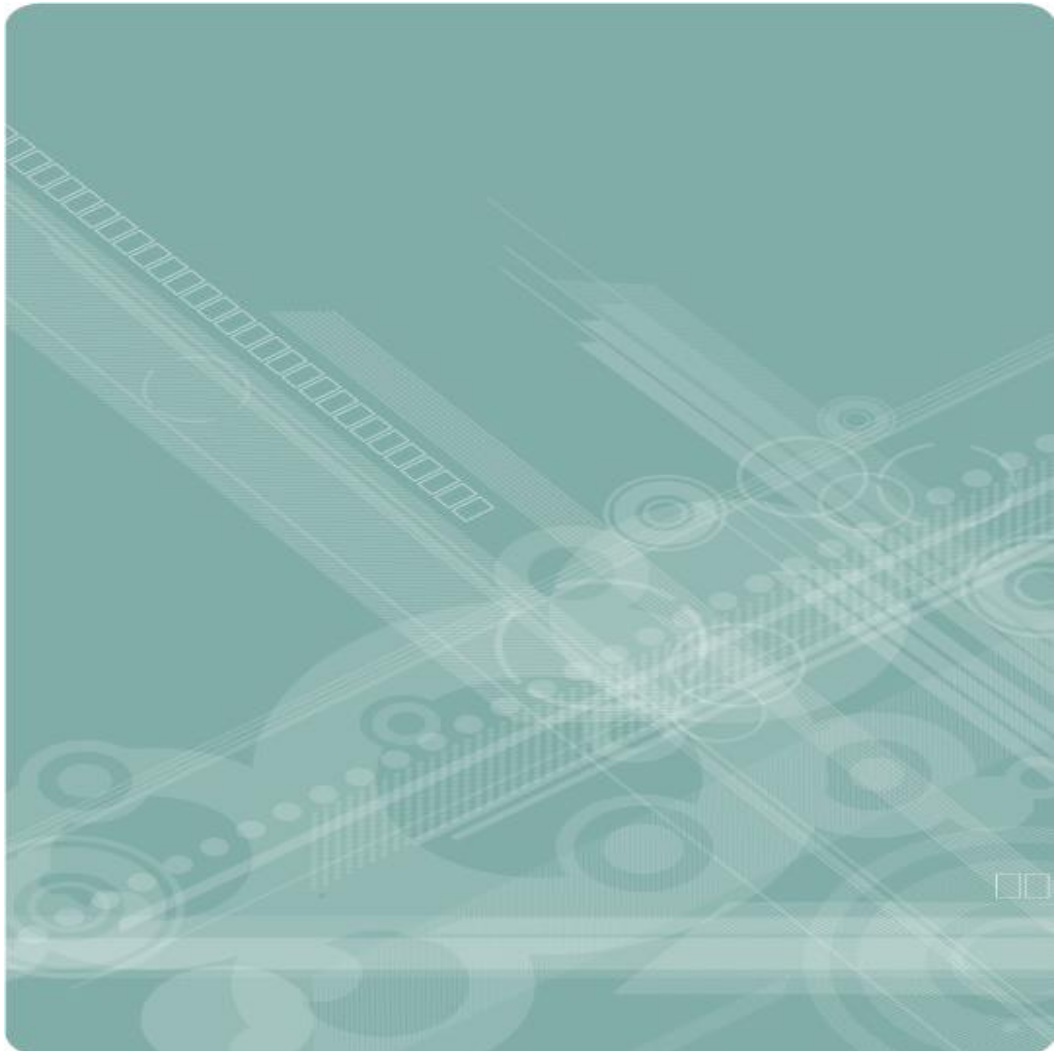


Hong Leong Wholesale Bond Fund

Second-Quarter Report
Financial Period Ended 30 September 2022

2022
Unaudited



Hong Leong Wholesale Bond Fund

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Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Wholesale Bond Fund

Fund Category

Fixed Income (Wholesale)

Fund Type

Income

Investment Objective

The Fund aims to provide regular income¹ while maintaining capital stability² through investments in fixed income instruments.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

Maybank 12-Month Fixed Deposit Rate

Distribution Policy

Distribution of income¹ will be half-yearly, subject to the availability of income. The Manager has the discretion³ to distribute income depending on realised gains or income, interest rates, market conditions and the performance of the Fund.

Notes:

¹ Income may be distributed in the form of cash and/or additional Units.

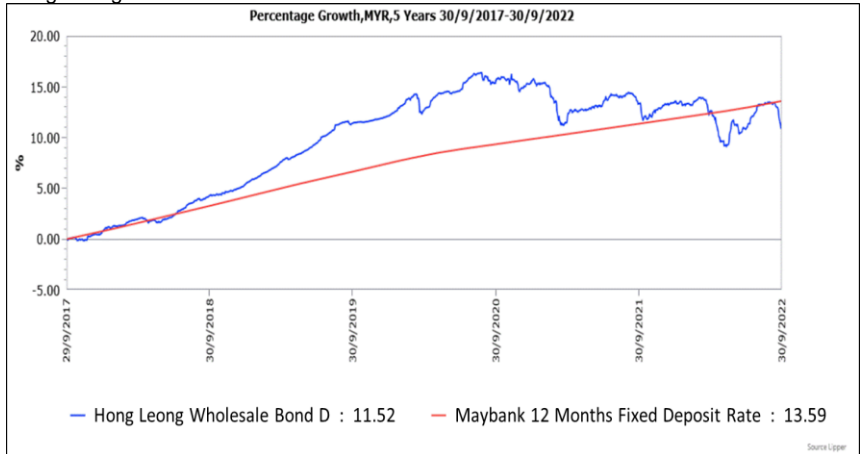
² Please take note that this Fund is not a capital guaranteed or capital protected fund and returns are not guaranteed.

³ The Manager has the discretion to decide on the amount to be distributed to Unitholders. If the distribution available is too small or insignificant, the Manager may choose not to distribute the income as the distribution may not be beneficial to Unitholders as the total cost to be incurred in such distribution may be higher than the amount available for distribution.

II. FUND PERFORMANCE

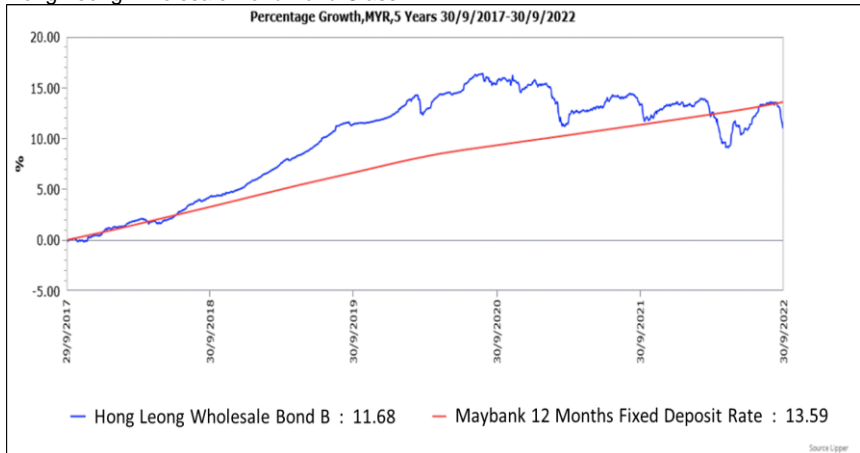
Chart 1: Performance of the Fund versus the benchmark

Hong Leong Wholesale Bond Fund Class D



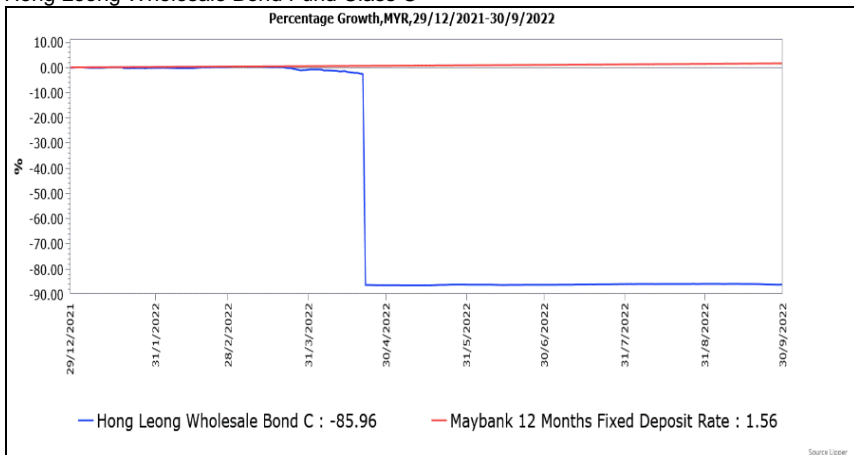
Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLWBoF Class D reinvested.

Hong Leong Wholesale Bond Fund Class B



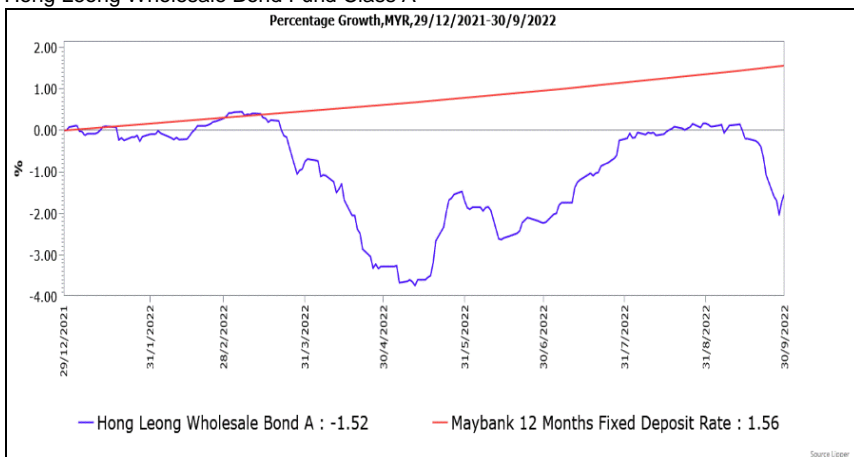
Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLWBoF Class B reinvested.

Hong Leong Wholesale Bond Fund Class C



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 HLWBoF Class C reinvested.

Hong Leong Wholesale Bond Fund Class A



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 HLWBoF Class A 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 Second-Quarter Report covers the three-month financial period from 1 July 2022 to 30 September 2022.

For Hong Leong Wholesale Bond Fund Class D, the Fund posted a return of 0.62% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past three months while its benchmark the Maybank 12 Months Fixed Deposit Rate has registered a return of 0.60%. During the financial period under review, the Fund had distributed gross income distribution of 0.25 sen per unit (net income distribution of 0.25 sen per unit) to its Unitholders on 15 September 2022. Prior to the income distribution, the cum-distribution net asset value (NAV) per unit of the Fund was RM0.9589 while the ex-distribution NAV per unit was RM0.9564. For the five-year financial period ended 30 September 2022, the Fund posted a return of 11.52% compared to the benchmark's return of 13.59% while distributing a total gross income of 19.20 sen per unit (net income of 19.20 sen per unit).

For Hong Leong Wholesale Bond Fund Class B, the Fund posted a return of 0.74% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past three months while its benchmark the Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 0.60%. For the five-year financial period ended 30 September 2022, the Fund posted a return of 11.68% compared to the benchmark's return of 13.59% while distributing a total gross income of 18.90 sen per unit (net income of 18.90 sen per unit).

For Hong Leong Wholesale Bond Fund Class C, the Fund posted a return of 0.94% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past three months while its benchmark the Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 0.60%. Since 29 December 2021, the Fund posted a return of -85.96% compared to the benchmark's return of 1.56% while distributing a total gross income of 0.20 sen per unit (net income of 0.20 sen per unit).

For Hong Leong Wholesale Bond Fund Class A, the Fund posted a return of 0.74% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past three months while its benchmark the Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 0.60%. Since 29 December 2021, the Fund posted a return of -1.52% compared to the benchmark's return of 1.56%.

Key Risk Factors

The potential risks associated with investing in the Fund are including but not limited to the followings:

- Market risk;
- Fund management risk;
- Non-compliance risk;
- Loan financing risk;
- Inflation/Purchasing power risk;
- Particular security risk;
- Credit/default risk;
- Counterparty risk;
- Interest rate risk;
- Liquidity risk;
- Reinvestment risk;
- Concentration risk;
- Single issuer risk;
- Currency risk;
- Country risk; and
- Derivatives risk.

Table 1: Performance of the Fund for the following periods as at 30 September 2022 (Source: Lipper For Investment Management)

| | 30/06/22– 30/09/22 3 Months | 31/03/22– 30/09/22 6 Months | 30/09/21– 30/09/22 1 Year | 30/09/19– 30/09/22 3 Years | 30/09/17– 30/09/22 5 Years | 07/10/13– 30/09/22 Since Launch |
|--------------------|-----------------------------------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------------|
| HLWBoF Class D (%) | 0.62 | -0.93 | -1.68 | 0.09 | 11.52 | 29.91 |
| Benchmark (%) | 0.60 | 1.10 | 2.02 | 6.53 | 13.59 | 28.80 |

| | 30/06/22– 30/09/22 3 Months | 31/03/22– 30/09/22 6 Months | 30/09/21– 30/09/22 1 Year | 30/09/19– 30/09/22 3 Years | 30/09/17– 30/09/22 5 Years | 07/10/13– 30/09/22 Since Launch |
|--------------------|-----------------------------------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------------|
| HLWBoF Class B (%) | 0.74 | -0.74 | -1.54 | 0.23 | 11.68 | 30.09 |
| Benchmark (%) | 0.60 | 1.10 | 2.02 | 6.53 | 13.59 | 28.80 |

| | 30/06/22– 30/09/22 3 Months | 31/03/22– 30/09/22 6 Months | 30/09/21– 30/09/22 1 Year | 30/09/19– 30/09/22 3 Years | 30/09/17– 30/09/22 5 Years | 29/12/21– 30/09/22 Since 29/12/21 |
|--------------------|-----------------------------------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---|
| HLWBoF Class C (%) | 0.94 | -85.85 | - | - | - | -85.96 |
| Benchmark (%) | 0.60 | 1.10 | - | - | - | 1.56 |

| | 30/06/22– 30/09/22 3 Months | 31/03/22– 30/09/22 6 Months | 30/09/21– 30/09/22 1 Year | 30/09/19– 30/09/22 3 Years | 30/09/17– 30/09/22 5 Years | 29/12/21– 30/09/22 Since 29/12/21 |
|--------------------|-----------------------------------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---|
| HLWBoF Class A (%) | 0.74 | -0.78 | - | - | - | -1.52 |
| Benchmark (%) | 0.60 | 1.10 | - | - | - | 1.56 |

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

| HLWBoF Class D | 30-Sep-22 | 30-Jun-22 | Return (%) |
|--|-----------|-----------|------------|
| NAV Per Unit | RM0.9435 | RM0.9401 | 0.62# |
| Benchmark | 2.60% | 2.10% | 0.60 |
| vs Benchmark (%) | - | - | 0.02 |
| # Return is calculated after adjusting for income distribution during the period under review. | | | |
| HLWBoF Class B | 30-Sep-22 | 30-Jun-22 | Return (%) |
| NAV Per Unit | RM0.9478 | RM0.9408 | 0.74 |
| Benchmark | 2.60% | 2.10% | 0.60 |
| vs Benchmark (%) | - | - | 0.14 |
| HLWBoF Class C | 30-Sep-22 | 30-Jun-22 | Return (%) |
| NAV Per Unit | RM0.1401 | RM0.1388 | 0.94 |
| Benchmark | 2.60% | 2.10% | 0.60 |
| vs Benchmark (%) | - | - | 0.34 |
| HLWBoF Class A | 30-Sep-22 | 30-Jun-22 | Return (%) |
| NAV Per Unit | RM0.9848 | RM0.9776 | 0.74 |
| Benchmark | 2.60% | 2.10% | 0.60 |
| vs Benchmark (%) | - | - | 0.14 |

Table 3: Financial Highlights

Fair Value of Outstanding Units (RM):

| | 30-Sep-22 (RM) | 31-Mar-22 (RM) | Changes (%) |
|------------------------------|-------------------|-------------------|----------------|
| Class D | 380,399,108 | 374,349,972 | 1.62 |
| Class B | 948 | 955 | (0.73) |
| Class C | 140 | 24,837,087 | (100.00) |
| Class A | 985 | 992 | (0.71) |
| Units in Circulation (Units) | | | |
| Class D | 403,158,480 | 391,818,792 | 2.89 |
| Class B | 1,000 | 1,000 | 0.00 |
| Class C | 1,000 | 25,083,079 | (100.00) |
| Class A | 1,000 | 1,000 | 0.00 |

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 periods/years

| | Financial Period 30/06/22– 30/09/22 | Financial Period 31/03/22– 30/06/22 | Financial Year 31/03/21– 31/03/22 | Financial Year 31/03/20– 31/03/21 | Financial Year 31/03/19– 31/03/20 |
|---------------------------|---|---|---|---|---|
| HLWBoF Class D | | | | | |
| Highest NAV Per Unit (RM) | 0.9627 | 0.9560 | 0.9922 | 1.0531 | 1.0571 |
| Lowest NAV Per Unit (RM) | 0.9386 | 0.9264 | 0.9524 | 0.9739 | 1.0284 |
| Capital Growth (%) | 0.36 | -1.60 | -2.26 | -5.27 | 0.23 |
| Income Distribution (%) | 0.26 | 0.05 | 3.14 | 4.26 | 4.52 |
| Total Return (%) | 0.62 | -1.55 | 0.88 | -1.01 | 4.75 |

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 HLWBoF Class D reinvested.

| | Financial Period 30/06/22– 30/09/22 | Financial Period 31/03/22– 30/06/22 | Financial Year 31/03/21– 31/03/22 | Financial Year 31/03/20– 31/03/21 | Financial Year 31/03/19– 31/03/20 |
|---------------------------|---|---|---|---|---|
| HLWBoF Class B | | | | | |
| Highest NAV Per Unit (RM) | 0.9641 | 0.9555 | 0.9922 | 1.0531 | 1.0571 |
| Lowest NAV Per Unit (RM) | 0.9410 | 0.9262 | 0.9519 | 0.9739 | 1.0284 |
| Capital Growth (%) | 0.74 | -1.48 | -2.31 | -5.27 | 0.23 |
| Income Distribution (%) | 0.00 | 0.00 | 3.13 | 4.26 | 4.52 |
| Total Return (%) | 0.74 | -1.48 | 0.82 | -1.01 | 4.75 |

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 HLWBoF Class B reinvested.

| | Financial Period 30/06/22– 30/09/22 | Financial Period 31/03/22– 30/06/22 | Financial Year 29/12/21– 31/03/22 |
|---------------------------|---|---|---|
| HLWBoF Class C | | | |
| Highest NAV Per Unit (RM) | | 0.1423 | 0.9908 |
| Lowest NAV Per Unit (RM) | | 0.1388 | 0.1367 |
| Capital Growth (%) | | 0.94 | -85.98 |
| Income Distribution (%) | | 0.00 | 0.00 |
| Total Return (%) | | 0.94 | -85.98 |

Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLWBoF Class C reinvested.

| HLWBoF Class A | Financial Period | Financial Period | Financial Year |
|---------------------------|-----------------------|-----------------------|-----------------------|
| | 30/06/22– 30/09/22 | 31/03/22– 30/06/22 | 29/12/21– 31/03/22 |
| Highest NAV Per Unit (RM) | 1.0018 | 0.9931 | 1.0045 |
| Lowest NAV Per Unit (RM) | 0.9778 | 0.9625 | 0.9894 |
| Capital Growth (%) | 0.74 | -1.50 | -0.75 |
| Income Distribution (%) | 0.00 | 0.00 | 0.00 |
| Total Return (%) | 0.74 | -1.50 | -0.75 |

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 HLWBoF Class A reinvested.

Table 5: Average Total Return of the Fund

| | 30/09/21– 30/09/22 | 30/09/19– 30/09/22 | 30/09/17– 30/09/22 |
|--------------------|-----------------------|-----------------------|-----------------------|
| | 1 Year | 3 Years | 5 Years |
| HLWBoF Class D (%) | -1.68 | 0.03 | 2.30 |
| HLWBoF Class B (%) | -1.54 | 0.08 | 2.34 |
| HLWBoF Class C (%) | - | - | - |
| HLWBoF Class A (%) | - | - | - |

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 HLWBoF reinvested.

Table 6: Annual Total Return of the Fund

| Financial Year | 31/03/21– 31/03/22 | 31/03/20– 31/03/21 | 31/03/19– 31/03/20 | 31/03/18– 31/03/19 | 31/03/17– 31/03/18 |
|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| HLWBoF Class D (%) | 0.88 | -1.01 | 4.75 | 5.49 | 4.52 |
| HLWBoF Class B (%) | 0.82 | -1.01 | 4.75 | 5.49 | 4.52 |
| HLWBoF Class C (%) | - | - | - | - | - |
| HLWBoF Class A (%) | - | - | - | - | - |

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 HLWBoF reinvested.

Table 7: Volatility of the Fund

| Annualised Standard Deviation (%) | 30/09/21– 30/09/22 | 30/09/19– 30/09/22 | 30/09/17– 30/09/22 |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| | 1 Year | 3 Years | 5 Years |
| HLWBoF Class D (%) | 4.62 | 3.50 | 2.87 |
| HLWBoF Class B (%) | 4.63 | 3.51 | 2.87 |
| HLWBoF Class C (%) | - | - | - |
| HLWBoF Class A (%) | - | - | - |

Source: Lipper For Investment Management

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – July 2022 to September 2022

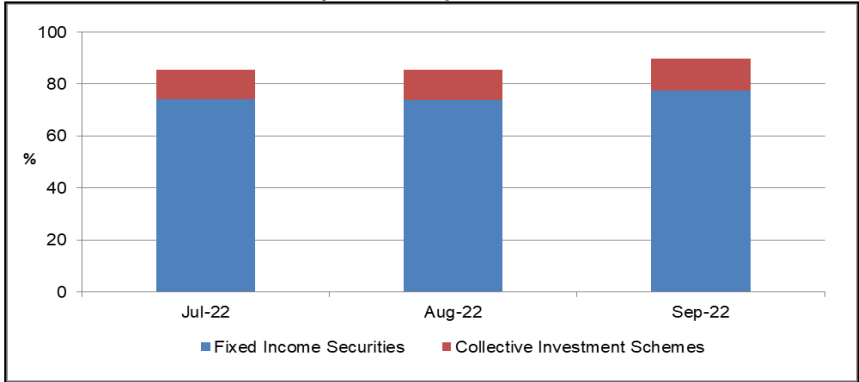


Chart 3: Sector Allocation as at 30 September 2022

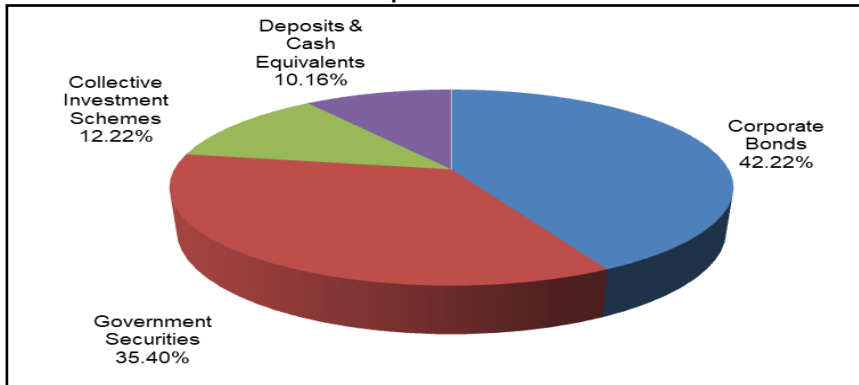
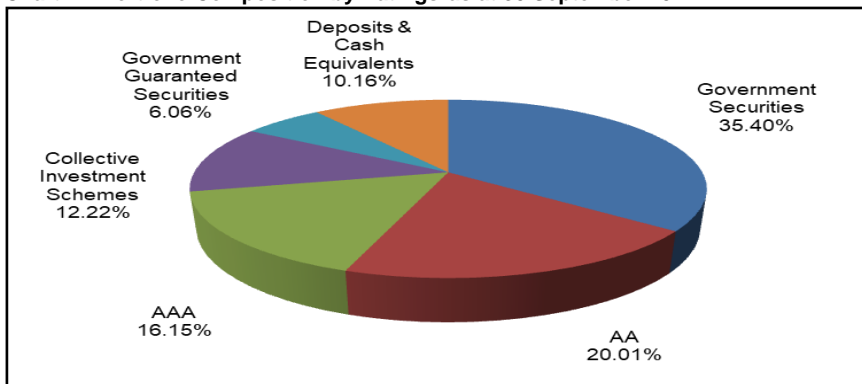


Chart 4: Portfolio Composition by Ratings as at 30 September 2022



Strategies employed by the Fund during the period under review

During the period under review, we maintained our defensive strategy to reduce duration in the Fund in order to manage fund volatility in a rising rate environment.

An explanation on the differences in portfolio composition

During the review period, the allocation to corporate bonds was decreased to reduce duration and concentrated in the AA-rating category. Bond holdings of government securities were also reduced as the Fund maintained its strategy to reduce duration in order to manage fund volatility.

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

The US Federal Reserve (Fed) hiked interest rates in the July and September Federal Open Market Committee meetings to fight soaring inflation. During the review period, following the high and persistent inflationary pressures and strong labour market, the Fed raised the federal funds rate to 3.25% in the period. Over the last two decades, the Fed has opted to raise interest rates only in increments of 25 basis points (bps) with the latest move underscoring the severity that inflation poses at the moment. Meanwhile, Fed Chairman Jerome Powell said that interest rates would continue to rise until the central bank sees a 'compelling evidence' that inflation is slowing while some Fed officials even advocating for raising the target closer to 2.50% by the end of the year.

Locally, bond yields spiked in the first half of 2022 as the Central Bank tightened its monetary policy. On the data front, Malaysia's Consumer Price Index (CPI) for August 2022 grew by 4.7% year-on-year; mainly driven by price increases in food and non-alcoholic beverages. On a year-to-date basis, Malaysia's CPI reading is at 3.1% as of end-August; which remains within Bank Negara Malaysia's (BNM) official forecast of 2.2-3.2%. Meanwhile, the Budget 2023 is remaining expansionary to reinforce the post-pandemic recovery, with challenging global economic conditions and impending elections moderating the pace of fiscal consolidation.

On the monetary end, BNM raised the Overnight Policy Rate two times in the period lifting it off from the record low of 1.75% to 2.50%, marking the first rate hike since January 2018. BNM highlighted that as Malaysia is on transition to endemic phase of COVID-19 while the domestic economy is on a firmer path, it is important for BNM to reduce the degree of monetary policy accommodation. BNM maintained its assessment that the current monetary policy stance is still accommodative and supportive of economic growth.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

On the local data front, Malaysia recorded the biggest ever trade surplus of RM31.7 billion in September (August: +RM17.0 billion) as exports continued to post strong double-digit growth of 30.1% year-on-year (August: +48.1%) while import growth more than halved to 33.0% (from +67.3% in August). The latest export reading came in +29.0% but below Bloomberg consensus +31.5%, largely underpinned by higher shipments of electrical & electronics and oil & gas products with strong global energy prices lending further support. We are also pencilling another 25bps rate hike in November and another hike in January bringing the terminal rate to 3% in the first half of 2023.

We maintain our defensive strategy to reduce duration in the Fund in order to manage fund volatility in a rising rate environment.

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 14 to 33 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 September 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period from 1 July 2022 to 30 September 2022 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

17 November 2022

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022

| | Note | 01.07.2022 to 30.09.2022 RM | 01.07.2021 to 30.09.2021 RM |
|---|------|-----------------------------------|-----------------------------------|
| INVESTMENT INCOME | | | |
| Interest income from financial assets measured at fair value through profit or loss ("FVTPL") | | 2,547,935 | 4,867,441 |
| Interest income from financial assets measured at amortised cost | 4 | 318,761 | 92,394 |
| Dividend income | | 249,086 | 33,635 |
| Net loss on financial assets at fair value through profit or loss ("FVTPL") | 10 | <u>(199,432)</u> | <u>(3,631,467)</u> |
| | | <u>2,916,350</u> | <u>1,362,003</u> |
| EXPENDITURE | | | |
| Management fee | 5 | (159,947) | (751,816) |
| Trustee's fee | 6 | (14,995) | (22,555) |
| Auditors' remuneration | | (1,487) | (1,486) |
| Tax agent's fee | | (655) | (655) |
| Other expenses | | <u>(419)</u> | <u>(1,004)</u> |
| | | <u>(177,503)</u> | <u>(777,516)</u> |
| NET PROFIT BEFORE FINANCE COST AND TAXATION | | | |
| | | 2,738,847 | 584,487 |
| Finance cost | 7 | <u>(1,007,680)</u> | <u>(9,065,043)</u> |
| NET PROFIT/(LOSS) BEFORE TAXATION | | 1,731,167 | (8,480,556) |
| Taxation | 8 | <u>-</u> | <u>-</u> |
| INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>1,731,167</u> | <u>(8,480,556)</u> |
| Increase/(decrease) in net assets attributable to unit holders consists of: | | | |
| Realised amount | | 1,640,261 | (4,131,707) |
| Unrealised amount | | <u>90,906</u> | <u>(4,348,849)</u> |
| | | <u>1,731,167</u> | <u>(8,480,556)</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 SEPTEMBER 2022

| | Note | 30.09.2022 RM | 31.03.2022 RM |
|--|------|--------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | 9 | 38,710,607 | 28,593,217 |
| Amount due from the Manager | | | |
| - management fee rebates | | 6,120 | 6,347 |
| Financial assets at fair value through profit or loss ("FVTPL") | 10 | 341,754,008 | 370,661,785 |
| TOTAL ASSETS | | <u>380,470,735</u> | <u>399,261,349</u> |
| LIABILITIES | | | |
| Amount due to the Manager | | | |
| - management fee | | 51,460 | 55,440 |
| Amount due to the Trustee | | 4,824 | 5,137 |
| Other payables and accruals | | 13,270 | 11,766 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS) | | <u>69,554</u> | <u>72,343</u> |
| NET ASSET VALUE OF THE FUND | | <u>380,401,181</u> | <u>399,189,006</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>380,401,181</u> | <u>399,189,006</u> |
| REPRESENTED BY: | | | |
| FAIR VALUE OF OUTSTANDING UNITS (RM) | | | |
| - Class A | | 985 | 992 |
| - Class B | | 948 | 955 |
| - Class C | | 140 | 24,837,087 |
| - Class D | | 380,399,108 | 374,349,972 |
| | | <u>380,401,181</u> | <u>399,189,006</u> |
| UNITS IN CIRCULATION (UNITS) | | | |
| - Class A | | 1,000 | 1,000 |
| - Class B | | 1,000 | 1,000 |
| - Class C | | 1,000 | 25,083,079 |
| - Class D | | 403,158,480 | 391,818,792 |
| | 11 | <u>403,161,480</u> | <u>416,903,871</u> |

CONDENSED STATEMENT OF FINANCIAL POSITION *(Unaudited)*
AS AT 30 SEPTEMBER 2022

| | 30.09.2022 | 31.03.2022 |
|--------------------------------------|-------------------|-------------------|
| | RM | RM |
| NET ASSET VALUE PER UNIT (RM) | | |
| - Class A | 0.9848 | 0.9925 |
| - Class B | 0.9478 | 0.9549 |
| - Class C | 0.1401 | 0.9902 |
| - Class D | <u>0.9435</u> | <u>0.9554</u> |

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

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS *(Unaudited)*
FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022

| | 01.07.2022 to 30.09.2022 | 01.07.2021 to 30.09.2021 |
|---|-------------------------------------|-------------------------------------|
| | RM | RM |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD | <u>392,792,039</u> | <u>593,780,135</u> |
| Movement due to units created and cancelled during the financial period: | | |
| Creation of units from applications | - | 364,292 |
| Creation of units from distribution | 82,530 | 2,346,035 |
| Cancellation of units | <u>(14,204,555)</u> | <u>(296,826)</u> |
| | <u>(14,122,025)</u> | <u>2,413,501</u> |
| Increase/(decrease) in net assets attributable to unit holders | <u>1,731,167</u> | <u>(8,480,556)</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD* | <u><u>380,401,181</u></u> | <u><u>587,713,080</u></u> |

* During the financial period ended 30 September 2022, net assets attributable to unit holders are classified as financial liabilities. During the financial period ended 30 September 2021, net assets attributable to unit holders are classified as equity as disclosed in note 2(h).

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 FROM 1 JULY 2022 TO 30 SEPTEMBER 2022

| | 01.07.2022 to 30.09.2022 RM | 01.07.2021 to 30.09.2021 RM |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Proceeds from sales of financial assets at FVTPL | 4,864,869 | 31,223,566 |
| Proceeds from redemptions of financial assets at FVTPL | 7,000,000 | 15,000,000 |
| Purchase of financial assets at FVTPL | (15,233,822) | (58,233,689) |
| Interest income received from financial assets measured at FVTPL and amortised cost | 2,830,133 | 5,314,629 |
| Management fee rebates received | 18,704 | 3,804 |
| Management fee paid | (160,195) | (751,998) |
| Trustee's fee paid | (15,019) | (22,560) |
| Payment for other fees and expenses | (419) | (7,258) |
| Net cash used in operating activities | <u>(695,749)</u> | <u>(7,473,506)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from creation of units | - | 364,292 |
| Payments for cancellation of units | (14,204,555) | (296,826) |
| Payment for distribution | (925,150) | (6,719,008) |
| Net cash used in financing activities | <u>(15,129,705)</u> | <u>(6,651,542)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (15,825,454) | (14,125,048) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | <u>54,536,061</u> | <u>27,737,882</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | <u><u>38,710,607</u></u> | <u><u>13,612,834</u></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 FROM 1 JULY 2022 TO 30 SEPTEMBER 2022

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Wholesale Bond Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 21 September 2012 and Supplemental Deeds dated 19 December 2013, 25 March 2015, 4 February 2021 and 9 September 2021 ("the Deeds") between the Manager, Hong Leong Asset Management Bhd and the Trustee, Deutsche Trustees Malaysia Berhad for the unit holders of the Fund.

The Fund aims to provide regular income while maintaining capital stability through investments in fixed income instruments.

The Fund will invest in fixed income instruments which include but are not limited to local and foreign corporate bonds, government and/or government-sponsored bonds, convertible bonds, medium-term notes, commercial papers, money market instruments and cash-equivalents. The Fund commenced operations on 7 October 2013 and will continue its operations until terminated as provided under Part 11 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.

The financial statements were authorised for issue by the Manager on 17 November 2022.

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 March 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 amount due from the Manager 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 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.

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 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.

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

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

Unquoted collective investment schemes are valued at the last published net asset value per unit at the date of the statement of financial position.

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

Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Functional and presentation currency

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

(d) Income recognition

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

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

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

Realised gain or loss on disposal of unquoted collective investment schemes are accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted collective investment schemes, determined on a weighted average cost basis.

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

(e) Cash and cash equivalents

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

(f) Amount due from/to brokers/dealers

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

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

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial period. Withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS137. They are presented within other expenses line in the statement of comprehensive income.

(h) Unit holders' capital

Prior to 29 December 2021, the Fund classified its puttable instruments as equity in accordance with MFRS 132 (Amendment) "Financial Instruments: Presentation". However, the amendment requires puttable financial instruments that meet the definition of equity to be classified as financial liability when certain strict criteria are not met. Those criteria include:

- the puttable instrument must entitle the unit holder to a pro-rate share of net assets;
- the puttable instrument must be the most subordinated class and class features must be identical;
- there must be no contractual obligations to deliver cash or another financial assets other than the obligation on the issuer to repurchase; and
- the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer

These conditions were not met when Class A, Class B, Class C and Class D were issued on 29 December 2021 as Class A, Class B, Class C and Class D do not have identical features.

The Fund issues cancellable units, in four classes of units, known respectively as the Class A, Class B, Class C and Class D, which are cancelled at the unit holder's option, and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unit holders exercises the right to put back the unit to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit of respective classes 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 of respective classes with the total number of outstanding units of respective classes.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Finance cost

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. As a result of the reclassification of units from equity to financial liability, the Fund's distributions are no longer classified as dividend paid in the statement of changes in net assets attributable to unit holders, but rather as finance cost in the statement of comprehensive income.

A proposed distribution is recognised as a financial liability in the period in which it is approved by the Board of Directors of the Manager.

(k) Fair value of financial instruments

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

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

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

| | Financial assets at FVTPL RM | Financial assets/ liabilities at amortised cost RM | Total RM |
|-------------------------------------|---------------------------------------|---|--------------------|
| 30.09.2022 | | | |
| <u>Financial assets</u> | | | |
| Cash and cash equivalents (Note 9) | - | 38,710,607 | 38,710,607 |
| Amount due from the Manager | | | |
| -management fee rebates | - | 6,120 | 6,120 |
| Financial assets at FVTPL (Note 10) | 341,754,008 | - | 341,754,008 |
| | <u>341,754,008</u> | <u>38,716,727</u> | <u>380,470,735</u> |
| <u>Financial liabilities</u> | | | |
| Amount due to the Manager | | | |
| -management fee | - | 51,460 | 51,460 |
| Amount due to the Trustee | - | 4,824 | 4,824 |
| Other payables and accruals | - | 13,270 | 13,270 |
| | - | <u>69,554</u> | <u>69,554</u> |
| 31.03.2022 | | | |
| <u>Financial assets</u> | | | |
| Cash and cash equivalents (Note 9) | - | 28,593,217 | 28,593,217 |
| Amount due from the Manager | | | |
| -management fee rebate | - | 6,347 | 6,347 |
| Financial assets at FVTPL (Note 10) | 370,661,785 | - | 370,661,785 |
| | <u>370,661,785</u> | <u>28,599,564</u> | <u>399,261,349</u> |
| <u>Financial liabilities</u> | | | |
| Amount due to the Manager | | | |
| -management fee | - | 55,440 | 55,440 |
| Amount due to the Trustee | - | 5,137 | 5,137 |
| Other payables and accruals | - | 11,766 | 11,766 |
| | - | <u>72,343</u> | <u>72,343</u> |

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

(l) 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 Fund's 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 Unlisted Capital Market Products under the Lodge and Launch Framework.

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 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 (by class) measured at fair value:

| | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|---|---------------|--------------------|---------------|--------------------|
| 30.09.2022 | | | | |
| <u>Financial assets at FVTPL:</u> | | | | |
| - Unquoted fixed income securities | - | 295,266,591 | - | 295,266,591 |
| - Uncollected collective investment schemes | - | 46,487,417 | - | 46,487,417 |
| | - | <u>341,754,008</u> | - | <u>341,754,008</u> |
| 31.03.2022 | | | | |
| <u>Financial assets at FVTPL</u> | | | | |
| - Unquoted fixed income securities | - | 324,476,511 | - | 324,476,511 |
| - Uncollected collective investment schemes | - | 46,185,274 | - | 46,185,274 |
| | - | <u>370,661,785</u> | - | <u>370,661,785</u> |

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities and unquoted collective investment schemes. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

4. INTEREST INCOME FROM FINANCIAL ASSETS MEASURED AT AMORTISED COST

| | 01.07.2022 to 30.09.2022 RM | 01.07.2021 to 30.09.2021 RM |
|---|-----------------------------------|-----------------------------------|
| Interest income from: | | |
| - Deposits with licensed financial institutions | 318,060 | 88,621 |
| - Auto-sweep facility bank account | <u>701</u> | <u>3,773</u> |
| | <u>318,761</u> | <u>92,394</u> |

5. MANAGEMENT FEE AND MANAGEMENT FEE REBATES

In accordance with Division 12.1 of the Deed, the Manager is entitled to a management fee of up to 1.00% per annum calculated daily based on the net asset value of the Fund.

For the financial period from 1 July 2022 to 30 September 2022, the management fee was recognised at an average rate of 0.16% per annum for Class D. The fee was waived by the Manager for Class A, Class B and Class C.

The management fee was recognised at an average rate of 1.00% for the financial period from 1 July 2021 to 30 September 2021.

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

| | 01.07.2022 to 30.09.2022 | 01.07.2021 to 30.09.2021 |
|--|-------------------------------------|-------------------------------------|
| | % | % |
| <u>Unquoted collective investment schemes:</u> | | |
| - Hong Leong Dana Al-Safa' MYR Class A | 0.16 | 0.45 |
| - Hong Leong Dana Al-Izdihar | - | 0.20 |
| - Hong Leong Islamic Income Management Fund | 0.16 | 0.43 |
| | <u>0.16</u> | <u>0.43</u> |

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

6. TRUSTEE'S FEE

In accordance with Division 12.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.015% (excluding foreign custodian fees and charges) per annum calculated daily based on the net asset value of the Fund.

For the financial period from 1 July 2022 to 30 September 2022, the Trustee's fee is recognised at a rate of 0.015% (01.07.2021 to 30.09.2021: 0.015%) per annum.

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

7. FINANCE COST

Distribution to unit holders are from the following sources:

| | 01.07.2022 to 30.09.2022 | 01.07.2021 to 30.09.2021 |
|---|-------------------------------------|-------------------------------------|
| | RM | RM |
| Prior financial year's realised income | 158,789 | 8,706,152 |
| Interest income from financial assets at FVTPL and amortised cost | 908,112 | - |
| Dividend income | 31,004 | - |
| Net gain on financial assets at FVTPL | - | 358,891 |
| Less: Expenses | (90,225) | - |
| Net distribution amount | <u>1,007,680</u> | <u>9,065,043</u> |

Date of Declaration

Distribution on 15/14 September

| | | |
|---------------------------------------|---------------|---------------|
| Gross/net distribution per unit (sen) | <u>0.2500</u> | <u>1.5000</u> |
|---------------------------------------|---------------|---------------|

Net distribution above is sourced from prior financial year's and current financial period's realised income. Gross distribution is derived using total income less total expenses.

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

The above distribution has been proposed before taking into account the unrealised gain of RM90,906 (01.07.2021 to 30.09.2021: unrealised loss of RM4,348,849) which is carried forward to the next financial period.

8. TAXATION

| | 01.07.2022 to 30.09.2022 | 01.07.2021 to 30.09.2021 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| | RM | RM |
| Tax charge for the financial period: | | |
| Current taxation | <u>-</u> | <u>-</u> |

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

| | 01.07.2022 to 30.09.2022 | 01.07.2021 to 30.09.2021 |
|---|-------------------------------------|-------------------------------------|
| | RM | RM |
| Profit before finance cost and taxation | <u>2,738,847</u> | <u>584,487</u> |
| Taxation at Malaysian statutory rate of 24% (2021: 24%) | 657,323 | 140,277 |
| Tax effects of: | | |
| Investment income not subject to tax | (699,924) | (325,907) |
| Expenses not deductible for tax purposes | 3,848 | 5,736 |
| Restriction on tax deductible expenses for wholesale fund | <u>38,753</u> | <u>179,894</u> |
| Taxation | <u>-</u> | <u>-</u> |

9. CASH AND CASH EQUIVALENTS

| | 30.09.2022 | 31.03.2022 |
|---|-------------------|-------------------|
| | RM | RM |
| Deposits with licensed financial institutions | 38,653,648 | 28,156,350 |
| Cash at banks | <u>56,959</u> | <u>436,867</u> |
| | <u>38,710,607</u> | <u>28,593,217</u> |

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

| | 30.09.2022 | 31.03.2022 |
|---|-------------------|-------------------|
| | % | % |
| Deposits with licensed financial institutions | <u>2.50</u> | <u>1.75</u> |

Deposits with licensed financial institutions have an average remaining maturity of 3 days (31.03.2022: 1 day).

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

| | 30.09.2022 | 31.03.2022 |
|---|----------------------|----------------------|
| | RM | RM |
| <u>Financial assets at FVTPL:</u> | | |
| Unquoted fixed income securities | 295,266,591 | 324,476,511 |
| Unquoted collective investment schemes | <u>46,487,417</u> | <u>46,185,274</u> |
| | <u>341,754,008</u> | <u>370,661,785</u> |
| | 01.07.2022 | 01.07.2021 |
| | to 30.09.2022 | to 30.09.2021 |
| | RM | RM |
| <u>Net loss on financial assets at FVTPL:</u> | | |
| Realised (loss)/gain on disposals | (325,000) | 702,766 |
| Changes in unrealised fair values | 106,830 | (4,338,288) |
| Management fee rebates | <u>18,738</u> | <u>4,055</u> |
| | <u>(199,432)</u> | <u>(3,631,467)</u> |

Financial assets at FVTPL as at 30 September 2022 are as detailed below:

| | Nominal value RM | Aggregate cost RM | Fair value RM | Percentage of net asset value % |
|--|------------------------|-------------------------|---------------------|--|
| UNQUOTED FIXED INCOME SECURITIES | | | | |
| <u>Corporate Sukuk</u> | | | | |
| 4.29% Bakun Hydro Power Generation Sdn Bhd (AAA) 11/08/2023 - IMTN | 5,000,000 | 5,075,011 | 5,055,921 | 1.33 |
| 4.40% CIMB Group Holdings Berhad (AA2) 08/09/2027 08/09/2032 - T2 Sukuk Wakalah S2 T1 | 5,000,000 | 5,013,863 | 4,973,063 | 1.31 |
| 3.60% Digi Telecommunications Sdn Bhd (AAA) 20/09/2029 - IMTN Tranche No 5 | 5,000,000 | 5,070,360 | 4,679,925 | 1.23 |
| 3.20% Imtiaz Sukuk II Berhad (AA2) 07/10/2027 - IMTN | 5,000,000 | 5,077,589 | 4,740,939 | 1.25 |
| 3.75% Kuala Lumpur Kepong Berhad (AA1) 27/09/2029 - IMTN Tranche 1 | 10,000,000 | 10,084,509 | 9,403,610 | 2.47 |
| 4.66% Manjung Island Energy Berhad (AAA) 24/11/2028 - IMTN Series 1 (13) | 5,000,000 | 5,411,774 | 5,088,698 | 1.34 |
| 3.10% Malayan Banking Berhad (AA1) 08/10/2027 08/10/2032 | 6,000,000 | 5,991,157 | 5,697,499 | 1.50 |
| 2.37% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2024 - IMTN Tranche No 4 | 5,000,000 | 5,052,919 | 4,889,569 | 1.28 |
| 2.67% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2026 - IMTN Tranche No 6 | 5,000,000 | 5,059,618 | 4,749,768 | 1.25 |
| 2.76% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2027 - IMTN Tranche No 7 | 5,000,000 | 5,061,627 | 4,685,627 | 1.23 |
| 2.92% Pengerang LNG (TWO) Sdn Bhd (AAA) 19/10/2029 - IMTN Tranche No 9 | 2,600,000 | 2,633,904 | 2,361,710 | 0.62 |
| 4.32% RHB Islamic Bank Berhad (AA2) 21/05/2024 21/05/2029 - Series 3 | 5,000,000 | 5,140,400 | 5,098,873 | 1.34 |
| 5.35% Samalaju Industrial Port Sdn Bhd (AA1) 28/12/2026 - IMTN Issue No 4 | 6,000,000 | 6,458,848 | 6,249,808 | 1.64 |
| 4.75% Sarawak Energy Berhad (AAA) 18/08/2025 - IMTN | 5,000,000 | 5,141,699 | 5,092,130 | 1.34 |
| 4.68% Telekom Malaysia Berhad (AAA) 31/10/2028 - IMTN | 10,000,000 | 10,963,551 | 10,222,540 | 2.69 |
| 2.90% Tenaga Nasional Berhad (AAA) 12/08/2030 - IMTN | 5,000,000 | 5,019,863 | 4,418,663 | 1.16 |
| 4.23% TNB Northern Energy Berhad (AAA) 31/05/2027 | 5,000,000 | 5,281,312 | 5,023,702 | 1.32 |
| 5.44% TNB Western Energy Bhd (AAA) 30/01/2030 - Tranche 12 | 5,000,000 | 5,720,193 | 5,191,293 | 1.36 |
| | 99,600,000 | 103,258,197 | 97,623,338 | 25.66 |
| <u>Private Debt Securities</u> | | | | |
| 3.15% CIMB Group Holdings Berhad (AA) 12/11/2025 12/11/2030 - Tranche 6 | 10,000,000 | 10,122,548 | 9,733,048 | 2.56 |
| 4.88% CIMB Group Holdings Berhad (AA) 13/09/2024 13/09/2029 - Tranche 4 | 3,000,000 | 3,007,220 | 3,046,340 | 0.80 |
| 4.90% CIMB Group Holdings Berhad (AA) 30/11/2022 30/11/2027 - Tranche 2 | 1,000,000 | 1,016,647 | 1,018,966 | 0.27 |
| 3.70% Hong Leong Assurance Berhad (AA3) 28/12/2028 - Sub Notes Tranche 2B | 10,000,000 | 10,096,301 | 9,262,601 | 2.44 |
| 4.30% Hong Leong Financial Group Berhad (AA2) 14/06/2024 14/06/2029 - Tier 2 Sub Notes Tranche 2 | 5,000,000 | 5,146,043 | 5,066,205 | 1.33 |

| | | | | |
|--|---------------------------|----------------------------------|------------------------------|--|
| 4.40% RHB Bank Berhad (AA2) 28/09/2027 28/09/2032 - MTN | 5,000,000 | 5,001,808 | 4,948,008 | 1.30 |
| 4.80% United Overseas Bank (Malaysia) Bhd (AA1) 25/07/2023 25/07/2028 | 2,000,000 | 2,019,558 | 2,033,085 | 0.53 |
| 3.00% United Overseas Bank (Malaysia) Bhd (AA1) 02/08/2025 01/08/2030 - MTN | 5,000,000 | 5,024,246 | 4,833,697 | 1.27 |
| | <u>41,000,000</u> | <u>41,434,371</u> | <u>39,941,950</u> | <u>10.50</u> |
| <u>Malaysian Government Securities</u> | | | | |
| 3.502% Government of Malaysia 31/05/2027 | 10,000,000 | 10,616,667 | 9,869,990 | 2.59 |
| 3.757% Government of Malaysia 22/05/2040 | 40,000,000 | 43,280,173 | 35,299,048 | 9.28 |
| 3.885% Government of Malaysia 15/08/2029 | 50,000,000 | 54,033,712 | 48,873,091 | 12.85 |
| | <u>100,000,000</u> | <u>107,930,552</u> | <u>94,042,129</u> | <u>24.72</u> |
| <u>Government Investment Issues</u> | | | | |
| 3.726% Government of Malaysia 31/03/2026 | 2,000,000 | 2,099,089 | 1,984,205 | 0.52 |
| 4.119% Government of Malaysia 30/11/2034 | 40,000,000 | 45,006,332 | 38,647,302 | 10.16 |
| | <u>42,000,000</u> | <u>47,105,421</u> | <u>40,631,507</u> | <u>10.68</u> |
| <u>Securities Guaranteed by Government of Malaysia</u> | | | | |
| 4.95% Danainfra Nasional Berhad 19/03/2032 - IMTN Tranche No 58 | 10,000,000 | 11,584,382 | 10,228,562 | 2.69 |
| 3.75% Prasarana Malaysia Berhad 23/03/2040 - Sukuk Murabahah S14 | 15,000,000 | 15,418,041 | 12,799,105 | 3.37 |
| | <u>25,000,000</u> | <u>27,002,423</u> | <u>23,027,667</u> | <u>6.06</u> |
| TOTAL UNQUOTED FIXED INCOME SECURITIES | <u>307,600,000</u> | <u>326,730,964</u> | <u>295,266,591</u> | <u>77.62</u> |
| | Quantity units | Aggregate cost RM | Fair value RM | Percentage of net asset value % |
| UNQUOTED COLLECTIVE INVESTMENT SCHEMES | | | | |
| Hong Leong Islamic Income Management Fund | 2,019,100 | 1,031,628 | 995,618 | 0.26 |
| Hong Leong Dana Al-Safa' MYR Class A | 45,840,184 | 45,763,651 | 45,491,799 | 11.96 |
| TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEMES | <u>47,859,284</u> | <u>46,795,279</u> | <u>46,487,417</u> | <u>12.22</u> |
| TOTAL INVESTMENTS | | <u>373,526,243</u> | <u>341,754,008</u> | <u>89.84</u> |
| UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL | | <u>(31,772,235)</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL | | <u>341,754,008</u> | | |

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

| | Nominal value RM | Aggregate cost RM | Fair value RM | Percentage of net asset value % |
|--|------------------------|-------------------------|---------------------|--|
| UNQUOTED FIXED INCOME SECURITIES | | | | |
| <u>Corporate Sukuk</u> | | | | |
| 3.60% Digi Telecommunications Sdn Bhd (AAA) 20/09/2029 - IMTN Tranche No 5 | 5,000,000 | 5,074,441 | 4,843,775 | 1.21 |
| 3.20% Imtiaz Sukuk II Berhad (AA2) 07/10/2027 - IMTN | 5,000,000 | 5,077,151 | 4,846,451 | 1.21 |
| 3.75% Kuala Lumpur Kepong Berhad (AA1) 27/09/2029 - IMTN Tranche 1 | 10,000,000 | 10,084,510 | 9,743,210 | 2.44 |
| 4.66% Manjung Island Energy Berhad (AAA) 24/11/2028 - IMTN Series 1 (13) | 5,000,000 | 5,434,362 | 5,253,221 | 1.32 |
| 3.10% Malayan Banking Berhad (AA1) 08/10/2027 08/10/2032 - IMTN | 6,000,000 | 5,981,867 | 5,822,749 | 1.46 |
| 2.37% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2024 - IMTN Tranche No 4 | 5,000,000 | 5,052,595 | 4,946,545 | 1.24 |
| 2.67% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2026 - IMTN Tranche No 6 | 5,000,000 | 5,059,252 | 4,843,652 | 1.21 |
| 2.76% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2027 - IMTN Tranche No 7 | 5,000,000 | 5,061,249 | 4,781,799 | 1.20 |
| 2.92% Pengerang LNG (TWO) Sdn Bhd (AAA) 19/10/2029 - IMTN Tranche No 9 | 2,600,000 | 2,633,696 | 2,444,156 | 0.61 |
| 5.35% Samalaju Industrial port Sdn Bhd (AA1) 28/12/2026 - IMTN Issue No 4 | 6,000,000 | 6,498,606 | 6,424,788 | 1.61 |
| 4.70% Sepangar Bay Power Corporation Sdn Bhd (AA1) 01/07/2022 - Series 8 | 3,000,000 | 3,052,287 | 3,051,394 | 0.76 |
| 4.68% Telekom Malaysia Berhad (AAA) 31/10/2028 - IMTN | 10,000,000 | 11,018,534 | 10,574,958 | 2.65 |
| 2.90% Tenaga Nasional Berhad (AAA) 12/08/2030 - IMTN | 5,000,000 | 5,018,274 | 4,565,424 | 1.14 |
| 4.23% TNB Northern Energy Berhad (AAA) 31/05/2027 | 5,000,000 | 5,301,428 | 5,134,973 | 1.29 |
| 5.44% TNB Western Energy Berhad (AAA) 30/01/2030 - Tranche 12 | 5,000,000 | 5,717,212 | 5,400,812 | 1.35 |
| | 82,600,000 | 86,065,464 | 82,677,907 | 20.70 |
| <u>Private Debt Securities</u> | | | | |
| 3.15% CIMB Group Holdings Berhad (AA) 12/11/2025 12/11/2030 - Tranche 6 | 10,000,000 | 10,120,822 | 9,913,722 | 2.48 |
| 4.88% CIMB Group Holdings Berhad (AA) 13/09/2024 13/09/2029 - Tranche 4 | 3,000,000 | 3,007,220 | 3,107,180 | 0.78 |
| 4.90% CIMB Group Holdings Berhad (AA) 30/11/2022 30/11/2027 - Tranche 2 | 1,000,000 | 1,016,504 | 1,030,688 | 0.26 |
| 5.00% Eternal Icon Sdn Bhd (AAA) 29/03/2024 31/03/2027 - MTN Senior Class S2 | 5,000,000 | 5,000,685 | 5,117,135 | 1.28 |
| 5.10% Eternal Icon Sdn Bhd (AAA) 31/03/2025 31/03/2028 - MTN Senior Class S3 | 10,000,000 | 10,001,397 | 10,286,097 | 2.58 |
| 3.70% Hong Leong Assurance (AA3) 28/12/2028 - Sub Notes Tranche 2B | 10,000,000 | 10,095,288 | 9,487,288 | 2.38 |
| 4.30% Hong Leong Financial Group Berhad (AA2) 14/06/2024 14/06/2029 - Tier 2 Sub Notes Tranche 2 | 5,000,000 | 5,168,750 | 5,151,916 | 1.29 |
| 4.82% RHB Bank Berhad (AA3) 27/09/2022 27/09/2027 - MTN | 4,000,000 | 4,022,731 | 4,043,073 | 1.01 |

| | | | | |
|---|--------------------|--------------------|--------------------|---------------------|
| 4.80% United Overseas Bank (Malaysia) Berhad (AA1) 25/07/2023 25/07/2028 | 2,000,000 | 2,020,110 | 2,062,499 | 0.52 |
| 3.00% United Overseas Bank (Malaysia) Berhad (AA1) 01/08/2025 02/08/2030 - MTN | 5,000,000 | 5,023,425 | 4,925,225 | 1.23 |
| | 55,000,000 | 55,476,932 | 55,124,823 | 13.81 |
| Malaysian Government Securities | | | | |
| 3.502% Government of Malaysia 31/05/2027 | 10,000,000 | 10,666,781 | 10,087,375 | 2.53 |
| 3.757% Government of Malaysia 22/05/2040 | 50,000,000 | 54,172,549 | 46,474,599 | 11.64 |
| 3.885% Government of Malaysia 15/08/2029 | 50,000,000 | 54,278,300 | 50,241,471 | 12.59 |
| | 110,000,000 | 119,117,630 | 106,803,445 | 26.76 |
| Government Investment Issues | | | | |
| 3.726% Government of Malaysia 31/03/2026 | 2,000,000 | 2,112,605 | 2,022,204 | 0.51 |
| 4.119% Government of Malaysia 30/11/2034 | 40,000,000 | 45,155,457 | 39,852,218 | 9.98 |
| | 42,000,000 | 47,268,062 | 41,874,422 | 10.49 |
| Securities Guaranteed by Government of Malaysia | | | | |
| 4.95% Danainfra Nasional Berhad 19/03/2032 - IMTN Tranche No 58 | 10,000,000 | 11,656,611 | 10,646,318 | 2.67 |
| 3.06% Prasarana Malaysia Berhad 10/07/2029 - Sukuk Murabahah S15 | 5,000,000 | 5,033,953 | 4,741,353 | 1.19 |
| 3.75% Prasarana Malaysia Berhad 23/03/2040 - Sukuk Murabahah S14 | 20,000,000 | 20,574,730 | 17,902,638 | 4.48 |
| 2.58% PR1MA Corporation Malaysia 30/07/2027 - IMTN | 5,000,000 | 5,021,205 | 4,705,605 | 1.18 |
| | 40,000,000 | 42,286,499 | 37,995,914 | 9.52 |
| TOTAL UNQUOTED FIXED INCOME SECURITIES | 329,600,000 | 350,214,587 | 324,476,511 | 81.28 |
| | Quantity | Aggregate | Fair | Percentage |
| | units | cost | value | of net asset |
| | | RM | RM | value |
| | | | | % |
| UNQUOTED COLLECTIVE INVESTMENT SCHEMES | | | | |
| Hong Leong Islamic Income Management Fund | 1,999,521 | 1,021,951 | 995,361 | 0.25 |
| Hong Leong Dana Al-Safa' MYR Class A | 45,389,627 | 45,315,645 | 45,189,913 | 11.32 |
| TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEMES | 47,389,148 | 46,337,596 | 46,185,274 | 11.57 |

| | Aggregate cost RM | Fair value RM | Percentage of net asset value % |
|--|----------------------------|---------------------------|--|
| TOTAL INVESTMENTS | 396,552,183 | <u>370,661,785</u> | <u>92.85</u> |
| UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL | <u>(25,890,398)</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL | | <u>370,661,785</u> | |

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

11. UNITS IN CIRCULATION

| | 01.04.2022 to 30.09.2022 No. of units | 01.04.2021 to 31.03.2022 No. of units |
|--|---|---|
| Class A (i) | 1,000 | 1,000 |
| Class B (ii) | 1,000 | 1,000 |
| Class C (iii) | 1,000 | 25,083,079 |
| Class D (iv) | 403,158,480 | 391,818,792 |
| | <u>403,161,480</u> | <u>416,903,871</u> |
| (i) <u>Class A</u> | | |
| At the beginning of the financial period/year | 1,000 | - |
| Add: Creation of units during the financial period/year | | |
| - Arising from applications | - | 1,000 |
| At the end of the financial period/year | <u>1,000</u> | <u>1,000</u> |
| (ii) <u>Class B</u> | | |
| At the beginning of the financial period/year | 1,000 | 395,712 |
| Add: Creation of units during the financial period/year | | |
| - Arising from applications | - | 253,908 |
| - Arising from distributions | - | 6,196 |
| Less: Cancellation of units during the financial period/year | - | (654,816) |
| At the end of the financial period/year | <u>1,000</u> | <u>1,000</u> |
| (iii) <u>Class C</u> | | |
| At the beginning of the financial period/year | 25,083,079 | - |
| Add: Creation of units during the financial period/year | | |
| - Arising from applications | - | 25,033,050 |
| - Arising from distributions | - | 50,029 |
| Less: Cancellation of units during the financial period/year | (25,082,079) | - |
| At the end of the financial period/year | <u>1,000</u> | <u>25,083,079</u> |
| (iv) <u>Class D</u> | | |
| At the beginning of the financial period/year | 391,818,792 | 644,364,477 |
| Add: Creation of units during the financial period/year | | |
| - Arising from applications | 25,996,654 | 204,760,625 |
| - Arising from distributions | 104,080 | 4,496,456 |
| Less: Cancellation of units during the financial period/year | (14,761,046) | (461,802,766) |
| At the end of the financial period/year | <u>403,158,480</u> | <u>391,818,792</u> |

12. 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 |

Units held by the Manager and related parties of the Manager

| | 30.09.2022 | | 31.03.2022 | |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | Units | RM | Units | RM |
| Hong Leong Bank Berhad | | | | |
| - Class D | 228,760,107 | 215,835,161 | 228,760,107 | 218,557,406 |
| Hong Leong Asset Management Bhd | | | | |
| - Class A | 1,000 | 985 | 1,000 | 992 |
| - Class B | 1,000 | 948 | 1,000 | 955 |
| - Class C | 1,000 | 140 | 1,000 | 990 |
| | <u>228,763,107</u> | <u>215,837,234</u> | <u>228,763,107</u> | <u>218,560,343</u> |

The above units were transacted at the prevailing market price.

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.

| | 30.09.2022 | 31.03.2022 |
|--|----------------------|----------------------|
| | RM | RM |
| <u>Related party balances</u> | | |
| Deposits with licensed financial institution: | | |
| - Hong Leong Investment Bank Berhad | 38,653,648 | 28,156,350 |
| Cash at bank | | |
| - Hong Leong Bank Berhad | 4,678 | 4,641 |
| | <u>38,658,326</u> | <u>28,160,991</u> |
| | 01.07.2022 | 01.07.2021 |
| | to 30.09.2022 | to 30.09.2021 |
| | RM | RM |
| <u>Related party transactions</u> | | |
| Interest income from deposits with licensed financial institutions: | | |
| - Hong Leong Investment Bank Berhad | <u>318,060</u> | <u>-</u> |
| Interest income from auto-sweep facility bank account: | | |
| - Hong Leong Bank Berhad | <u>88</u> | <u>981</u> |
| Dividend income from unquoted collective investment schemes managed by the Manager | <u>249,086</u> | <u>33,635</u> |
| Purchase of unquoted collective investment schemes: | | |
| - Hong Leong Asset Management Bhd | <u>-</u> | <u>5,000,000</u> |
| Purchase of unquoted fixed income securities: | | |
| - Hong Leong Bank Berhad | <u>5,233,822</u> | <u>5,681,442</u> |
| Disposal of unquoted fixed income securities: | | |
| - Hong Leong Bank Berhad | <u>4,686,737</u> | <u>20,713,999</u> |

Performance Data

| | | Financial Period |
|-----------|--|--|
| | | 30/06/22– 30/09/22 |
| | | % |
| A. | (i) Portfolio Compositions: | |
| | Corporate Bonds | 42.22 |
| | Government Securities | 35.40 |
| | Collective Investment Schemes | 12.22 |
| | Deposits & Cash Equivalents | 10.16 |
| (ii) | Total Net Asset Values (ex-distribution) | Class D RM 380,399,108 Class B RM 948 Class C RM 140 Class A RM 985 |
| (iii) | Net Asset Value Per Unit (ex-distribution) | Class D RM 0.9435 Class B RM0.9478 Class C RM0.1401 Class A RM0.9848 |
| | Units in Circulations (ex-distribution) | Class D 403,158,480 Class B 1,000 Class C 1,000 Class A 1,000 |
| (iv) | Highest/Lowest NAV Per Unit (ex-distribution) | Class D: Highest NAV Per Unit RM0.9627 Lowest NAV Per Unit RM0.9386 Class B: Highest NAV Per Unit RM0.9641 Lowest NAV Per Unit RM0.9410 Class C: Highest NAV Per Unit RM0.1423 Lowest NAV Per Unit RM0.1388 Class A: Highest NAV Per Unit RM1.0018 Lowest NAV Per Unit RM0.9778 |
| (v) | Total Return of the Fund* | Class D 0.62% |
| | - Capital Growth | Class D 0.36% |
| | - Income Distribution | Class D 0.26% |

| Financial Period 31/03/22– 30/06/22 % | Financial Year 31/03/21– 31/03/22 % | Financial Year 31/03/20– 31/03/21 % | Financial Year 31/03/19– 31/03/20 % |
|--|--|--|--|
| 40.15 | 44.03 | 59.61 | 51.66 |
| 34.19 | 37.25 | 37.12 | 1.69 |
| 11.79 | 11.57 | 0.79 | – |
| 13.87 | 7.15 | 2.48 | 46.65 |
| RM392,789,982 | RM374,349,972 | RM629,845,309 | RM808,983,998 |
| RM941 | RM955 | RM386,796 | – |
| RM139 | RM24,837,087 | – | – |
| RM977 | RM992 | – | – |
| RM0.9401 | RM0.9554 | RM0.9775 | RM1.0319 |
| RM0.9408 | RM0.9549 | RM0.9775 | – |
| RM0.1388 | RM0.9902 | – | – |
| RM0.9776 | RM0.9925 | – | – |
| 417,833,189 | 391,818,792 | 644,364,477 | 783,974,352 |
| 1,000 | 1,000 | 395,712 | – |
| 1,000 | 25,083,079 | – | – |
| 1,000 | 1,000 | – | – |
| RM0.9560 | RM0.9922 | RM1.0531 | RM1.0571 |
| RM0.9264 | RM0.9524 | RM0.9739 | RM1.0284 |
| RM0.9555 | RM0.9922 | RM1.0531 | RM1.0571 |
| RM0.9262 | RM0.9519 | RM0.9739 | RM1.0284 |
| RM0.9908 | RM1.0042^ | – | – |
| RM0.1367 | RM0.9871^ | – | – |
| RM0.9931 | RM1.0045^ | – | – |
| RM0.9625 | RM0.9894^ | – | – |
| -1.55% | 0.88% | -1.01% | 4.75% |
| -1.60% | -2.26% | -5.27% | 0.23% |
| 0.05% | 3.14% | 4.26% | 4.52% |

Performance Data

| | | Financial Period 30/06/22– 30/09/22 % |
|--|---------|--|
| Total Return of the Fund* | Class B | 0.74% |
| - Capital Growth | Class B | 0.74% |
| - Income Distribution | Class B | 0.00% |
| Total Return of the Fund* | Class C | 0.94% |
| - Capital Growth | Class C | 0.94% |
| - Income Distribution | Class C | 0.00% |
| Total Return of the Fund* | Class A | 0.74% |
| - Capital Growth | Class A | 0.74% |
| - Income Distribution | Class A | 0.00% |
| (vi) The distribution (gross) is made out of:- Class D | | |
| -The Fund's Capital | | 0.0000 sen/unit |
| -The Fund's Income | | 0.2500 sen/unit |
| -Total Distribution Amount | | 0.2500 sen/unit |
| -The Fund's Capital (% of Total Distribution Amount) | | 0% |
| -The Fund's Income (% of Total Distribution Amount) | | 100% |
| The distribution (gross) is made out of:- Class B | | |
| -The Fund's Capital | | 0.0000 sen/unit |
| -The Fund's Income | | 0.0000 sen/unit |
| -Total Distribution Amount | | 0.0000 sen/unit |
| -The Fund's Capital (% of Total Distribution Amount) | | 0% |
| -The Fund's Income (% of Total Distribution Amount) | | 0% |
| The distribution (gross) is made out of:- Class C | | |
| -The Fund's Capital | | 0.0000 sen/unit |
| -The Fund's Income | | 0.0000 sen/unit |
| -Total Distribution Amount | | 0.0000 sen/unit |
| -The Fund's Capital (% of Total Distribution Amount) | | 0% |
| -The Fund's Income (% of Total Distribution Amount) | | 0% |
| The distribution (gross) is made out of:- Class A | | |
| -The Fund's Capital | | 0.0000 sen/unit |
| -The Fund's Income | | 0.0000 sen/unit |
| -Total Distribution Amount | | 0.0000 sen/unit |
| -The Fund's Capital (% of Total Distribution Amount) | | 0% |
| -The Fund's Income (% of Total Distribution Amount) | | 0% |

| Financial Period 31/03/22– 30/06/22 % | Financial Year 31/03/21– 31/03/22 % | Financial Year 31/03/20– 31/03/21 % | Financial Year 31/03/19– 31/03/20 % |
|--|--|--|--|
| -1.48% | 0.82% | -1.01% | 4.75% |
| -1.48% | -2.31% | -5.27% | 0.23% |
| 0.00% | 3.13% | 4.26% | 4.52% |
| -85.98% | -0.78%^ | – | – |
| -85.98% | -0.98%^ | – | – |
| 0.00% | 0.20%^ | – | – |
| -1.50% | -0.75%^ | – | – |
| -1.50% | -0.75%^ | – | – |
| 0.00% | 0.00%^ | – | – |
| 0.0500 sen/unit | 2.2100 sen/unit | 4.5000 sen/unit | 0.0000 sen/unit |
| 0.0000 sen/unit | 0.8900 sen/unit | 0.0000 sen/unit | 4.6000 sen/unit |
| 0.0500 sen/unit | 3.1000 sen/unit | 4.5000 sen/unit | 4.6000 sen/unit |
| 100% | 71% | 100% | 0% |
| 0% | 29% | 0% | 100% |
| 0.0000 sen/unit | 2.2600 sen/unit | 4.5000 sen/unit | 0.0000 sen/unit |
| 0.0000 sen/unit | 0.8400 sen/unit | 0.0000 sen/unit | 4.6000 sen/unit |
| 0.0000 sen/unit | 3.1000 sen/unit | 4.5000 sen/unit | 4.6000 sen/unit |
| 0% | 73% | 100% | 0% |
| 0% | 27% | 0% | 100% |
| 0.0000 sen/unit | 0.2000 sen/unit^ | – | – |
| 0.0000 sen/unit | 0.0000 sen/unit^ | – | – |
| 0.0000 sen/unit | 0.2000 sen/unit^ | – | – |
| 0% | 100%^ | – | – |
| 0% | 0%^ | – | – |
| 0.0000 sen/unit | 0.0000 sen/unit^ | – | – |
| 0.0000 sen/unit | 0.0000 sen/unit^ | – | – |
| 0.0000 sen/unit | 0.0000 sen/unit^ | – | – |
| 0% | 0%^ | – | – |
| 0% | 0%^ | – | – |

Performance Data

Financial Period
30/06/22–
30/09/22
%

(vii) Distribution Per Unit
 Class D

| | |
|---------------------------|------------------------|
| Additional Units | – |
| Distribution (Gross) | 0.2500 sen/unit |
| Distribution (Net) | 0.2500 sen/unit |
| Distribution Date | 15/09/2022 |
| Cum-Distribution NAV/Unit | RM0.9589 |
| EX-Distribution NAV/Unit | RM0.9564 |

| | |
|---------------------------|---|
| Additional Units | – |
| Distribution (Gross) | – |
| Distribution (Net) | – |
| Distribution Date | – |
| Cum-Distribution NAV/Unit | – |
| EX-Distribution NAV/Unit | – |

| | |
|---------------------------|---|
| Additional Units | – |
| Distribution (Gross) | – |
| Distribution (Net) | – |
| Distribution Date | – |
| Cum-Distribution NAV/Unit | – |
| EX-Distribution NAV/Unit | – |

| | |
|---------------------------|---|
| Additional Units | – |
| Distribution (Gross) | – |
| Distribution (Net) | – |
| Distribution Date | – |
| Cum-Distribution NAV/Unit | – |
| EX-Distribution NAV/Unit | – |

Class B

| | |
|---------------------------|---|
| Additional Units | – |
| Distribution (Gross) | – |
| Distribution (Net) | – |
| Distribution Date | – |
| Cum-Distribution NAV/Unit | – |
| EX-Distribution NAV/Unit | – |

| | |
|---------------------------|---|
| Additional Units | – |
| Distribution (Gross) | – |
| Distribution (Net) | – |
| Distribution Date | – |
| Cum-Distribution NAV/Unit | – |
| EX-Distribution NAV/Unit | – |

| Financial Period 31/03/22– 30/06/22 % | Financial Year 31/03/21– 31/03/22 % | Financial Year 31/03/20– 31/03/21 % | Financial Year 31/03/19– 31/03/20 % |
|--|--|--|--|
| – | – | – | – |
| 0.0500 sen/unit | 1.0000 sen/unit | 1.2000 sen/unit | 1.1000 sen/unit |
| 0.0500 sen/unit | 1.0000 sen/unit | 1.2000 sen/unit | 1.1000 sen/unit |
| 15/06/2022 | 15/06/2021 | 16/06/2020 | 18/06/2019 |
| RM0.9372 | RM0.9902 | RM1.0478 | RM1.0438 |
| RM0.9376 | RM0.9802 | RM1.0358 | RM1.0328 |
| – | – | – | – |
| – | 1.5000 sen/unit | 1.2000 sen/unit | 1.1000 sen/unit |
| – | 1.5000 sen/unit | 1.2000 sen/unit | 1.1000 sen/unit |
| – | 14/09/2021 | 15/09/2020 | 17/09/2019 |
| – | RM0.9908 | RM1.0458 | RM1.0564 |
| – | RM0.9758 | RM1.0338 | RM1.0454 |
| – | – | – | – |
| – | 0.2000 sen/unit | 1.1000 sen/unit | 1.3000 sen/unit |
| – | 0.2000 sen/unit | 1.1000 sen/unit | 1.3000 sen/unit |
| – | 14/12/2021 | 15/12/2020 | 17/12/2019 |
| – | RM0.9680 | RM1.0287 | RM1.0486 |
| – | RM0.9660 | RM1.0177 | RM1.0356 |
| – | – | – | – |
| – | 0.4000 sen/unit | 1.0000 sen/unit | 1.1000 sen/unit |
| – | 0.4000 sen/unit | 1.0000 sen/unit | 1.1000 sen/unit |
| – | 15/03/2022 | 16/03/2021 | 17/03/2020 |
| – | RM0.9697 | RM0.9855 | RM1.0505 |
| – | RM0.9657 | RM0.9755 | RM1.0395 |
| – | – | – | – |
| – | 1.0000 sen/unit | 1.2000 sen/unit | 1.1000 sen/unit |
| – | 1.0000 sen/unit | 1.2000 sen/unit | 1.1000 sen/unit |
| – | 15/06/2021 | 16/06/2020 | 18/06/2019 |
| – | RM0.9902 | RM1.0478 | RM1.0438 |
| – | RM0.9802 | RM1.0358 | RM1.0328 |
| – | – | – | – |
| – | 1.5000 sen/unit | 1.2000 sen/unit | 1.1000 sen/unit |
| – | 1.5000 sen/unit | 1.2000 sen/unit | 1.1000 sen/unit |
| – | 14/09/2021 | 15/09/2020 | 17/09/2019 |
| – | RM0.9908 | RM1.0458 | RM1.0564 |
| – | RM0.9758 | RM1.0338 | RM1.0454 |

Performance Data

| | | Financial Period |
|-----------|--|-----------------------|
| | | 30/06/22– 30/09/22 |
| | | % |
| | Additional Units | – |
| | Distribution (Gross) | – |
| | Distribution (Net) | – |
| | Distribution Date | – |
| | Cum-Distribution NAV/Unit | – |
| | EX-Distribution NAV/Unit | – |
| | Additional Units | – |
| | Distribution (Gross) | – |
| | Distribution (Net) | – |
| | Distribution Date | – |
| | Cum-Distribution NAV/Unit | – |
| | EX-Distribution NAV/Unit | – |
| Class C | Additional Units | – |
| | Distribution (Gross) | – |
| | Distribution (Net) | – |
| | Distribution Date | – |
| | Cum-Distribution NAV/Unit | – |
| | EX-Distribution NAV/Unit | – |
| Class A | Additional Units | – |
| | Distribution (Gross) | – |
| | Distribution (Net) | – |
| | Distribution Date | – |
| | Cum-Distribution NAV/Unit | – |
| | EX-Distribution NAV/Unit | – |
| B. | Average Total Return, NAV Per Unit-to NAV | |
| | Per Unit basis (as at 30/09/2022)* | |
| | Class D: | |
| | (i) One Year | -1.68 % |
| | (ii) Three Years | 0.03 % |
| | (iii) Five Years | 2.30 % |

| Financial Period 31/03/22– 30/06/22 % | Financial Year 31/03/21– 31/03/22 % | Financial Year 31/03/20– 31/03/21 % | Financial Year 31/03/19– 31/03/20 % |
|--|--|--|--|
| – | – | – | – |
| – | 0.2000 sen/unit | 1.1000 sen/unit | 1.3000 sen/unit |
| – | 0.2000 sen/unit | 1.1000 sen/unit | 1.3000 sen/unit |
| – | 14/12/2021 | 15/12/2020 | 17/12/2019 |
| – | RM0.9680 | RM1.0287 | RM1.0486 |
| – | RM0.9660 | RM1.0177 | RM1.0356 |
| – | – | – | – |
| – | 0.4000 sen/unit | 1.0000 sen/unit | 1.1000 sen/unit |
| – | 0.4000 sen/unit | 1.0000 sen/unit | 1.1000 sen/unit |
| – | 15/03/2022 | 16/03/2021 | 17/03/2020 |
| – | RM0.9696 | RM0.9855 | RM1.0505 |
| – | RM0.9656 | RM0.9755 | RM1.0395 |
| – | – | – | – |
| – | 0.2000 sen/unit | – | – |
| – | 0.2000 sen/unit | – | – |
| – | 15/03/2022 | – | – |
| – | RM1.0029 | – | – |
| – | RM1.0009 | – | – |
| – | – | – | – |
| – | – | – | – |
| – | – | – | – |
| – | – | – | – |
| – | – | – | – |
| – | – | – | – |
| – | – | – | – |

Performance Data

| | Financial Period 30/06/22– 30/09/22 % |
|------------------|--|
| Class B: | |
| (i) One Year | -1.54 % |
| (ii) Three Years | 0.08 % |
| (iii) Five Years | 2.34 % |
| Class C: | |
| (i) One Year | – |
| (ii) Three Years | – |
| (iii) Five Years | – |
| Class A: | |
| (i) One Year | – |
| (ii) Three Years | – |
| (iii) Five Years | – |

* Source: Lipper For Investment Management

(Returns are calculated after adjusting for distributions and/or additional units, if any)

^ (29/12/2021-31/03/2022)

| Financial Period | Financial Year | Financial Year | Financial Year |
|-------------------------|-----------------------|-----------------------|-----------------------|
| 31/03/22– | 31/03/21– | 31/03/20– | 31/03/19– |
| 30/06/22 | 31/03/22 | 31/03/21 | 31/03/20 |
| % | % | % | % |

Corporate Information

Manager

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

Registered Office

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

Business Office

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

Board of Directors

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

Executive Director / Chief Executive Officer

Mr. Hoo See Kheng

Trustee

Deutsche Trustees Malaysia Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Corporate Directory

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