



# Hong Leong Dana Dividen

## Annual Report

For the Financial Period from 11 November 2024  
(Date of Launch) to 30 April 2026

**2024-2026**

Audited



# HONG LEONG DANA DIVIDEN

---

## Contents

---

	Page
Manager's Review and Report	1-10
Statement by the Manager	11
Trustee's Report	12
Shariah Adviser's Report	13
Independent Auditors' Report	14-17
Statement of Comprehensive Income	18
Statement of Financial Position	19
Statement of Changes in Equity	20
Statement of Cash Flows	21
Notes to the Financial Statements	22-54
Performance Data	55-56
Corporate Information	57
Corporate Directory	58

# Manager's Review and Report

## I. FUND INFORMATION

### Fund Name

Hong Leong Dana Dividen ("HLDD" or "the Fund")

### Fund Category

Equity (Shariah-compliant)

### Fund Type

Income and Growth

### Investment Objective

The Fund seeks to achieve regular income and capital growth over the medium to long-term period.

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

Not Applicable

### Benchmark

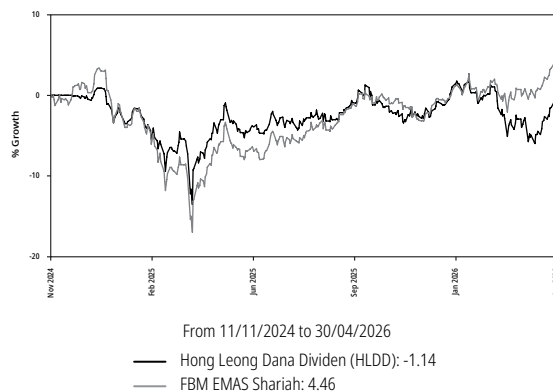
FTSE Bursa Malaysia (FBM) EMAS Shariah Index

### Distribution Policy

The Fund will declare distribution semi-annually, if any, in the form of additional Units to the Unit holders unless Unit holders opt for the distribution to be paid out.

## II. FUND PERFORMANCE

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



Source: Lipper, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDD 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 first Annual Report covers the financial period from 11 November 2024 (date of launch) to 30 April 2026.

Since launch, the Fund posted a return of -1.14% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) while its benchmark the FBM EMAS Shariah registered a return of 4.46%.

**Table 1: Performance of the Fund for the following periods as at 30 April 2026 (Source: Lipper)**

	3 Months	6 Months	1 Year	Since Launch
<b>HLDD Return (%)</b>	-1.47	0.18	3.71	-1.14
<b>Benchmark (%)</b>	3.61	5.13	12.81	4.46

**Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 11 November 2024 (date of launch) to 30 April 2026 (Source: Lipper)**

	30-Apr-26	11-Nov-24	Return (%)
NAV Per Unit	RM0.4943	RM0.5000	-1.14
Benchmark	12,718.36	12,174.96	4.46
<b>vs Benchmark (%)</b>	-	-	-5.60

**Table 3: Financial Highlights**

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

	30-Apr-26 (RM)
Unit Holders' Capital	<b>2,716,843</b>
Accumulated Loss	<b>(13,687)</b>
<b>Net Asset Value</b>	<b>2,703,156</b>
<b>Units in Circulation</b>	<b>5,469,017</b>

**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**

	Financial Period 2026*
Highest NAV Per Unit (RM)	0.5133
Lowest NAV Per Unit (RM)	0.4323
Capital Growth (%)	-1.14
Income Distribution (%)	-
<b>Total Return (%)</b>	<b>-1.14</b>

\* The figure shown is for the period since Fund launch (11 November 2024 to 30 April 2026).

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

**Table 5: Average Total Return of the Fund for the financial period ended 30 April 2026**

	1 Year
Average Total Return (%)	3.71

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

**Table 6: Annual Total Return of the Fund for the financial period ended 30 April 2026**

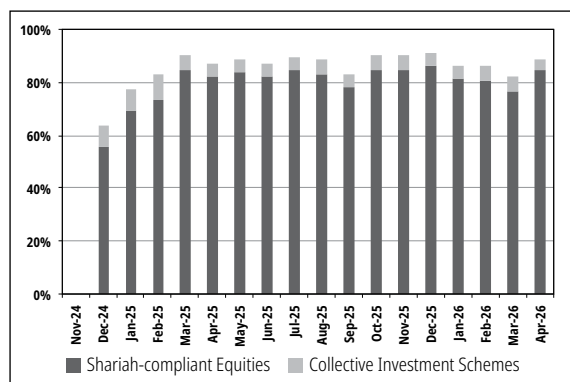
Financial Period	2026*
Annual Total Return (%)	-1.14

\* The figure shown is for the period since Fund launch (11 November 2024 to 30 April 2026).

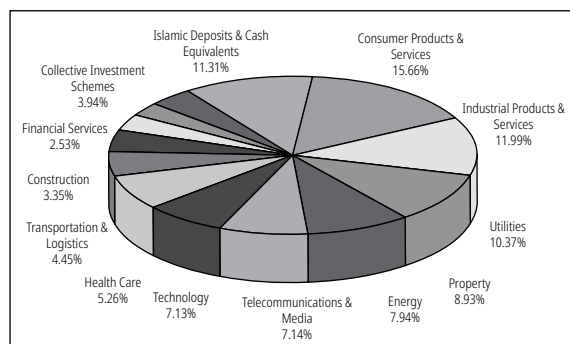
Source: Lipper, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDD reinvested.

### III. INVESTMENT PORTFOLIO

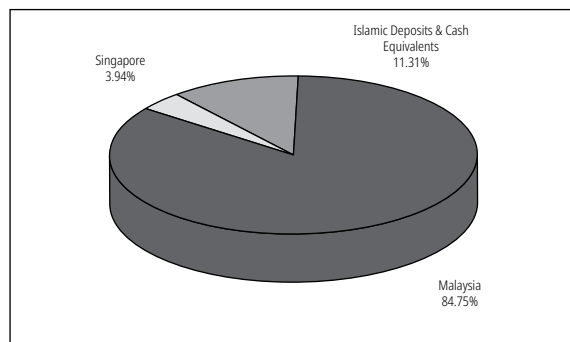
**Chart 2: Asset Allocation – November 2024 to April 2026**



**Chart 3: Sector Allocation as at 30 April 2026**



**Chart 4: Geographical Allocation as at 30 April 2026**



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

During the financial period under review, the Fund adopted a balanced asset allocation strategy, maintaining a relatively even distribution between large-cap and small-to-mid-cap Shariah-compliant equities. As of 30 April 2026, the Fund held a cash position of 10% of Net Asset Value (NAV), providing sufficient liquidity to capitalise on opportunities to acquire quality Shariah-compliant stocks at more attractive valuations. Strategically, the Fund remained overweight in the consumer products & services, industrial products & services and utilities sectors. This positioning reflects the Fund's focus on sectors that offer a combination of undemanding valuations and support from resilient domestic economic conditions.

### An explanation on the differences in portfolio composition

There is no change in the portfolio composition.

### 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 MSCI AC Asia Pacific ex Japan Index rose 37.90%. The best performing markets were Korea and Taiwan while the biggest laggards were Philippines and Indonesia. In the local market, the FBM KLCI rose 7.01%. The broader market underperformed with the FBM EMAS Index increasing 4.47% while small caps were negative with the FBM Small Cap Index decreasing 9.20%.

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

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

Markets corrected sharply after the announcement of “Liberation Day” tariffs by the US on 2 April 2025. This raised fears on global growth with the markets pricing in increased risk of recession. However, markets bottomed after a 90-Day suspension on tariff was announced in mid-April. While global markets recovered throughout the quarter, ASEAN was a relative underperformer with Indonesia and Thailand seeing domestic political and economic challenges. Taiwan and China shares fared well on sustained Artificial Intelligence (AI) momentum while Korea saw gains as its incoming president campaigned on a host of corporate reforms.

The third quarter of 2025 saw markets continuing its rally, building upon the various tariff trade deals announced in August. Stocks which are seen as beneficiaries to the AI Capital Expenditure (CapEx) cycle and China’s ‘anti-involution’ themes rallied strongly. Narrative in the market shifted from tariff headwinds to US Federal Reserve (Fed) rate cuts which is largely interpreted to be supportive of growth and higher valuations.

The last quarter of 2025 saw high volatility in AI stocks globally. While on one hand company guidance and future CapEx spend was strong, high valuations were also a concern. Overall, despite the volatile quarter, AI stocks still closed the quarter higher. There was increasing concern on the US Fed Independence, resulting in precious metals such as gold and silver to outperform.

Regional markets started 2026 strongly with shortage in memory chips resulting in a strong tech rally in Korea and Taiwan. In contrast, Indonesia saw its market decline sharply after MSCI flagged risks on ownership transparency. Japan and Thailand both saw elections which resulted in the incumbent taking victory. Both markets rallied on optimism over policy continuity. However, the market was negatively affected by conflict in the Middle East, specifically Iran. That resulted in a large energy supply shock, driving energy prices up. While a ceasefire has been announced by the conflicting countries, the energy supply shortage remains a concern to global equity markets.

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

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

In the second quarter of 2025, markets saw broad based decline after the announcement of tariffs by the US. While the markets showed some recovery after the suspension of tariffs, the Malaysian market has yet to fully recover from the year-to-date (YTD) decline. Concerns over Data Centre (DC) related restrictions and weaker exports growth continue to weigh on the market. Real Estate Investment Trusts (REITs) was the only sector in positive territory, partly due to an expectation of Overnight Policy Rate (OPR) cuts.

Back in Malaysia, the tariff rate with the US was revised from 25% to 19%, in line with other regional peers. This sparked a broad-based rally, recovering much of the declines seen in the early part of 2025. Bank Negara Malaysia (BNM) also cut the OPR by 25 basis points (bps) to 2.75% during the third quarter of 2025, in line with other central banks globally. While the market exhibited more risk on behaviour during the financial period under review, concern still lingers regarding the impending semiconductor tariffs expected to be announced by the US.

The Malaysian Ringgit (MYR) was the centre of attention in the final quarter of 2025. The MYR closed the year 10.30% higher against the US Dollar (USD). The domestic market so rotation with export related stocks declining while banks and consumer stocks did well. An impending large health care Initial Public Offering (IPO) also resulted in some optimism in the health care sector.

The MYR continued its strength coming into 2026, reaching a high of 3.88 against the USD in February. This resulted in strength in large liquid index stocks, particularly the financial and consumer sector. Export related stocks suffered due to concerns over profit margins.

Malaysia is not spared from the energy supply shock caused by the conflict in Iran. While Malaysia is remaining a net oil and gas exporter, it is a net importer of refined petroleum. Escalating raw material prices as a result of higher energy prices have caused margin pressure and inflation concerns.

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

Geopolitical tensions have complicated the investment outlook globally. Conflict in Iran has resulted in energy prices increasing exponentially, intensifying fears of a global growth deceleration and systemic stagflation. While a protracted confrontation poses a primary tailwind risk to global equity valuations, Malaysia's status as a net energy exporter provides a strategic buffer against these external shocks. The Fund aims to be relatively defensive and nimble during this period, while remaining sanguine that Malaysia's structural economic drivers remain fundamentally intact over the longer term.

## **VI. SOFT COMMISSIONS**

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

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

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

## **VIII. CROSS TRADE TRANSACTIONS**

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

## STATEMENT BY THE MANAGER

---

I, Chue Kwok Yan, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 18 to 54 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 2026 and of its financial performance, changes in equity and cash flows for the financial period from 11 November 2024 (date of launch) to 30 April 2026 in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,

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

### **CHUE KWOK YAN**

Chief Executive Officer/Executive Director

Kuala Lumpur  
26 June 2026

## TRUSTEE'S REPORT

---

### **TO THE UNIT HOLDERS OF HONG LEONG DANA DIVIDEN ("Fund")**

We have acted as Trustee of the Fund for the financial period from 11 November 2024 (date of launch) to 30 April 2026 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 Islamic Trustee Berhad**

### **Tok Puan Datin Ezreen Eliza binti Zulkiplee**

Chief Executive Officer

Kuala Lumpur, Malaysia  
Date: 26 June 2026

## SHARIAH ADVISER'S REPORT

### TO THE UNIT HOLDERS OF HONG LEONG DANA DIVIDEN ("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 financial period from 11 November 2024 (date of launch) to 30 April 2026, 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**

#### **MUHAMMAD SHAHIER SA'MIN**

Designated Shariah Person

Kuala Lumpur  
26 June 2026

## INDEPENDENT AUDITORS' REPORT

### TO THE UNIT HOLDERS OF HONG LEONG DANA DIVIDEN

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, the financial statements of Hong Leong Dana Dividen ("the Fund") give a true and fair view of the financial position of the Fund as at 30 April 2026, and of its financial performance and its cash flows for the financial period from 11 November 2024 (date of launch) to 30 April 2026 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 April 2026, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 18 to 54.

#### Basis for opinion

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

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

#### Independence and other ethical responsibilities

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

### Information other than the financial statements and auditors' report thereon

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

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

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

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

### Responsibilities of the Manager for the financial statements

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

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

### Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

#### OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
26 June 2026

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 11 NOVEMBER 2024  
(DATE OF LAUNCH) TO 30 APRIL 2026

		11.11.2024 (date of launch) to 30.04.2026
	Note	RM
<b>INVESTMENT INCOME</b>		
Profit income from financial assets measured at amortised cost		15,078
Dividend income		114,049
Net loss on financial assets at fair value through profit or loss ("FVTPL")	8	(59,257)
Net foreign currency exchange loss		(235)
		<u>69,635</u>
<b>EXPENDITURE</b>		
Management fee	4	(56,764)
Custodian fees		(354)
Transaction costs		(22,043)
Other expenses		(4,161)
		<u>(83,322)</u>
<b>LOSS BEFORE TAXATION</b>		
		(13,687)
Taxation	6	-
<b>LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>		
		<u>(13,687)</u>
Loss after taxation is made up as follows:		
Realised amount		(123,873)
Unrealised amount		110,186
		<u>(13,687)</u>

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

## STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2026

	Note	2026 RM
<b>ASSETS</b>		
Cash and cash equivalents	7	254,586
Amount due from brokers/dealers		79,972
Dividends receivable		2,148
Financial assets at FVTPL	8	2,397,333
<b>TOTAL ASSETS</b>		<u>2,734,039</u>
<b>LIABILITIES</b>		
Amount due to brokers/dealers		27,162
Amount due to the Manager -management fee		3,523
Other payables and accruals		198
<b>TOTAL LIABILITIES</b>		<u>30,883</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>2,703,156</u>
<b>EQUITY</b>		
Unit holders' capital		2,716,843
Accumulated loss		(13,687)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>2,703,156</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	10	<u>5,469,017</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.4943</u>

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

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 11 NOVEMBER 2024  
(DATE OF LAUNCH) TO 30 APRIL 2026

	Unit holders' capital RM	Accumulated loss RM	Total RM
Balance as at 11 November 2024 (date of launch)	-	-	-
Movement in net asset value:			
Creation of units from applications	3,371,462	-	3,371,462
Cancellation of units	(654,619)	-	(654,619)
Total comprehensive loss for the financial period	-	(13,687)	(13,687)
Balance as at 30 April 2026	<u>2,716,843</u>	<u>(13,687)</u>	<u>2,703,156</u>

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

## STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 11 NOVEMBER 2024  
(DATE OF LAUNCH) TO 30 APRIL 2026

	11.11.2024 (date of launch) to 30.04.2026 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Proceeds from sales of financial assets at FVTPL	1,582,361
Purchase of financial assets at FVTPL	(4,110,515)
Realised foreign exchange differences arising from operating activities	(250)
Profit income received from financial assets measured at amortised cost	15,078
Dividend income received	108,042
Management fee paid	(53,241)
Payment for other fees and expenses	(3,747)
Net cash used in operating activities	<u>(2,462,272)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from creation of units	3,371,462
Payments for cancellation of units	(654,618)
Net cash generated from financing activities	<u>2,716,844</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	254,572
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	14
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>254,586</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 11 NOVEMBER 2024  
(DATE OF LAUNCH) TO 30 APRIL 2026

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

Hong Leong Dana Dividen (“the Fund”) was constituted pursuant to the execution of a Deed dated 18 September 2024 between Hong Leong Asset Management Bhd (“the Manager”) and CIMB Islamic Trustee Berhad (“the Trustee”) for the unit holders of the Fund.

The Fund seeks to achieve regular income and capital growth over the medium to long-term period.

The Fund will invest a minimum of 80% of its net asset value in Shariah-compliant equities and/or Shariah-compliant equity-related securities, and the balance of its net asset value will be invested in sukuk and Islamic liquid assets including Islamic money market instruments and Islamic deposits with Islamic financial institutions. The Fund may also invest in Islamic collective investment schemes (“CIS”). The Fund commenced operations on 11 November 2024 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, 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. HLISAM is a wholly owned subsidiary of the Manager. On November 2019, HLISAM was issued with an Islamic fund management license by the Securities Commission Malaysia (“SC”) to undertake the regulated activity of Islamic fund management.

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

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

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

### (a) Basis of preparation

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

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

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

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

- (i) Standards, amendments to published standard and interpretations that are applicable and effective:

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 11 November 2024 (date of launch) that have a material effect on the financial statements of the Fund.

- (ii) Standards and amendments that have been issued that are applicable to the Fund but not yet effective:

- Amendments to MFRS 9 and MFRS 7 ‘Amendments to the Classification and Measurement of Financial Instruments’ (effective 1 January 2026):
  - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition).
  - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
  - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and profit (“SPPP”) criterion;
  - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.
  - The new MFRS introduces a new structure of profit or loss statement.
    - (a) Income and expenses are classified into 3 new main categories:
      - i. Operating category which typically includes results from the main business activities;
      - ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
      - iii. Financing category that presents income and expenses from financing liabilities.
    - (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
  - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
  - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

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

### Classification

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

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

The Fund classifies its 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 profit. However, these Shariah-compliant 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 Shariah-compliant investments are measured at fair value through profit or loss.

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

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

<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.

### Recognition and measurement

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

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

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss 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 financial 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 Shariah-compliant investments are valued at the last traded market prices quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

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

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

### Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be closed to zero as these Shariah-compliant instrument 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 net asset value 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities such as Shariah-compliant equities and Islamic collective investment schemes held at fair value through profit or loss are recognised in statement of comprehensive income as part of the net loss on financial assets at fair value through profit or loss.

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

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

Profit income from Islamic deposits with licensed financial institutions are recognised on the effective profit rate method on an accrual basis.

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

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

**(e) Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks and Islamic deposits with licensed financial institutions 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 of 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. Withholding taxes on investment income from Shariah-compliant 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) Critical accounting estimates and judgements in applying accounting policies

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

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

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

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

## 3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

	Financial assets at FVTPL RM	Financial assets/liabilities at amortised cost RM	Total RM
<b>2026</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	254,586	254,586
Amount due from brokers/dealers	-	79,972	79,972
Dividend receivable	-	2,148	2,148
Financial assets at FVTPL (Note 8)	2,397,333	-	2,397,333
	<u>2,397,333</u>	<u>336,706</u>	<u>2,734,039</u>

	Financial assets at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<b>Financial liabilities</b>			
Amount due to brokers/dealers	-	27,162	27,162
Amount due to the Manager -management fee	-	3,523	3,523
Other payables and accruals	-	198	198
	-	30,883	30,883

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

## (a) Market risk

### (i) Price risk

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

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

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

	2026 RM
<b>Financial assets at FVTPL:</b>	
- Quoted Shariah-compliant equity securities - local	2,290,877
- Quoted collective investment schemes - foreign	106,456
	<u>2,397,333</u>

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

% Change in price of financial assets at FVTPL	Market value RM	Impact on loss after taxation/ net asset value RM
<b>2026</b>		
-5%	2,277,466	(119,867)
0%	2,397,333	-
5%	2,517,200	119,867

### (ii) Interest rate risk

Interest rate risk is the risk that the value of the Fund's Shariah-compliant investments and its return will fluctuate because of changes in market interest rates.

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

The Fund's exposure to the interest rate risk is mainly confined to short term placements with licensed financial institutions. The Manager overcomes the exposure by way of maintaining Islamic deposits on short term basis.

As at end of each reporting year, the Fund is not exposed to a material level of interest rate risk as the Islamic deposits with licensed financial institutions are placed on a short term basis.

### (iii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian based investor should be aware that if the Malaysian Ringgit appreciates against the currencies in which the financial assets are denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. Investors should also note any gains or losses arising from the movement of foreign currencies against its functional currency may therefore increase/decrease the capital gains of the investment denominated in foreign currencies. Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it is deemed necessary.

The table below summarises the sensitivity of the Fund's loss after taxation and net asset value denominated in foreign currency to changes in foreign exchange movements at the end of reporting period. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

The Fund's foreign currency risk concentrations are as follows:

	Cash and cash equivalents RM	Financial assets at FVTPL RM	Total RM
<b>2026</b>			
SGD	9,917	106,456	116,373
		Change in foreign exchange rate %	Impact on loss after taxation/ net asset value  2026 RM
SGD		5	5,819

### (b) Credit risk

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

Credit risk arising from placement of Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions.

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

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

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

	Cash and cash equivalents RM	Amount due from brokers/dealers RM	Dividends receivable RM	Total RM
<b>2026</b>				
- AAA	254,586	79,972	-	334,558
- NR	-	-	2,148	2,148
	254,586	79,972	2,148	336,706

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

### (c) Liquidity risk

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

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

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

	Less than 1 month RM	1 month to 1 year RM	Total RM
<b>2026</b>			
<u>Financial liabilities</u>			
Amount due to brokers/dealers	27,162	-	27,162
Amount due to the Manager			
-management fee	3,523	-	3,523
Other payables and accruals	-	198	198
Contractual cash out flows	30,685	198	30,883

### (d) Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and accumulated loss. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah-compliant investment activities of the Fund.

### (e) Fair value estimation

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

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

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

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2026</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted Shariah-compliant equity securities - local	2,290,877	-	-	2,290,877
- Quoted collective investment schemes - foreign	106,456	-	-	106,456
	2,397,333	-	-	2,397,333

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant equities and 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).

- (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.

## (f) Shariah status reclassification risk

- (i) Shariah-compliant equity securities

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

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

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

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

(ii) Sukuk or Islamic money market instruments or Islamic deposits or Islamic collective investment schemes

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

#### 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 from 11 November 2024 (date of launch) to 30 April 2026, the management fee is recognised at a rate of 1.50% 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, AUDITORS' REMUNERATION, TAX AGENT'S FEE AND SHARIAH ADVISER'S FEE

For the financial period from 11 November 2024 (date of launch) to 30 April 2026, trustee's fee, auditors' remuneration, tax agent's fee and Shariah Adviser's fee were borne by the Manager.

#### 6. TAXATION

	<b>11.11.2024 (date of launch) to 30.04.2026 RM</b>
Tax charge for the financial period:	
Current taxation	-

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

	<b>11.11.2024 (date of launch) to 30.04.2026 RM</b>
Loss before taxation	(13,687)
Taxation at Malaysian statutory rate of 24%	(3,285)
Tax effects of:	
Shariah-compliant investment income not subject to tax	(16,712)
Expenses not deductible for tax purposes	6,323
Restriction on tax deductible expenses for unit trust fund	13,674
Taxation	-

## 7. CASH AND CASH EQUIVALENTS

	2026 RM
Islamic deposits with licensed financial institutions	225,017
Cash at banks	29,569
	<u>254,586</u>

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

	2026 %
Islamic deposits with licensed financial institutions	<u>2.70</u>

Islamic deposits with licensed financial institutions have an average remaining maturity of 4 days.

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

	2026 RM
<u>Financial assets at FVTPL:</u>	
Quoted Shariah-compliant equity securities - local	2,290,877
Quoted collective investment schemes - foreign	106,456
	<u>2,397,333</u>
	<b>11.11.2024 (date of launch) to 30.04.2026 RM</b>
<u>Net loss on financial assets at FVTPL:</u>	
Realised loss on disposals	(169,428)
Changes in unrealised fair values	110,171
	<u>(59,257)</u>

Financial assets at FVTPL as at 30 April 2026 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES - LOCAL</b>				
<u>Main Market</u>				
<u>Construction</u>				
Gamuda Berhad	20,479	101,047	90,517	3.35
<u>Consumer Products &amp; Services</u>				
AEON Co. (M) Berhad	53,000	77,149	61,480	2.27
Empire Premium Food Berhad	50,000	50,000	48,750	1.80
Farm Fresh Berhad	45,000	101,165	114,300	4.23
Focus Point Holdings Berhad	100,000	49,050	51,000	1.89
HI Mobility Berhad	25,000	51,450	56,000	2.07
MR D.I.Y. Group (M) Berhad	55,000	90,778	91,850	3.40
	<u>328,000</u>	<u>419,592</u>	<u>423,380</u>	<u>15.66</u>
<u>Energy</u>				
Dayang Enterprise Holdings Berhad	50,000	98,736	101,000	3.74
DIALOG Group Berhad	50,000	87,015	113,500	4.20
	<u>100,000</u>	<u>185,751</u>	<u>214,500</u>	<u>7.94</u>
<u>Financial Services</u>				
MBSB Berhad	100,000	73,410	68,500	2.53
<u>Health Care</u>				
IHH Healthcare Berhad	8,700	66,083	76,734	2.84
LAC Med Berhad	75,000	66,985	61,875	2.29
Sunway Healthcare Holdings Berhad	1,820	1,422	3,440	0.13
	<u>85,520</u>	<u>134,490</u>	<u>142,049</u>	<u>5.26</u>
<u>Industrial Products &amp; Services</u>				
Dufu Technology Corp. Berhad	40,000	45,433	72,000	2.66
Samaiden Group Berhad	50,000	52,590	64,000	2.37
Sunway Berhad	18,200	75,774	97,916	3.62
	<u>108,200</u>	<u>173,797</u>	<u>233,916</u>	<u>8.65</u>
<u>Property</u>				
Matrix Concepts Holdings Berhad	80,000	104,780	108,000	4.00
SkyWorld Development Berhad	168,000	90,720	63,840	2.36
Sime Darby Property Berhad	49,000	75,156	69,580	2.57
	<u>297,000</u>	<u>270,656</u>	<u>241,420</u>	<u>8.93</u>
<u>Technology</u>				
Frontken Corporation berhad	25,000	86,439	105,500	3.90
ITMax System Berhad	18,000	66,659	87,300	3.23
	<u>43,000</u>	<u>153,098</u>	<u>192,800</u>	<u>7.13</u>
<u>Telecommunications &amp; Media</u>				
Telekom Malaysia Berhad	25,800	179,832	192,984	7.14
<u>Transportation &amp; Logistics</u>				
MTT Shipping and Logistics Berhad	30,000	30,528	28,500	1.06
Westports Holdings Berhad	16,072	85,168	91,611	3.39
	<u>46,072</u>	<u>115,696</u>	<u>120,111</u>	<u>4.45</u>

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Utilities</u>				
Gas Malaysia Berhad	25,000	105,171	135,000	4.99
Tenaga Nasional Berhad	10,000	139,984	145,400	5.38
	35,000	245,155	280,400	10.37
<u>ACE Market</u>				
<u>Industrial Products &amp; Services</u>				
KJTS Group Berhad	105,000	126,146	90,300	3.34
<b>TOTAL QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES - LOCAL</b>				
	<b>1,294,071</b>	<b>2,178,670</b>	<b>2,290,877</b>	<b>84.75</b>
<b>QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
<b>Singapore</b>				
<u>Real Estate Investment Trust</u>				
Frasers Logistics & Commercial Trust	16,000	49,090	47,868	1.77
Keppel DC REIT	8,000	59,401	58,588	2.17
	24,000	108,491	106,456	3.94
<b>TOTAL QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN</b>				
	<b>24,000</b>	<b>108,491</b>	<b>106,456</b>	<b>3.94</b>
<b>TOTAL SHARIAH-COMPLIANT INVESTMENTS</b>				
	<b>1,318,071</b>	<b>2,287,161</b>	<b>2,397,333</b>	<b>88.69</b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>				
		<b>110,172</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>				
		<b>2,397,333</b>		

## 9. SHARIAH INFORMATION OF THE FUND

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

- (i) Equity securities listed on Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission;
- (ii) Local collective investment schemes which have been verified as Shariah-compliant by the Shariah Adviser; and
- (iii) Cash placements and liquid assets in local market, which have been placed in Shariah-compliant investments and/or instruments.

## 10. UNITS IN CIRCULATION

	<b>11.11.2024 (date of launch) to 30.04.2026 No. of units</b>
At the beginning of the financial period	-
Add: Creation of units during the financial period	
- Arising from applications	6,796,722
Less: Cancellation of units during the financial period	(1,327,705)
At the end of the financial period	<u>5,469,017</u>

## 11. TOTAL EXPENSE RATIO (“TER”)

	11.11.2024 (date of launch) to 30.04.2026 %
TER	1.60

Total expense ratio includes management 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:

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

Where;

- A = Management fee
- B = Custodian fees
- C = Other expenses excluding withholding tax
- D = 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 RM 2,589,876.

## 12. PORTFOLIO TURNOVER RATIO (“PTR”)

	11.11.2024 (date of launch) to 30.04.2026 %
PTR	1.15

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial period} + \text{total disposals for the financial period})}{2}$$

$$\frac{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}}{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}}$$

Where;

- total acquisitions for the financial period  
= RM4,122,039
- total disposals for the financial period  
= RM1,838,166

## 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
HLB Nominees (Tempatan) Sdn Bhd	Subsidiary of the 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 2026.

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

	<b>2026 RM</b>
<u>Related party balances</u>	
Cash at bank:	
- Hong Leong Islamic Bank Berhad	19,653
Islamic deposits with licensed financial institution:	
- Hong Leong Islamic Bank Berhad	225,017
Amount due from brokers/dealers	
- Hong Leong Investment Bank Berhad	79,972
	<u>324,642</u>
	<b>11.11.2024 (date of launch) to 30.04.2026 RM</b>
<u>Related party transactions</u>	
Profit income from Islamic deposits with licensed financial institution:	
- Hong Leong Islamic Bank Berhad	11,087
Purchase of quoted Shariah-compliant equity securities:	
- Hong Leong Investment Bank Berhad	592,882
Purchase of quoted Islamic collective investment schemes:	
- Hong Leong Investment Bank Berhad	88,797
Disposal of quoted Shariah-compliant equity securities:	
- Hong Leong Investment Bank Berhad	387,870
Disposal of quoted Islamic collective investment schemes:	
- Hong Leong Investment Bank Berhad	145,845

#### 14. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	<b>Values of trade RM</b>	<b>Percentage of total trade %</b>	<b>Brokerage fees RM</b>	<b>Percentage of total brokerage fees %</b>
<b>2026</b>				
CLSA Securities Malaysia Sdn Bhd	1,375,362	23.71	3,459	24.03
Hong Leong Investment Bank Berhad*	1,215,393	20.96	3,103	21.56
CGS International Securities Malaysia Sdn Bhd	993,540	17.13	2,293	15.93
Phillip Capital Sdn Bhd	992,465	17.11	2,494	17.33
Nomura Securities Malaysia Sdn Bhd	517,286	8.92	1,348	9.37
Affin Hwang Investment Bank Berhad	381,473	6.58	885	6.15
Maybank Investment Bank Berhad	158,144	2.73	397	2.76
JPMorgan Securities (Malaysia) Sdn Bhd	83,387	1.44	208	1.45
MIDF Amanah Investment Bank Berhad	82,960	1.43	206	1.43
	<u>5,800,010</u>	<u>100.00</u>	<u>14,393</u>	<u>100.00</u>

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

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

#### 15. COMPARATIVES

There are no comparative figures as this is the first set of financial statements since the date of launch of the Fund.

#### 16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were authorised for issue by the Manager on 26 June 2026.

# Performance Data

for the Financial Period Ended 30 April

		Financial Period 2026^ %
<b>A. (i) Portfolio Compositions:</b>		
<b>Sector Allocation:</b>		
Construction		3.35
Consumer Products & Services		15.66
Energy		7.94
Financial Services		2.53
Health Care		5.26
Industrial Products & Services		11.99
Property		8.93
Technology		7.13
Telecommunications & Media		7.14
Transportation & Logistics		4.45
Utilities		10.37
<b>Collective Investment Schemes</b>		<b>3.94</b>
<b>Islamic Deposits &amp; Cash Equivalents</b>		<b>11.31</b>
<b>Geographical Allocation:</b>		
Malaysia		84.75
Singapore		3.94
<b>Islamic Deposits &amp; Cash Equivalents</b>		<b>11.31</b>
<b>(ii) Total Net Asset Value</b>	(ex-distribution)	<b>RM2,703,156</b>
<b>(iii) Net Asset Value Per Unit Units in Circulation</b>	(ex-distribution) (ex-distribution)	<b>RM0.4943 5,469,017</b>
<b>(iv) Highest/Lowest NAV Per Unit</b>	Highest NAV Per Unit (ex-distribution)      Lowest NAV Per Unit	<b>RM0.5133 RM0.4323</b>
<b>(v) Total Return of the Fund*</b>		<b>-1.14%</b>
- Capital Growth		<b>-1.14%</b>
- Income Distribution		-
<b>(vi) The distribution (gross) is made out of:-</b>		
- The Fund's Capital		-
- The Fund's Income		-
- Total Distribution Amount		-
- The Fund's Capital (% of Total Distribution Amount)		-
- The Fund's Income (% of Total Distribution Amount)		-
<b>(vii) Distribution Per Unit</b>	Additional Units	-
	Distribution (Gross)	-
	Distribution (Net)	-
	Distribution Date	-
	Cum-Distribution NAV/Unit	-
	Ex-Distribution NAV/Unit	-
<b>(viii) Total Expense Ratio (TER)</b>		<b>1.60%</b>
<b>(ix) Portfolio Turnover Ratio (PTR) (times)</b>		<b>1.15</b>
<b>B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 30/04/2026)*</b>		
(i) One year		<b>3.71%</b>

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

^ The figure shown is for the period since Fund launch (11 November 2024 to 30 April 2026).

## Corporate Information

---

### Manager

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

### Registered Office

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

### Business Office

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

### Board of Directors

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

### Executive Director/Chief Executive Officer

Mr. Chue Kwok Yan

### External Fund Manager

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

### Trustee

CIMB Islamic Trustee Berhad [198801000556 (167913-M)]

### Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

### Shariah Adviser

BIMB Securities Sdn Bhd [199401004484 (290163-X)]

### Distributors

Affin Bank Berhad  
iFAST Capital Sdn Bhd  
Phillip Mutual Berhad  
UOB Kay Hian Securities (M) Sdn Bhd  
Registered Independent Tied Agents with FIMM

## Corporate Directory

---

### Head Office

Level 18, Block B, Plaza Zurich  
No. 12 Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
Tel: +603-2081 8600  
Website: [www.hlam.com.my](http://www.hlam.com.my)  
E-mail: [inquiry@hla.hongleong.com.my](mailto:inquiry@hla.hongleong.com.my)  
Customer Experience Personnel: +603-2081 8600 ext 18603/18604

### Pulau Pinang

No. 441-1-3  
Pulau Tikus Plaza  
Jalan Burmah  
Pulau Tikus  
10350 Pulau Pinang  
Tel: +604-228 8112, +604-228 9112

### Ipoh

2<sup>nd</sup> Floor  
Lot 3 Persiaran Greentown 4  
Greentown Business Centre  
30450 Ipoh  
Perak  
Tel: +605-255 8388, +605-255 9388



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

