financial performance, changes in equity and cash flows for the financial period ended 30 April 2023 in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") 34 "Interim Financial Reporting".

For and on behalf of the Manager,

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

HOO SEE KHENG

Chief Executive Officer/Executive Director

Kuala Lumpur
16 June 2023

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG ASIA PACIFIC EQUITY FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 30 April 2023 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 and on behalf of

CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee

Chief Executive Officer

Kuala Lumpur

16 June 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2023

	Note	2023 RM	2022 RM
INVESTMENT INCOME			
Interest income from financial assets measured at amortised cost		5,840	5,454
Dividend income		206,352	325,060
Net gain on financial assets at fair value through profit or loss ("FVTPL")	8	1,191,827	71,889
Net loss on derivatives	9	(217,642)	(116,780)
Net foreign currency exchange (loss)/gain		(32,763)	32,753
		<u>1,153,614</u>	<u>318,376</u>
EXPENDITURE			
Management fee	4	(90,710)	(125,120)
Trustee's fee	5	(2,772)	(3,823)
Auditors' remuneration		(4,811)	(4,811)
Tax agent's fee		(15,699)	(1,289)
Custodian fees		(11,937)	(11,574)
Transaction costs		(11,856)	(17,189)
Other expenses		(28,005)	(32,466)
		<u>(165,790)</u>	<u>(196,272)</u>
PROFIT BEFORE TAXATION		987,824	122,104
Taxation	6	(21,791)	(808)
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u>966,033</u>	<u>121,296</u>
Profit after taxation is made up as follows:			
Realised amount		(532,316)	509,768
Unrealised amount		1,498,349	(388,472)
		<u>966,033</u>	<u>121,296</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 30 APRIL 2023

	Note	30.04.2023 RM	31.10.2022 RM
ASSETS			
Cash and cash equivalents	7	1,197,738	865,867
Dividends receivable		35,733	15,475
Financial assets at fair value through profit or loss ("FVTPL")	8	8,718,726	8,975,097
TOTAL ASSETS		<u>9,952,197</u>	<u>9,856,439</u>
LIABILITIES			
Amount due to the Manager			
-cancellation of units		31,040	-
-management fee		14,466	15,143
Amount due to the Trustee		442	11,463
Derivatives	9	82,610	102,406
Other payables and accruals		12,141	18,103
Tax payable		3,647	31,686
TOTAL LIABILITIES		<u>144,346</u>	<u>178,801</u>
NET ASSET VALUE OF THE FUND		<u>9,807,851</u>	<u>9,677,638</u>
EQUITY			
Unit holders' capital		7,039,973	7,875,793
Retained earnings		2,767,878	1,801,845
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>9,807,851</u>	<u>9,677,638</u>
UNITS IN CIRCULATION (UNITS)	10	<u>9,683,014</u>	<u>10,510,640</u>
NET ASSET VALUE PER UNIT (RM)		<u>1.0129</u>	<u>0.9207</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 30 APRIL 2023

	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 November 2022	7,875,793	1,801,845	9,677,638
Movement in net asset value:			
Creation of units from applications	210,140	-	210,140
Cancellation of units	(1,045,960)	-	(1,045,960)
Total comprehensive income for the financial period	-	966,033	966,033
Balance as at 30 April 2023	<u>7,039,973</u>	<u>2,767,878</u>	<u>9,807,851</u>
Balance as at 1 November 2021	11,532,108	3,909,237	15,441,345
Movement in net asset value:			
Creation of units from applications	87,346	-	87,346
Cancellation of units	(3,180,572)	-	(3,180,572)
Total comprehensive income for the financial period	-	121,296	121,296
Balance as at 30 April 2022	<u>8,438,882</u>	<u>4,030,533</u>	<u>12,469,415</u>

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

CONDENSED STATEMENT OF CASH FLOWS

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2023

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of financial assets at FVTPL	2,276,100	3,415,154
Purchase of financial assets at FVTPL	(839,757)	(844,079)
Realised loss on derivatives	(237,439)	(44,313)
Realised foreign exchange differences arising from operating activities	(26,035)	8,247
Interest income received from financial assets measured at amortised cost	5,840	5,454
Dividend income received	164,726	227,255
Management fee paid	(91,387)	(129,945)
Trustee's fee paid	(13,793)	(10,785)
Payment for other fees and expenses	(45,200)	(26,636)
Tax paid	(49,830)	-
Net cash generated from operating activities	<u>1,143,225</u>	<u>2,600,352</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	210,140	87,246
Payments for cancellation of units	<u>(1,014,920)</u>	<u>(3,191,476)</u>
Net cash used in financing activities	<u>(804,780)</u>	<u>(3,104,230)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	338,445	(503,878)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		
	(6,574)	23,626
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		
	<u>865,867</u>	<u>1,801,862</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		
	<u>1,197,738</u>	<u>1,321,610</u>

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 30 APRIL 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Asia Pacific Equity Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 17 December 2018 between the Manager, Hong Leong Asset Management Bhd and the Trustee, CIMB Commerce Trustee Berhad for the unit holders of the Fund.

The Fund aims to achieve capital growth over the Medium To Long-Term by investing primarily in equities listed in the Asia Pacific ex Japan region.

The Fund seeks to achieve its investment objective by investing primarily in equities which are listed and/or traded in the Asia Pacific ex Japan region. The Fund may also invest in equities of companies that are listed and/or traded outside the Asia Pacific ex Japan region which have substantial business in the Asia Pacific ex Japan region. These companies are defined as companies that have at least 50% of its revenues or profits derived from the Asia Pacific ex Japan region. The Fund commenced operations on 25 March 2019 and will continue its operations until terminated as provided under Part 12 of the Deed.

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

Sumitomo Mitsui DS Asset Management (Hong Kong) Limited is the external fund manager appointed for Hong Leong Asia Pacific Equity Fund. The effective date for the appointment is at 18 March 2019.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

The condensed financial statements should be read in conjunction with the audited financial statements of the Fund for the financial year ended 31 October 2022 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flows characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value

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

The Fund classifies cash and cash equivalents 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 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.

Local 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.

Foreign quoted investments are valued at the last traded market prices quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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

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

assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Foreign currency

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.

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- The Fund’s NAV per unit and the settlement of creation and cancellation are denominated in RM.
- The Fund’s significant expenses are denominated in RM.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(d) Income recognition

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

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

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

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

Realised gain or loss on derivatives - unquoted forward currency contracts is measured by the net settlement as per the forward currency contracts.

(e) Cash and cash equivalents

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

(f) Amount due from/to brokers/dealers

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

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

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial period. Withholding taxes on investment income from foreign investments are based on the tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(h) Distributions

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

(i) Transaction costs

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

(j) Unit holders' capital

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

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

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

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

(k) Derivatives

A derivative is any contract that gives rise to a financial asset/liability of the Fund and a financial liability/asset or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favorable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

The Fund's derivatives comprise unquoted forward currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and is subsequently re-measured at their fair value.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of statements of financial position with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2(b).

(I) 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/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
30.04.2023			
<u>Financial assets</u>			
Cash and cash equivalents (Note 7)	-	1,197,738	1,197,738
Dividends receivable	-	35,733	35,733
Financial assets at FVTPL (Note 8)	8,718,726	-	8,718,726
	<u>8,718,726</u>	<u>1,233,471</u>	<u>9,952,197</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	31,040	31,040
-management fee	-	14,466	14,466
Amount due to the Trustee	-	442	442
Derivatives (Note 9)	82,610	-	82,610
Other payables and accruals	-	12,141	12,141
	<u>82,610</u>	<u>58,089</u>	<u>140,699</u>

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
31.10.2022			
<u>Financial assets</u>			
Cash and cash equivalents (Note 7)	-	865,867	865,867
Dividends receivable	-	15,475	15,475
Financial assets at FVTPL (Note 8)	8,975,097	-	8,975,097
	8,975,097	881,342	9,856,439
<u>Financial liabilities</u>			
Amount due to the Manager -management fee	-	15,143	15,143
Amount due to the Trustee	-	11,463	11,463
Derivatives (Note 9)	102,406	-	102,406
Other payables and accruals	-	18,103	18,103
	102,406	44,709	147,115

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

(m) Critical accounting estimates and judgments in applying accounting policies

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

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

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

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

3. FAIR VALUE ESTIMATION

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

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

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

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.04.2023				
<u>Financial assets at FVTPL:</u>				
- Quoted equity security				
- local	221,490	-	-	221,490
- Quoted equity securities				
- foreign	8,158,131	-	-	8,158,131
- Quoted collective investment schemes				
- foreign	339,105	-	-	339,105
	<u>8,718,726</u>	-	-	<u>8,718,726</u>
<u>Financial liabilities:</u>				
- Derivatives	-	(82,610)	-	(82,610)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.10.2022				
<u>Financial assets at FVTPL:</u>				
- Quoted equity security				
- local	216,996	-	-	216,996
- Quoted equity securities				
- foreign	8,413,181	-	-	8,413,181
- Quoted collective investment schemes				
- foreign	344,920	-	-	344,920
	8,975,097	-	-	8,975,097
<u>Financial liabilities:</u>				
- Derivatives		-	-	(102,406)
		(102,406)	-	(102,406)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and listed collective investment schemes. 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 derivatives. 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 liabilities are stated in Note 2(b) and 2(k).

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

4. MANAGEMENT FEE

In accordance with Division 13.1 of the Deed, the Manager is entitled to a management fee of up to 3.00% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 30 April 2023, the management fee is recognised at a rate of 1.80% (2022: 1.80%) per annum.

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

5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.055% subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges) calculated daily based on the net asset value of the Fund.

For the financial period ended 30 April 2023, the Trustee's fee is recognised at a rate of 0.055% (2022: 0.055%) per annum.

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

6. TAXATION

	2023 RM	2022 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:

	2023 RM	2022 RM
Profit before taxation	987,824	122,104
Taxation at Malaysian statutory rate of 24% (2022: 24%)	237,078	29,305
Tax effects of:		
Investment income not subject to tax	(229,935)	(75,602)
Expenses not deductible for tax purposes	(5,281)	14,196
Restriction on tax deductible expenses for unit trust fund	19,929	32,909
Taxation	21,791	808

7. CASH AND CASH EQUIVALENTS

	30.04.2023 RM	31.10.2022 RM
Deposits with licensed financial institutions	976,221	446,031
Cash at banks	221,517	419,836
	<u>1,197,738</u>	<u>865,867</u>

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

	30.04.2023 %	31.10.2022 %
Deposits with licensed financial institutions	<u>2.75</u>	<u>2.50</u>

Deposits with licensed financial institutions for financial period ended 30 April 2023 have an average remaining maturity of 2 days (31.10.2022: 1 day).

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

	30.04.2023 RM	31.10.2022 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity security - local	221,490	216,996
Quoted equity securities - foreign	8,158,131	8,413,181
Quoted collective investment schemes - foreign	339,105	344,920
	<u>8,718,726</u>	<u>8,975,097</u>
<hr/>		
	2023 RM	2022 RM
<u>Net gain on financial assets at FVTPL:</u>		
Realised (loss)/gain on disposals	(293,453)	412,400
Changes in unrealised fair values	1,485,280	(340,511)
	<u>1,191,827</u>	<u>71,889</u>

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITY - LOCAL				
<u>Industrial Products & Services</u>				
Uchi Technologies Berhad	64,200	177,324	221,490	2.26
TOTAL QUOTED EQUITY SECURITY - LOCAL	64,200	177,324	221,490	2.26
QUOTED EQUITY SECURITIES - FOREIGN				
Australia				
<u>Banks</u>				
Commonwealth Bank of Australia	500	107,589	146,362	1.49
Macquarie Group Limited	220	79,912	118,351	1.21
	720	187,501	264,713	2.70
<u>Mining</u>				
BHP Group Limited	2,400	234,658	313,936	3.20
<u>Oil & Gas</u>				
Woodside Energy Group Ltd	1,600	160,212	158,759	1.62
Total Australia	4,720	582,371	737,408	7.52

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
China				
<u>Home Furnishings</u>				
Gree Electric Appliances, Inc. of Zhuhai*	10,000	367,398	253,617	2.59
Total China	10,000	367,398	253,617	2.59
Hong Kong				
<u>Commercial Services</u>				
China Merchants Port Holdings Company Limited	16,000	94,008	105,640	1.08
<u>Diversified Financials Services</u>				
BOC Aviation Limited	6,500	184,051	228,985	2.33
Far East Horizon Limited	68,000	298,183	272,395	2.78
	74,500	482,234	501,380	5.11
<u>Engineering & Construction</u>				
China Communications Services Corporation Limited - H	66,000	98,218	160,880	1.64
China State Construction International Holdings Limited	50,000	240,524	276,429	2.82
CK Infrastructure Holdings Limited	9,000	236,900	228,075	2.33
NWS Holdings Limited	27,000	131,139	104,168	1.06
	152,000	706,781	769,552	7.85
<u>Insurance</u>				
China Pacific Insurance (Group) Co., Ltd#	23,000	263,079	305,152	3.11
<u>Internet</u>				
Sunevision Holdings Limited	50,000	139,078	126,425	1.29
<u>Real Estate</u>				
China Resources Land Limited	18,000	323,212	372,285	3.80
Yuexiu Property Company Limited	40,000	187,153	257,281	2.62
	58,000	510,365	629,566	6.42
<u>Retail</u>				
China Yongda Automobiles Services Holdings Limited	55,000	258,168	164,380	1.68
Man Wah Holdings Limited	26,400	108,089	98,703	1.01
	81,400	366,257	263,083	2.69
<u>Transportation</u>				
SITC International Holdings Company Limited	7,000	59,688	57,513	0.59
<u>Water</u>				
Guangdong Investment Limited	36,000	246,778	153,414	1.56
Total Hong Kong	497,900	2,868,268	2,911,725	29.70

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Indonesia				
<u>Banks</u>				
PT Bank Rakyat Indonesia Persero Tbk	130,000	163,005	201,486	2.05
<u>Real Estate</u>				
PT Puradelta Lestari Tbk	3,000,000	169,666	154,077	1.57
<u>Telecommunications</u>				
PT Telkom Indonesia (Persero) Tbk	150,000	185,807	193,736	1.98
Total Indonesia	3,280,000	518,478	549,299	5.60
Singapore				
<u>Aerospace/Defense</u>				
Singapore Technologies Engineering Limited	15,000	181,322	181,509	1.85
<u>Banks</u>				
DBS Group Holdings Ltd.	1,200	95,421	131,649	1.34
<u>Electronics</u>				
Venture Corporation Limited	2,300	124,519	130,469	1.33
Total Singapore	18,500	401,262	443,627	4.52
South Korea				
<u>Advertising</u>				
CHEIL Worldwide Inc.	2,200	203,441	135,502	1.38
<u>Commercial Services</u>				
S-1 Corporation	380	78,974	73,924	0.75
<u>Computers</u>				
LG Corp.	600	134,644	174,683	1.78
<u>Diversified Financials Services</u>				
KB Financial Group Inc.	1,500	202,942	247,334	2.52
<u>Machinery-Diversified</u>				
SFA Engineering Corp.	1,308	189,683	173,630	1.77
<u>Semiconductors</u>				
Samsung Electronics Co., Ltd.	1,800	251,454	333,976	3.41
<u>Telecommunications</u>				
SK Telecom Co., Ltd	600	118,083	95,336	0.97
Total South Korea	8,388	1,179,221	1,234,385	12.58

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Taiwan				
<u>Diversified Financial Services</u>				
Chailease Holding Company Limited	6,400	200,441	206,944	2.11
<u>Electrical Components & Equipment</u>				
Sunonwealth Electric Machine Industry Co., Ltd.	14,000	112,000	106,778	1.09
<u>Electronics</u>				
Hon Hai Precision Industry Co., Ltd	20,000	321,386	303,050	3.09
Taiwan Union Technology Corporation	14,000	129,315	134,792	1.37
Tripod Technology Corporation	12,000	158,578	200,100	2.04
	46,000	609,279	637,942	6.50
<u>Home Furnishings</u>				
Lite-On Technology Corporation	9,000	85,776	95,918	0.98
<u>Retail</u>				
Poya International Co., Ltd.	2,161	162,397	179,860	1.83
<u>Semiconductors</u>				
ASE Technology Holding Company Limited	12,000	225,822	175,740	1.79
Mediatek Inc.	1,000	88,113	96,425	0.98
Novatek Microelectronics Corporation	2,000	141,636	121,365	1.24
Taiwan Semiconductor Manufacturing Company Limited	3,000	101,211	218,370	2.23
	18,000	556,782	611,900	6.24
Total Taiwan	95,561	1,726,675	1,839,342	18.75
Thailand				
<u>Diversified Financials Services</u>				
TISCO Financial Group Public Company Limited^	16,000	185,562	188,728	1.92
Total Thailand	16,000	185,562	188,728	1.92
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	3,931,069	7,829,235	8,158,131	83.18

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN				
<u>Real Estate Investment Trust</u>				
Australia				
Rural Funds Group Stapled Units	22,761	153,626	131,766	1.34
Total Australia	22,761	153,626	131,766	1.34
Singapore				
Keppel DC REIT	28,850	139,284	207,339	2.12
Total Singapore	28,850	139,284	207,339	2.12
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN	51,611	292,910	339,105	3.46
TOTAL INVESTMENTS	4,046,880	8,299,469	8,718,726	88.90
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		419,257		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		8,718,726		

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITY - LOCAL				
<u>Industrial Products & Services</u>				
Uchi Technologies Berhad	64,200	177,324	216,996	2.24
TOTAL QUOTED EQUITY SECURITY - LOCAL	64,200	177,324	216,996	2.24

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES				
- FOREIGN				
Australia				
<u>Banks</u>				
Commonwealth Bank of Australia	1,200	258,213	379,536	3.92
Macquarie Group Limited	400	145,295	204,851	2.12
	1,600	403,508	584,387	6.04
<u>Mining</u>				
BHP Group Limited	3,300	322,655	372,502	3.85
<u>Oil & Gas</u>				
Woodside Energy Group Ltd	2,560	256,339	278,298	2.87
<u>Retail</u>				
JB Hi-Fi Limited	1,000	154,079	129,648	1.34
Total Australia	8,460	1,136,581	1,364,835	14.10
China				
<u>Home Furnishings</u>				
Gree Electric Appliances, Inc. of Zhuhai*	10,000	367,399	185,458	1.92
Total China	10,000	367,399	185,458	1.92
Hong Kong				
<u>Commercial Services</u>				
China Merchants Port Holdings Company Limited	16,000	94,008	88,614	0.91
<u>Diversified Financial Services</u>				
BOC Aviation Limited	6,500	184,051	205,628	2.13
Far East Horizon Limited	68,000	298,183	248,072	2.56
	74,500	482,234	453,700	4.69
<u>Engineering & Construction</u>				
China State Construction International Holdings Limited	20,000	95,134	85,002	0.88
CK Infrastructure Holdings Limited	9,000	236,900	202,091	2.09
NWS Holdings Limited	53,000	257,420	177,717	1.83
	82,000	589,454	464,810	4.80
<u>Insurance</u>				
China Pacific Insurance (Group) Co., Ltd.#	18,000	213,538	137,184	1.42
<u>Real Estate</u>				
China Resources Land Limited	18,000	323,212	266,566	2.75
Yuexiu Property Company Limited	40,000	187,153	161,336	1.67
	58,000	510,365	427,902	4.42
<u>Retail</u>				
China Yongda Automobiles Services Holdings Limited	55,000	258,168	116,547	1.20

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Telecommunications</u>				
HKBN Ltd.	46,000	307,032	146,768	1.52
<u>Textiles</u>				
Pacific Textiles Holdings Limited	120,000	428,679	169,042	1.75
<u>Transportation</u>				
SITC International Holdings Company Limited	14,000	119,376	108,384	1.12
<u>Water</u>				
Guangdong Investment Limited	36,000	246,778	107,276	1.11
Total Hong Kong	519,500	3,249,632	2,220,227	22.94
Indonesia				
<u>Banks</u>				
PT Bank Rakyat Indonesia Persero Tbk	200,000	250,776	281,697	2.91
<u>Real Estate</u>				
PT Puradelta Lestari Tbk	3,000,000	169,666	165,383	1.71
<u>Telecommunications</u>				
PT Telekomunikasi Indonesia (Persero) Tbk	150,000	185,807	199,460	2.06
Total Indonesia	3,350,000	606,249	646,540	6.68
Singapore				
<u>Aerospace/Defense</u>				
Singapore Technologies Engineering Limited	15,000	181,323	165,295	1.71
<u>Banks</u>				
DBS Group Holdings Ltd.	3,500	278,311	399,714	4.13
<u>Electronics</u>				
Venture Corporation Limited	4,000	216,555	212,780	2.20
Total Singapore	22,500	676,189	777,789	8.04
South Korea				
<u>Advertising</u>				
CHEIL Worldwide Inc.	2,200	203,441	178,389	1.85
<u>Computers</u>				
LG Corp.	911	204,435	239,282	2.47
<u>Diversified Financials Services</u>				
KB Financials Group Inc.	1,500	202,942	239,030	2.47
<u>Machinery-Diversified</u>				
SFA Engineering Corp.	1,308	189,683	165,489	1.71
<u>Semiconductors</u>				
Samsung Electronics Co., Ltd.	2,337	326,471	413,098	4.27

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Telecommunications</u>				
SK Telecom Co., Ltd	1,200	236,166	199,382	2.06
Total South Korea	9,456	1,363,138	1,434,670	14.83
Taiwan				
<u>Diversified Financial Services</u>				
Chailease Holding Company Limited	8,400	263,078	183,234	1.89
<u>Electrical Components & Equipment</u>				
Sunonwealth Electric Machine Industry Co., Ltd.	14,000	112,000	82,394	0.85
<u>Electronics</u>				
Hon Hai Precision Industry Co., Ltd	23,000	369,594	345,138	3.57
ITEQ Corporation	9,149	162,090	73,400	0.76
Tripod Technology Corporation	12,000	158,578	156,707	1.62
	44,149	690,262	575,245	5.95
<u>Home Furnishings</u>				
Lite-On Technology Corporation	9,000	85,776	84,326	0.87
<u>Retail</u>				
POYA International Co., Ltd.	3,161	237,545	189,736	1.96
<u>Semiconductors</u>				
ASE Technology Holding Company Limited	12,000	225,822	141,247	1.46
Novatek Microelectronics Corporation	3,000	212,454	105,847	1.09
Taiwan Semiconductor Manufacturing Company Limited	3,000	101,211	171,288	1.77
	18,000	539,487	418,382	4.32
Total Taiwan	96,710	1,928,148	1,533,317	15.84
Thailand				
<u>Diversified Financial Services</u>				
TISCO Financial Group Public Company Limited^	21,000	243,550	250,345	2.59
Total Thailand	21,000	243,550	250,345	2.59
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	4,037,626	9,570,886	8,413,181	86.94
QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN				
<u>Real Estate Investment Trust</u>				
Australia				
Rural Funds Group Stapled Units	22,761	153,626	175,364	1.81
Total Australia	22,761	153,626	175,364	1.81

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Singapore				
Keppel DC REIT	28,850	139,284	169,556	1.75
Total Singapore	28,850	139,284	169,556	1.75
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN	51,611	292,910	344,920	3.56
TOTAL INVESTMENTS	4,153,437	10,041,120	8,975,097	92.74
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		(1,066,023)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		8,975,097		

* A Shares are shares of mainland China-based companies that trade on the two Chinese Stock Exchanges, the Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE). These shares are denominated in Renminbi.

H Shares are shares of the companies incorporated in the Chinese mainland that is listed on the Hong Kong Stock Exchange. These shares are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock Exchange.

^ NVDR, non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand ("SET"). It is a valid security as specified by the United States Securities and Exchange Commission ("SEC") and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

9. DERIVATIVES

Derivatives comprise forward currency contracts. The negative fair value represents the unrealised loss on the revaluation of forward currency at the reporting date. The contract or underlying principal amount of the forward currency contracts and the corresponding gross negative fair value at the end of the reporting date is analysed below:

	30.04.2023	31.10.2022
	RM	RM
<u>Derivative liabilities:</u>		
Forward currency contracts	82,610	102,406

	2023	2022
	RM	RM
<u>Net loss on derivatives:</u>		
Realised loss on disposals	(237,439)	(44,313)
Changes in unrealised fair values	19,797	(72,467)
	<u>(217,642)</u>	<u>(116,780)</u>

	Maturity date	Contract or underlying principal amounts	*Fair value RM
30.04.2023			
Australian Dollar	within 1 month	165,000	(248)
Hong Kong Dollar	within 1 month	2,628,000	(16,294)
New Taiwan Dollar	within 1 month	211,188#	(38,244)
Renminbi	within 1 month	189,000	(510)
Singapore Dollar	within 1 month	113,000	(3,051)
South Korean Won	within 1 month	147,255+	(5,279)
Thai Baht	within 1 month	808,000	(1,212)
United States Dollar	within 1 month	211,188	(9,841)
United States Dollar	within 1 month	147,225	(6,861)
United States Dollar	within 1 month	20,000	(1,070)
			<u>(82,610)</u>

	Maturity date	Contract or underlying principal amounts	*Fair value RM
31.10.2022			
Australian Dollar	within 1 month	198,000	(20,552)
Hong Kong Dollar	within 1 month	2,041,000	(22,043)
New Taiwan Dollar	within 1 month	180,394#	(17,494)
Renminbi	within 1 month	161,000	1,047
Singapore Dollar	within 1 month	141,000	(11,534)
South Korean Won	within 1 month	144,548+	(14,413)
Thai Baht	within 1 month	961,000	(1,079)
United States Dollar	within 1 month	180,394	(8,136)
United States Dollar	within 1 month	144,548	(6,519)
United States Dollar	within 1 month	33,000	(1,683)
			<u>(102,406)</u>

This is the equivalent US Dollar amount used to hedge TWD6,758,000 (31.10.2022: TWD5,953,000).

+ This is the equivalent US Dollar amount used to hedge KRW198,754,007 (31.10.2022: KRW210,751,000).

* Being the difference between the contract price and the market forward price discounted at appropriate discount rates.

	Receivables RM	Payables RM	Fair value RM	Percentage of net asset value %
30.04.2023				
Hong Leong Bank Berhad	-	(61,948)	(61,948)	0.63
Hong Leong Investment Bank Berhad	-	(20,662)	(20,662)	0.21
	-	(82,610)	(82,610)	0.84
31.10.2022				
Hong Leong Bank Berhad	1,047	(46,562)	(45,515)	0.47
Hong Leong Investment Bank Berhad	-	(55,812)	(55,812)	0.58
CIMB Bank Berhad	-	(1,079)	(1,079)	0.01
	1,047	(103,453)	(102,406)	1.06

As the Fund does not adopt hedge accounting during the financial period, the change in the fair value of the forward currency contracts is recognised immediately in the statement of comprehensive income.

10. UNITS IN CIRCULATION

	01.11.2022 to 30.04.2023	01.11.2021 to 31.10.2022
	No. of units	No. of units
At the beginning of the financial period/year	10,510,640	13,755,689
Add: Creation of units during the financial period/year		
- Arising from applications	205,301	90,788
- Arising from distribution	-	647,349
Less: Cancellation of units during the financial period/year	(1,032,927)	(3,983,186)
At the end of the financial period/year	<u>9,683,014</u>	<u>10,510,640</u>

11. TOTAL EXPENSE RATIO ("TER")

	2023	2022
	%	%
TER (annualised)	<u>2.63</u>	<u>2.23</u>

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

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

Where;

- A = Management fee
- B = Trustee's fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Custodian fees
- F = Other expenses excluding withholding tax
- G = 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 RM10,157,296 (2022: RM13,999,623).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2023 Times	2022 Times
PTR	0.17	0.14

PTR is derived from the following calculation:

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

Where; total acquisitions for the financial period
= RM836,718 (2022: RM840,983)
total disposals for the financial period
= RM2,578,369 (2022: RM3,016,847)

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

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

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

No units were held by the Manager and parties related to the Manager as at 30 April 2023 and 31 October 2022.

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

	30.04.2023	31.10.2022
	RM	RM
<u>Related party balances</u>		
Derivatives:		
- Hong Leong Bank Berhad	(61,948)	(45,515)
- Hong Leong Investment Bank Berhad	(20,662)	(55,812)
	<u>(82,610)</u>	<u>(101,327)</u>

14. 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 %
2023				
Daiwa Capital Markets Hong Kong Limited	744,484	23.89	1,972	23.03
Credit Suisse (Hong Kong) Limited	657,179	21.09	1,772	20.69
Citigroup Global Markets Asia Limited	571,902	18.36	1,601	18.69
Instinet Pacific Limited	362,452	11.63	1,170	13.66
Merrill Lynch (Asia Pacific) Limited	311,430	10.00	878	10.25
JP Morgan Securities (Asia Pacific) Limited	269,828	8.66	776	9.06
Mizuho Securities Asia Limited	198,582	6.37	396	4.62
	<u>3,115,857</u>	<u>100.00</u>	<u>8,565</u>	<u>100.00</u>

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2022				
Merrill Lynch (Asia Pacific) Limited	2,121,324	49.80	5,920	50.02
CLSA Limited	610,370	14.33	1,752	14.80
Instinet Pacific Limited	465,716	10.93	1,529	12.92
Citigroup Global Markets Asia Limited	343,646	8.07	860	7.27
JP Morgan Securities (Asia Pacific) Limited	304,497	7.15	946	7.99
Daiwa Capital Markets Hong Kong Limited	214,519	5.04	429	3.63
Jefferies International Limited	199,161	4.68	399	3.37
	<u>4,259,233</u>	<u>100.00</u>	<u>11,835</u>	<u>100.00</u>

Performance Data

A (i) Portfolio Compositions:

By Sector:

Advertising
Aerospace/Defense
Banks
Building Materials
Commercial Services
Computers
Consumer Products & Services
Diversified Financial Services
Electrical Components & Equipment
Electronics
Energy
Engineering & Construction
Financial Services
Home Furnishings
Industrial Products & Services
Information Technology
Insurance
Internet
Machinery-Diversified
Materials
Mining
Oil & Gas
Property
Real Estate
Retail
Semiconductors
Telecommunications & Media
Textiles
Transportation & Logistics
Utilities
Water

Collective Investment Schemes

Deposits & Cash Equivalents

By Country:

Australia
China
Hong Kong
Indonesia
Malaysia
Singapore
South Korea
Taiwan
Thailand

Deposits & Cash Equivalents

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

	Financial Period 31/10/22- 30/04/23 %	Financial Year 31/10/21- 31/10/22 %	Financial Year 31/10/20- 31/10/21 %	Financial Year 31/10/19- 31/10/20 %
	1.38	1.85	1.91	-
	1.85	-	-	-
	6.09	13.08	10.74	-
	-	-	1.70	-
	1.83	0.91	2.47	-
	1.78	2.47	1.91	-
	-	4.17	2.99	15.18
	11.66	11.64	10.43	-
	1.09	0.85	1.41	-
	7.83	4.58	4.36	-
	-	-	-	3.90
	7.85	5.63	5.27	-
	-	-	-	18.97
	3.57	1.92	1.53	-
	2.26	6.69	3.90	12.74
	-	1.46	1.15	15.67
	3.11	1.42	1.65	-
	1.29	-	-	-
	1.77	1.71	1.61	-
	-	-	-	5.68
	3.20	3.85	3.68	-
	1.62	2.87	2.34	-
	-	-	-	3.40
	7.99	6.13	3.71	-
	4.52	1.20	1.72	-
	9.65	7.13	8.98	-
	2.95	5.64	3.61	6.06
	-	1.75	1.87	-
	0.59	1.12	3.11	-
	-	-	-	3.34
	1.56	1.11	1.22	-
	3.46	3.56	5.54	4.16
	11.10	7.26	11.19	10.90
	8.86	15.91	15.90	15.86
	2.59	1.92	1.53	1.82
	29.70	22.94	25.40	23.60
	5.60	6.68	3.42	3.86
	2.26	2.24	2.04	2.30
	6.64	9.79	9.15	7.08
	12.58	14.83	12.73	14.11
	18.75	15.84	16.79	18.63
	1.92	2.59	1.85	1.84
	11.10	7.26	11.19	10.90
	RM9,807,851	RM9,677,638	RM15,441,345	RM35,839,522
	RM1.0129	RM0.9207	RM1.1228	RM0.9690
	9,683,014	10,510,640	13,755,689	36,991,256
	RM1.0383	RM1.1851	RM1.2025	RM1.0415
	RM0.9270	RM0.9207	RM0.9750	RM0.7049

Performance Data

- (v) Total Return of the Fund*
- Capital Growth
- Income Distribution

- (vi) The distribution (gross) is made out of:-
- The Fund's Capital
- The Fund's Income
- Total Distribution Amount
- The Fund's Capital (% of Total Distribution Amount)
- The Fund's Income (% of Total Distribution Amount)

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

- (viii) Total Expense Ratio (TER)

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

**B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis
(as at 30/04/2023)***

- (i) One year
(ii) Three years

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

The TER was 0.21 percentage point higher as compared to 2.42% for the financial year ended 31 October 2022 and 0.40 percentage point higher as compared to 2.23% for the financial period from 1 November 2021 to 30 April 2022 **mainly due to decrease in expenses of the Fund.**

The PTR decreased by 0.06 times (26.09%) to 0.17 times for the financial period from 01 November 2022 to 30 April 2023 versus 0.23 times for the financial year ended 31 October 2022 mainly due to **lower level of rebalancing activities undertaken by the Fund** and increased by 0.03 times (21.43%) as compared to 0.14 times for the financial period from 01 November 2021 to 30 April 2022 mainly due to **higher level of rebalancing activities undertaken by the Fund.**

Financial Period 31/10/22- 30/04/23 %	Financial Year 31/10/21- 31/10/22 %	Financial Year 31/10/20- 31/10/21 %	Financial Year 31/10/19- 31/10/20 %
10.02%	-13.19%	15.87%	-2.94%
10.02%	-18.00%	15.87%	-2.94%
-	4.81%	-	-
-	6.000 sen/unit	-	-
-	6.000 sen/unit	-	-
-	6.000 sen/unit	-	-
-	100%	-	-
-	0%	-	-
-	-	-	-
-	6.0000 sen/unit	-	-
-	6.0000 sen/unit	-	-
-	21/07/2022	-	-
-	RM1.0826	-	-
-	RM1.0226	-	-
2.63%#	2.42%	2.44%	2.08%
0.17##	0.23	0.68	0.61
-4.82%			
8.38%			

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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50490 Kuala Lumpur

Board of Directors

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

Executive Director / Chief Executive Officer

Mr. Hoo See Kheng

External Fund Manager

Sumitomo Mitsui DS Asset Management (Hong Kong) Limited

Trustee

CIMB Commerce Trustee Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Distributors

Hong Leong Bank Berhad
Registered Independent Tied Agents with FiMM

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