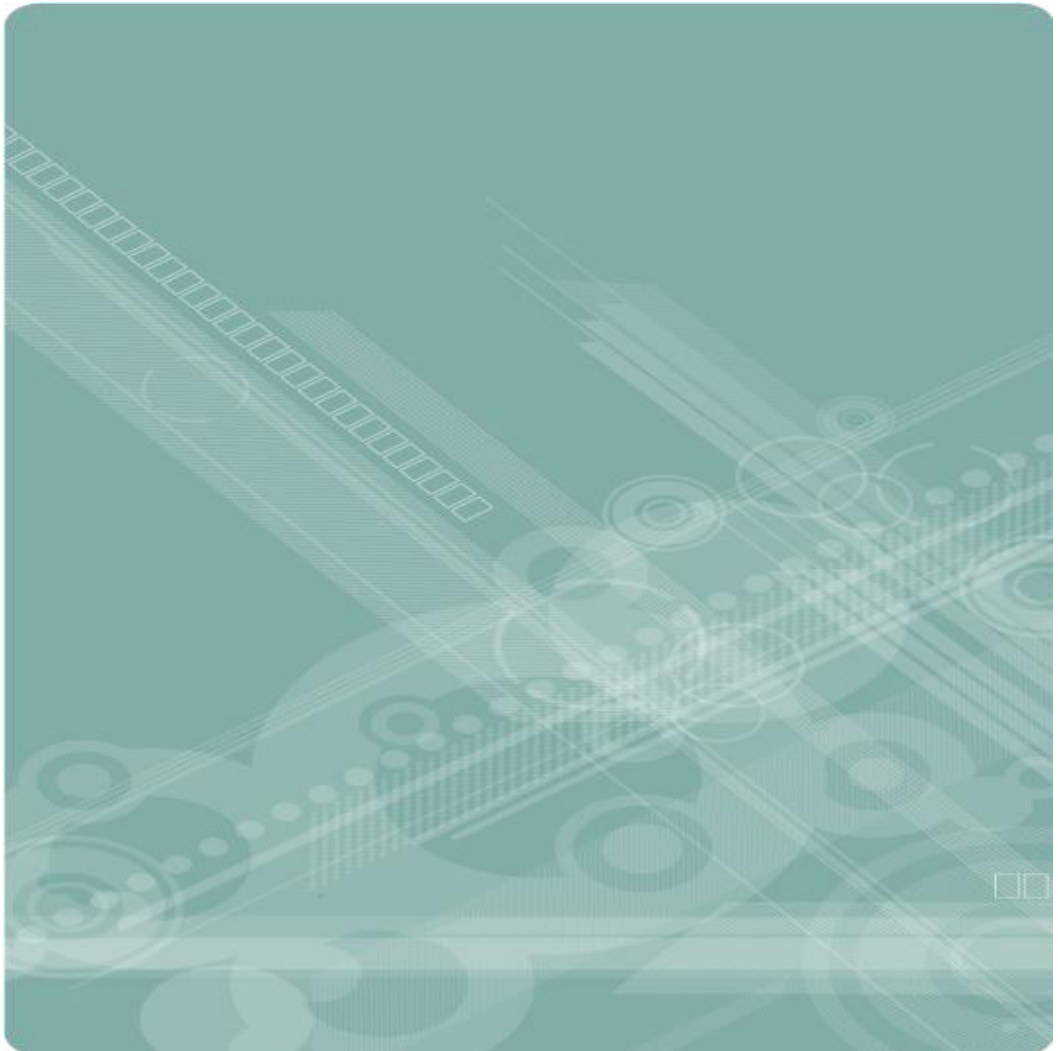


Hong Leong Wholesale Bond Fund

Annual Report
Financial Year Ended 31 March 2022

2021/2022
Audited



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.

Breakdown of Unitholdings By Size

Hong Leong Wholesale Bond Fund Class D

Size of Holdings	No. of Unitholders	No. of Units Held
5,000 and below	0	0.00
5,001 to 10,000	0	0.00
10,001 to 50,000	0	0.00
50,001 to 500,000	2	354,570.35
500,001 and above	6	391,464,222.28

Excluding units held by the Manager.

Hong Leong Wholesale Bond Fund Class B

Size of Holdings	No. of Unitholders	No. of Units Held
5,000 and below	0	0.00
5,001 to 10,000	0	0.00
10,001 to 50,000	0	0.00
50,001 to 500,000	0	0.00
500,001 and above	0	0.00

Excluding units held by the Manager.

Hong Leong Wholesale Bond Fund Class C

Size of Holdings	No. of Unitholders	No. of Units Held
5,000 and below	0	0.00
5,001 to 10,000	0	0.00
10,001 to 50,000	0	0.00
50,001 to 500,000	0	0.00
500,001 and above	2	25,082,078.78

Excluding units held by the Manager.

Hong Leong Wholesale Bond Fund Class A

Size of Holdings	No. of Unitholders	No. of Units Held
5,000 and below	0	0.00
5,001 to 10,000	0	0.00
10,001 to 50,000	0	0.00
50,001 to 500,000	0	0.00
500,001 and above	0	0.00

Excluding units held by the Manager.

Notes:

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

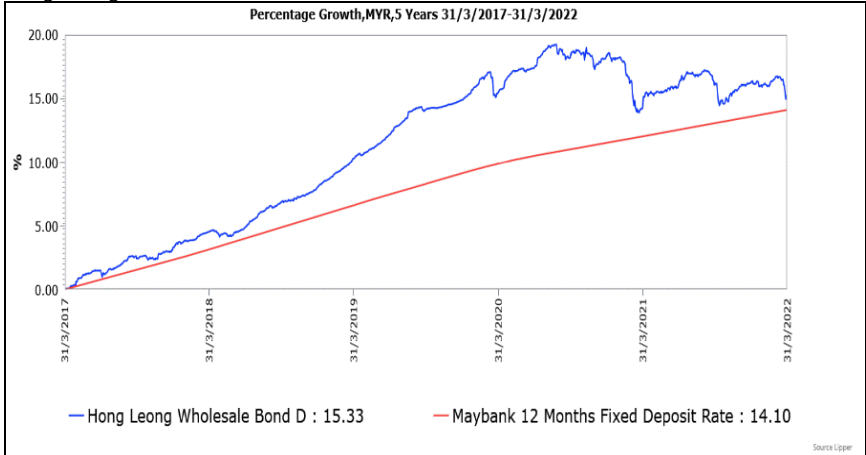
² Please take note that this Fund is not a capital guaranteed or capital protected fund and returns are not guaranteed.

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

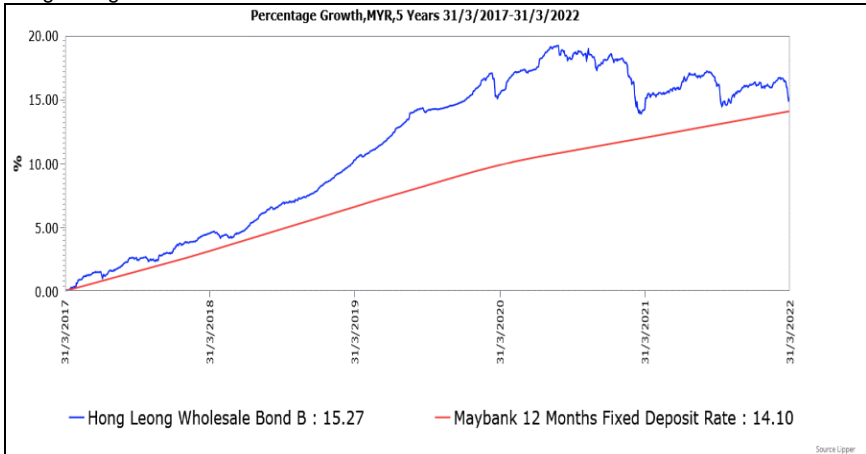
Chart 1: Performance of the Fund versus the benchmark

Hong Leong Wholesale Bond Fund Class D



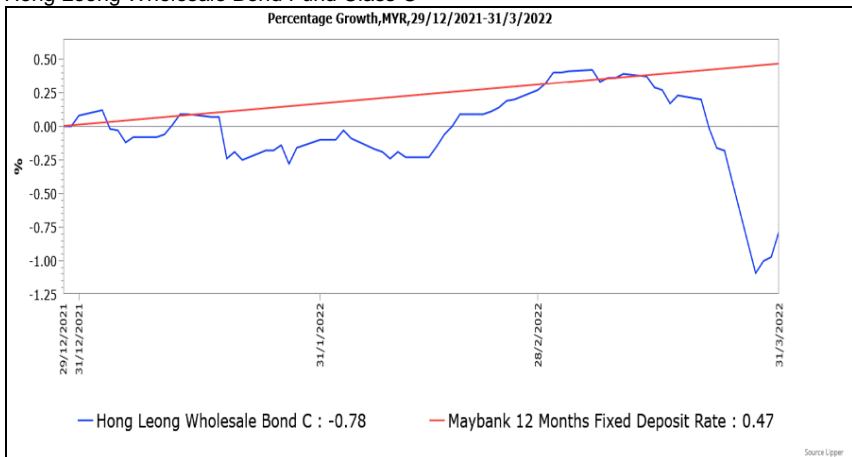
Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLWBoF Class D reinvested.

Hong Leong Wholesale Bond Fund Class B



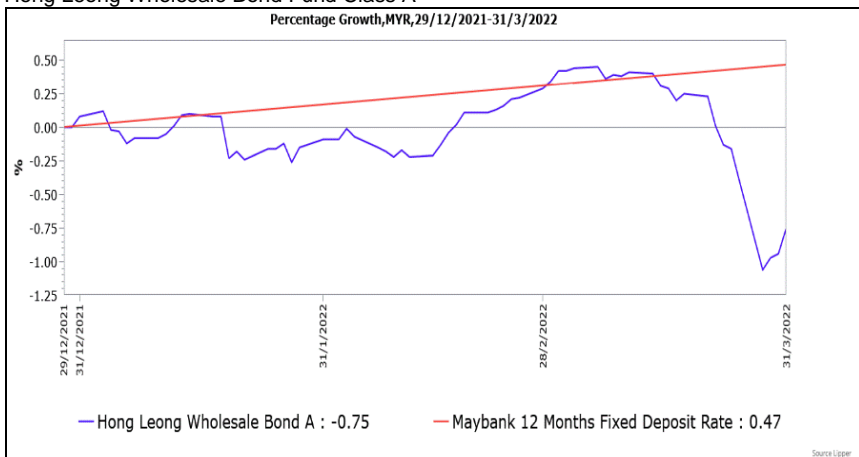
Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLWBoF Class B reinvested.

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 Annual Report covers the twelve-month financial year from 1 April 2021 to 31 March 2022.

For Hong Leong Wholesale Bond Fund Class D, the Fund posted a return of 0.88% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the Maybank 12 Months Fixed Deposit Rate has registered a return of 1.85%. During the financial year under review, the Fund has distributed 4 times of income distributions to its Unitholders. Unitholders should note that income distributions have the effect of reducing the Net Asset Value (NAV) per unit of the Fund after distributions. For a full description of the income distributions, cum-distributions and ex-distributions NAV per unit of the Fund, kindly refer to section entitled 'Performance Data' at page 46-55. For the five financial years ended 31 March 2022, the Fund posted a return of 15.33% compared to the benchmark's return of 14.10% while distributing a total gross income of 21.20 sen per unit (net income of 21.20 sen per unit).

For Hong Leong Wholesale Bond Fund Class B, the Fund posted a return of 0.82% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 1.85%. During the financial year under review, the Fund has distributed 4 times of income distributions to its Unitholders. Unitholders should note that income distributions have the effect of reducing the NAV per unit of the Fund after distributions. For a full description of the income distributions, cum-distributions and ex-distributions NAV per unit of the Fund, kindly refer to section entitled 'Performance Data' at page 46-55. For the five financial years ended 31 March 2022, the Fund posted a return of 15.27% compared to the benchmark's return of 14.10% while distributing a total gross income of 21.20 sen per unit (net income of 21.20 sen per unit).

For Hong Leong Wholesale Bond Fund Class C, the Fund posted a return of -0.78% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) since 29 December 2021 while its benchmark the Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 0.47%. The Fund had distributed gross income distribution of 0.20 sen per unit (net income distribution of 0.20 sen per unit) on 15 March 2022. Prior to the income distribution, the cum-distribution NAV per unit of the Fund was RM1.0029 while the ex-distribution NAV per unit was RM1.0009.

For Hong Leong Wholesale Bond Fund Class A, the Fund posted a return of -0.75% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) since 29 December 2021 while its benchmark the Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 0.47%.

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 31 March 2022
(Source: Lipper For Investment Management)**

	31/12/21– 31/03/22 3 Months	30/09/21– 31/03/22 6 Months	31/03/21– 31/03/22 1 Year	31/03/19– 31/03/22 3 Years	31/03/17– 31/03/22 5 Years	07/10/13– 31/03/22 Since Launch
HLWBoF Class D (%)	-0.86	-0.75	0.88	4.60	15.33	31.13
Benchmark (%)	0.46	0.92	1.85	7.04	14.10	27.42

	31/12/21– 31/03/22 3 Months	30/09/21– 31/03/22 6 Months	31/03/21– 31/03/22 1 Year	31/03/19– 31/03/22 3 Years	31/03/17– 31/03/22 5 Years	07/10/13– 31/03/22 Since Launch
HLWBoF Class B (%)	-0.91	-0.80	0.82	4.55	15.27	31.06
Benchmark (%)	0.46	0.92	1.85	7.04	14.10	27.42

	31/12/21– 31/03/22 3 Months	30/09/21– 31/03/22 6 Months	31/03/21– 31/03/22 1 Year	31/03/19– 31/03/22 3 Years	31/03/17– 31/03/22 5 Years	29/12/21– 31/03/22 Since 29/12/21
HLWBoF Class C (%)	-0.86	-	-	-	-	-0.78
Benchmark (%)	0.46	-	-	-	-	0.47

	31/12/21– 31/03/22 3 Months	30/09/21– 31/03/22 6 Months	31/03/21– 31/03/22 1 Year	31/03/19– 31/03/22 3 Years	31/03/17– 31/03/22 5 Years	29/12/21– 31/03/22 Since 29/12/21
HLWBoF Class A (%)	-0.83	-	-	-	-	-0.75
Benchmark (%)	0.46	-	-	-	-	0.47

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 March 2021 to 31 March 2022 (Source: Lipper For Investment Management)

HLWBoF Class D	31-Mar-22	31-Mar-21	Return (%)
NAV Per Unit	RM0.9554	RM0.9775	0.88#
Benchmark	1.85%	1.85%	1.85
vs Benchmark (%)	-	-	-0.97

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

HLWBoF Class B	31-Mar-22	31-Mar-21	Return (%)
NAV Per Unit	RM0.9549	RM0.9775	0.82#
Benchmark	1.85%	1.85%	1.85
vs Benchmark (%)	-	-	-1.03

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

HLWBoF Class C	31-Mar-22	29-Dec-21	Return (%)
NAV Per Unit	RM0.9902	RM1.0000	-0.78#
Benchmark	1.85%	1.85%	0.47
vs Benchmark (%)	-	-	-1.25

Return is calculated after adjusting for income distribution during the period under review.

HLWBoF Class A	31-Mar-22	29-Dec-21	Return (%)
NAV Per Unit	RM0.9925	RM1.0000	-0.75
Benchmark	1.85%	1.85%	0.47
vs Benchmark (%)	-	-	-1.22

Table 3: Financial Highlights

Fair Value of Outstanding Units (RM):

	31-Mar-22 (RM)	31-Mar-21 (RM)
Class D	374,349,972	629,845,309
Class B	955	386,796
Class C	24,837,087	-
Class A	992	-

Units in Circulation (Units)

Class D	391,818,792	644,364,477
Class B	1,000	395,712
Class C	25,083,079	-
Class A	1,000	-

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 years

	Financial Year	Financial Year	Financial Year
HLWBoF Class D	31/03/21– 31/03/22	31/03/20– 31/03/21	31/03/19– 31/03/20
Highest NAV Per Unit (RM)	0.9922	1.0531	1.0571
Lowest NAV Per Unit (RM)	0.9524	0.9739	1.0284
Capital Growth (%)	-2.26	-5.27	0.23
Income Distribution (%)	3.14	4.26	4.52
Total Return (%)	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 Year	Financial Year	Financial Year
HLWBoF Class B	31/03/21– 31/03/22	31/03/20– 31/03/21	31/03/19– 31/03/20
Highest NAV Per Unit (RM)	0.9922	1.0531	1.0571
Lowest NAV Per Unit (RM)	0.9519	0.9739	1.0284
Capital Growth (%)	-2.31	-5.27	0.23
Income Distribution (%)	3.13	4.26	4.52
Total Return (%)	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 Year
HLWBoF Class C	29/12/21– 31/03/22
Highest NAV Per Unit (RM)	1.0042
Lowest NAV Per Unit (RM)	0.9871
Capital Growth (%)	-0.98
Income Distribution (%)	0.20
Total Return (%)	-0.78

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.

	Financial Year
HLWBoF Class A	29/12/21– 31/03/22
Highest NAV Per Unit (RM)	1.0045
Lowest NAV Per Unit (RM)	0.9894
Capital Growth (%)	-0.75
Income Distribution (%)	0.00
Total Return (%)	-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

	31/03/21– 31/03/22	31/03/19– 31/03/22	31/03/17– 31/03/22
	1 Year	3 Years	5 Years
HLWBoF Class D (%)	0.88	1.53	3.07
HLWBoF Class B (%)	0.82	1.52	3.05
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

	31/03/21– 31/03/22	31/03/19– 31/03/22	31/03/17– 31/03/22
	1 Year	3 Years	5 Years
Annualised Standard Deviation (%)			
HLWBoF Class D (%)	2.39	2.68	2.20
HLWBoF Class B (%)	2.41	2.69	2.20
HLWBoF Class C (%)	-	-	-
HLWBoF Class A (%)	-	-	-

Source: Lipper For Investment Management

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – April 2021 to March 2022

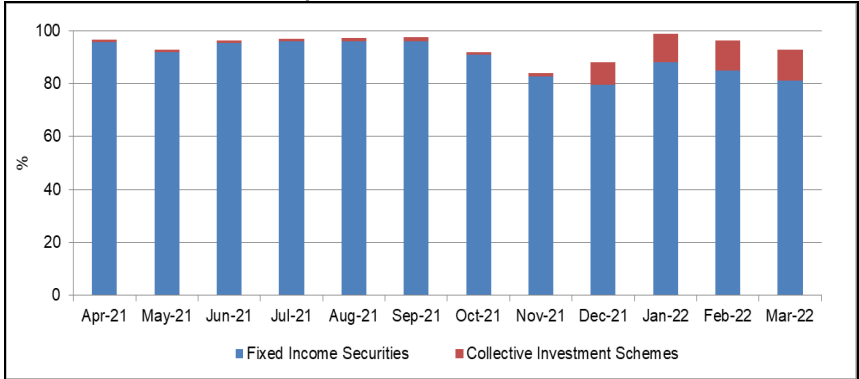


Chart 3: Sector Allocation as at 31 March 2022

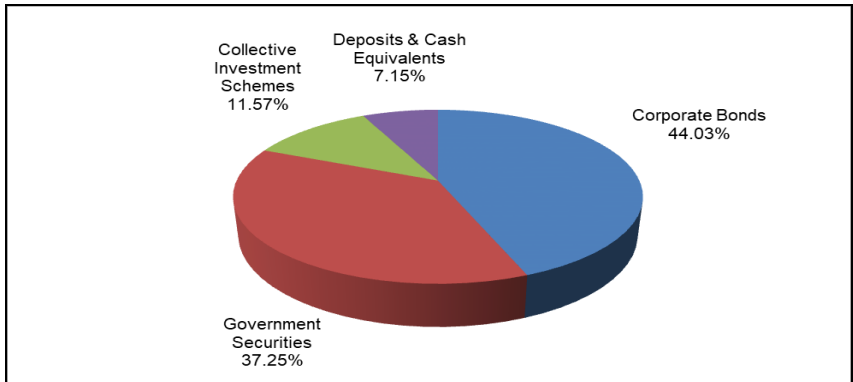
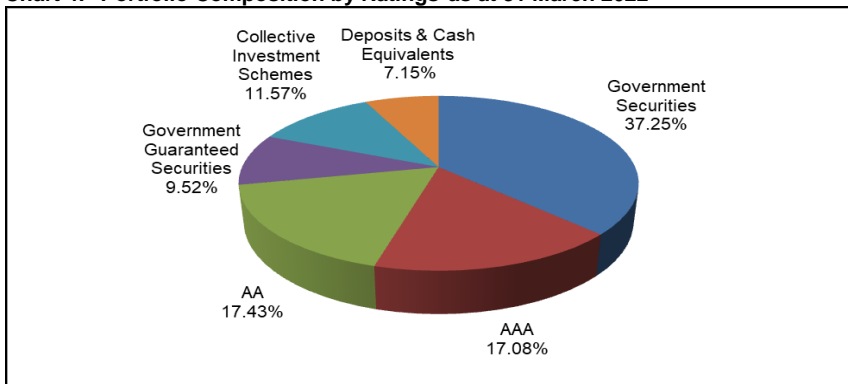


Chart 4: Portfolio Composition by Ratings as at 31 March 2022



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.

As of 31 March 2022, the top-three holdings of the Fund are Malaysian Government Securities-2029 (12.59%), Malaysian Government Securities-2040 (11.64%) and Hong Leong Dana Al-Safa' MYR Class A (11.32%).

An explanation on the differences in portfolio composition between the current and previous year

During the review period, the allocation to AA and AAA corporate bonds was decreased to 35% (previous year: 54%) to reduce duration and concentrated in the AA and AAA rating categories. Holdings of A-rated bonds were pared down to nil (previous year: 2%). Bond holdings of government securities remained at 37% (previous year: 37%) for better liquidity.

Operational review of the Fund

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

IV. MARKET REVIEW

During the review period, the sovereign bond market weakened on concerns of extended lockdown which hampered the local growth and inflation concerns driven by higher energy prices and disrupted global supply chain.

Standard and Poor's Global Ratings maintained Malaysia's negative outlook in June 2021 to reflect the additional fiscal pressure taken on by the government to combat the economic effects of COVID-19, depressed oil price and heightened policy uncertainty.

Dato Sri Ismail Sabri Yaakob was appointed as the ninth Prime Minister (PM) following the resignation of former PM Tan Sri Muhyiddin Yassin after failing to get the opposition on board for a bipartisan vote of confidence. Demand returned for local bonds post announcement of the new government as investors welcomed the removal of the uncertain political situation.

US treasuries weakened in September 2021 as the Federal Reserve (Fed) signaled that the US economy was ready for an asset purchase taper and had marginally brought forward rate hike guidance.

The emergence of the COVID-19 Omicron variant in November 2021 provided support for safe haven assets. In the final FOMC meeting of 2021, the Fed announced it will speed up its bond purchase tapering, thus on course to end the quantitative easing programme a few months earlier than expected.

At the January 2022 Federal Open Market Committee (FOMC) meeting, the Fed was visibly hawkish as the Fed signalled clearly that the first policy rate hike will take place in the upcoming March FOMC. Treasury yields climbed across the board in a selloff sparked by Fed's hawkish minutes. However, the worsening Russia-Ukraine conflict sent investors back into safe haven assets in February.

The Fed delivered a 25-basis-point rate hike in March as widely expected. Amid high oil price levels as the Russia-Ukraine crisis prolonged, US treasury yields spiked further towards end-March and investors repriced a potential 200-basis point rate hike by the Fed for the rest of 2022. Local sovereign yields rose over the month, tracking movements of the Treasury yields.

During the review period, Bank Negara Malaysia (BNM) maintained its policy rate and guided for an accommodative policy and followed by a neutral outlook. The yield curve steepened over the period with the 3-year and 10-year government benchmark rising 104 basis points and 62 basis points respectively to 3.18% and 3.85%.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

BNM projected a real gross domestic product growth of 5.3%-6.3% for 2022. Domestic demand is expected to be the main anchor of economic growth as the nation transition into the endemic phase coupled with the reopening of Malaysia's borders. Meanwhile, headline inflation is expected at 2.2%-3.2% in 2022, with core inflation projected at 2.0%-3.0% amid higher cost pressures and stronger demand. We expect the Overnight Policy Rate to be raised by 50 basis points in the second half of 2022.

We maintain our defensive strategy to reduce duration in 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 year under review.

VIII. CROSS TRADE TRANSACTIONS

There were cross-trade transactions undertaken by the Fund during the financial year under review. The transactions were executed through brokers/dealers on an arm's length and fair value basis and in the best interest of Unitholders.

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 financial statements set out on pages 20 to 45 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 31 March 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year ended 31 March 2022 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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 May 2022

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG WHOLESALE BOND FUND ("FUND")

We have acted as Trustee of the Fund for the financial year ended 31 March 2022 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 year covered by these financial statements in accordance with the following:-

- (a) limitations imposed on the investment powers of the management company under the deed, the securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
- (b) valuation and pricing is carried out in accordance with the deed; and
- (c) any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Gerard Ang
Chief Executive Officer

Kuala Lumpur
17 May 2022

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF HONG LEONG WHOLESALE BOND FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of Hong Leong Wholesale Bond Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 31 March 2022 and of its financial performance and its cash flows for the financial year then ended 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 31 March 2022, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 20 to 45.

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.

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF HONG LEONG WHOLESALE BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Manager of the Fund are responsible for the other information. The other information comprises 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.

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF HONG LEONG WHOLESALE BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 judgment 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 represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS OF HONG LEONG WHOLESALE BOND FUND (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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
17 May 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Note	2022 RM	2021 RM
INVESTMENT INCOME			
Interest income from financial assets measured at fair value through profit or loss ("FVTPL")		16,885,931	23,622,604
Interest income from financial assets measured at amortised cost	4	602,575	5,214,648
Dividend income		382,127	312,673
Net loss on financial assets at fair value through profit or loss ("FVTPL")	10	<u>(9,324,400)</u>	<u>(28,172,421)</u>
		<u>8,546,233</u>	<u>977,504</u>
EXPENDITURE			
Management fee	5	(2,315,704)	(8,224,070)
Trustee's fee	6	(81,003)	(123,361)
Auditors' remuneration		(5,900)	(5,900)
Tax agent's fee		(2,600)	(3,300)
Other expenses		<u>(3,229)</u>	<u>(5,279)</u>
		<u>(2,408,436)</u>	<u>(8,361,910)</u>
NET PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION			
		6,137,797	(7,384,406)
Finance cost	7	<u>(17,795,930)</u>	<u>(35,115,868)</u>
NET LOSS BEFORE TAXATION		<u>(11,658,133)</u>	<u>(42,500,274)</u>
Taxation	8	<u>-</u>	<u>-</u>
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(11,658,133)</u>	<u>(42,500,274)</u>
Decrease in net assets attributable to unit holders consists of:			
Realised amount		(5,439,318)	(10,591,096)
Unrealised amount		<u>(6,218,815)</u>	<u>(31,909,178)</u>
		<u>(11,658,133)</u>	<u>(42,500,274)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	2022 RM	2021 RM
ASSETS			
Cash and cash equivalents	9	28,593,217	17,028,848
Amount due from the Manager			
-management fee rebates		6,347	658
Financial assets at fair value through profit or loss ("FVTPL")	10	370,661,785	614,597,992
TOTAL ASSETS		<u>399,261,349</u>	<u>631,627,498</u>
LIABILITIES			
Amount due to the Manager			
-cancellation of units		-	779,680
-management fee		55,440	588,327
-expenses		-	10
Amount due to the Trustee		5,137	18,366
Other payables and accruals		11,766	9,010
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>72,343</u>	<u>1,395,393</u>
NET ASSET VALUE OF THE FUND		<u>399,189,006</u>	<u>630,232,105</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS*		<u>399,189,006</u>	<u>630,232,105</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class A		992	-
- Class B		955	386,796
- Class C		24,837,087	-
- Class D		374,349,972	629,845,309
		<u>399,189,006</u>	<u>630,232,105</u>
UNITS IN CIRCULATION (UNITS)			
- Class A		1,000	-
- Class B		1,000	395,712
- Class C		25,083,079	-
- Class D		391,818,792	644,364,477
	11	<u>416,903,871</u>	<u>644,760,189</u>

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022 (CONTINUED)**

	2022	2021
	RM	RM
NET ASSET VALUE PER UNIT (RM)		
- Class A	0.9925	-
- Class B	0.9549	0.9775
- Class C	0.9902	-
- Class D	<u>0.9554</u>	<u>0.9775</u>

* Net assets attributable to unit holders are classified as financial liabilities as at 31 March 2022 and equity as at 31 March 2021 as disclosed in note 2(h).

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	2022	2021
	RM	RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>630,232,105</u>	<u>808,983,998</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications	226,048,170	72,913,953
Creation of units from distributions	4,445,716	6,284,155
Cancellation of units	<u>(449,878,852)</u>	<u>(215,449,727)</u>
	<u>(219,384,966)</u>	<u>(136,251,619)</u>
Decrease in net assets attributable to unit holders	(11,658,133)	(42,500,274)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR*	<u><u>399,189,006</u></u>	<u><u>630,232,105</u></u>

* During the financial year ended 31 March 2022, net assets attributable to unit holders are classified as financial liabilities. During the financial year ended 31 March 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 financial statements.

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Note	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of financial assets at FVTPL		429,862,757	468,450,974
Proceeds from redemptions of financial assets at FVTPL		15,000,000	64,000,000
Proceeds from maturity of deposits with licensed financial institutions		-	275,000,000
Purchase of financial assets at FVTPL		(214,104,722)	(743,867,874)
Interest income received from financial assets measured at FVTPL and amortised cost		21,689,772	35,221,131
Dividend income received		-	122,138
Management fee rebates received		28,944	79,208
Management fee paid		(2,848,591)	(8,323,313)
Trustee's fee paid		(94,232)	(115,308)
Payment for other fees and expenses		(8,983)	(17,227)
Net cash generated from operating activities		<u>249,524,945</u>	<u>90,549,729</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		226,048,170	72,913,953
Payments for cancellation of units		(450,658,532)	(214,670,047)
Payments for distributions		(13,350,214)	(28,831,713)
Net cash used in financing activities		<u>(237,960,576)</u>	<u>(170,587,807)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		11,564,369	(80,038,078)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>17,028,848</u>	<u>97,066,926</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u>28,593,217</u>	<u>17,028,848</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 May 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 financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

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 IFRS 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 year. It also requires the Manager to exercise their judgment 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 judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

(i) Amendments to published standard and interpretations that are relevant and effective 1 April 2021

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Fund.

(ii) New standards, amendment and interpretations effective after 1 April 2021 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 amounts due to the Manager, amount due to the Trustee and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

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

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 year 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:

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Financial assets and financial liabilities (continued)**Recognition and measurement (continued)

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-months 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 year.

(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, unquoted fixed income securities and auto-sweep facility bank account are recognised on the effective interest rate method on an accrual basis.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(d) Income recognition (continued)**

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 year.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Unit holders' capital (continued)

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 year in which it is approved.

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

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission Malaysia's Guidelines on 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. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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
2022			
Cash and cash equivalents (Note 9)	-	28,593,217	28,593,217
Amount due from the Manager			
-management fee rebates	-	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>

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

	Financial assets at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
2022 (continued)			
<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>
2021			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	17,028,848	17,028,848
Amount due from the Manager			
-management fee rebates	-	658	658
Financial assets at FVTPL (Note 10)	<u>614,597,992</u>	-	<u>614,597,992</u>
	<u>614,597,992</u>	<u>17,029,506</u>	<u>631,627,498</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	779,680	779,680
-management fee	-	588,327	588,327
-expenses	-	10	10
Amount due to the Trustee	-	18,366	18,366
Other payables and accruals	-	9,010	9,010
	-	<u>1,395,393</u>	<u>1,395,393</u>

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 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 investment portfolio.

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

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

	2022 RM	2021 RM
Financial assets at FVTPL:		
- Unquoted fixed income securities*	324,476,511	609,593,291
- Uncollected collective investment schemes	<u>46,185,274</u>	<u>5,004,701</u>
	<u>370,661,785</u>	<u>614,597,992</u>

* Includes interest receivables of RM2,931,261 (2021: RM5,123,241).

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(i) Price risk (continued)

The table below summarises the sensitivity of the Fund's net asset value and net assets attributable to unit holders movements in prices of unquoted fixed income securities and unquoted collective investment schemes at the end of each reporting year. The analysis is based on the assumptions that the market price of unquoted fixed income securities and unquoted collective investment schemes fluctuated by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the unquoted fixed income securities and unquoted collective investment schemes, having regard to the historical volatility of the prices.

% Change in price of financial assets at FVTPL	Market value RM	Impact on net assets attributable to unit holders/ net asset value RM
2022		
-5%	349,343,998	(18,386,526)
0%	367,730,524	-
5%	<u>386,117,050</u>	<u>18,386,526</u>
2021		
-5%	579,001,013	(30,473,738)
0%	609,474,751	-
5%	<u>639,948,489</u>	<u>30,473,738</u>

(ii) Interest rate risk

In general, when interest rates rise, prices of fixed income securities will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold a fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Investors should note that unquoted fixed income securities are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(a) Market risk (continued)****(ii) Interest rate risk (continued)**

The table below summarises the sensitivity of the Fund's net asset value and net assets attributable to unit holders to movements in prices of unquoted fixed income securities held by the Fund at the end of the reporting period as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (100 basis points) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

% Change in interest rate	Impact on net assets attributable to unit holders/net asset value	
	2022 RM	2021 RM
+1%	(23,439,541)	(41,043,531)
-1%	25,663,624	44,521,610

The Fund's exposure to interest rate risk associated with deposits with licensed financial institutions is not material as the deposits with licensed financial institutions are placed on a short term basis.

(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.

Investment in unquoted fixed income securities may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted fixed income securities and subsequently depress the net asset value of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund.

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place 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.

The credit/default risk is minimal as all transactions in unquoted investments are settled/paid upon delivery using approved brokers/dealers.

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

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

	Cash and cash equivalents RM	Amount due from the Manager -management fee rebates RM	Unquoted fixed income securities RM	Total RM
2022				
- AAA	28,160,991	-	68,192,547	96,353,538
- AA1	432,226	-	32,029,865	32,462,091
- AA2	-	-	9,998,367	9,998,367
- AA3	-	-	13,530,361	13,530,361
- AA	-	-	14,051,590	14,051,590
- NR#	-	6,347	186,673,781	186,680,128
Total	28,593,217	6,347	324,476,511	353,076,075
2021				
- AAA	16,230,936	-	114,252,631	130,483,567
- AA	-	-	45,330,068	45,330,068
- AA1/AA+	797,912	-	137,539,017	138,336,929
- AA2	-	-	8,068,472	8,068,472
- AA3/AA-	-	-	22,058,575	22,058,575
- A2	-	-	10,110,880	10,110,880
- NR#	-	658	272,233,648	272,234,306
Total	17,028,848	658	609,593,291	626,622,797

The unquoted fixed income securities are not rated as the fixed income securities are guaranteed and issued by the Government of Malaysia.

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

(c) Liquidity risk

Liquidity risk is the risk that 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 liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise cash at banks and deposits with licensed financial institutions.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the end of the 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
2022			
<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
Net assets attributable to unit holders*	399,189,006		399,189,006
Contractual undiscounted cash flows	399,249,583	11,766	399,261,349

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

	Less than 1 month RM	1 month to 1 year RM	Total RM
2021			
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	779,680	-	779,680
-management fee	588,327	-	588,327
-expenses	10	-	10
Amount due to the Trustee	18,366	-	18,366
Other payables and accruals	-	9,010	9,010
Net assets attributable to unit holders*	<u>630,232,105</u>	-	<u>630,232,105</u>
Contractual undiscounted cash flows	<u>631,618,488</u>	<u>9,010</u>	<u>631,627,498</u>

* Outstanding units are redeemed on demand at the unit holders option. However the Manager does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holder of these instruments typically retain them for the medium to long term.

(d) Capital risk

The capital of the Fund is represented by net assets attributable to the unit holders. The amount of net assets attributable to the unit holders 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 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 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.

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Fair value estimation (continued)

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 year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and 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
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>
2021				
<u>Financial assets at FVTPL:</u>				
- Unquoted fixed income securities	-	609,593,291	-	609,593,291
- Uncollected collective investment schemes	-	5,004,701	-	5,004,701
	-	<u>614,597,992</u>	-	<u>614,597,992</u>

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(e) Fair value estimation (continued)**

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

	2022 RM	2021 RM
Interest income from:		
- Deposits with licensed financial institutions	587,037	5,200,924
- Auto-sweep facility bank account	15,538	13,724
	<u>602,575</u>	<u>5,214,648</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 year ended 31 March 2022, the management fee is recognised at an average rate of 0.50% per annum until 28 December 2021. With effect from 29 December 2021, the management fee are recognised at an average rate of 0.25% for Class A, 0.22% for Class B, 0.19% for Class C and 0.16% for Class D (2021: 1.00%) per annum.

Management fee rebates relate to the rebates received from the Manager for investing in Hong Leong Dana Al-Safa' MYR Class A, Hong Leong Dana Al-Izdihar and Hong Leong Islamic Income Management Fund (2021: Hong Leong Dana Al-Safa', Hong Leong Money Market Fund and Hong Leong Dana Al-Izdihar). The average rate of rebates were 0.20%, 0.18% and 0.30% (2021: 0.30%, 0.40% and 0.20%) per annum calculated on the net asset value of Hong Leong Dana Al-Safa' MYR Class A, Hong Leong Dana Al-Izdihar and Hong Leong Islamic Income Management Fund (2021: Hong Leong Dana Al-Safa', Hong Leong Money Market Fund and Hong Leong Dana Al-Izdihar) on a daily basis.

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 year ended 31 March 2022, the Trustee's fee is recognised at a rate of 0.015% (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 is from the following sources:

	2022	2021
	RM	RM
Prior financial years' realised income	15,092,320	25,383,706
Interest income from financial assets at FVTPL and amortised cost	3,117,825	13,745,848
Dividend income	17,838	-
Less: Expenses	(432,053)	(4,013,686)
Net distributions amount	<u>17,795,930</u>	<u>35,115,868</u>
Net distributions per unit (sen)	<u>3.7000</u>	<u>4.5000</u>
Gross distributions per unit (sen)	<u>3.7000</u>	<u>4.5000</u>
Distribution on 15/16 June		
Gross/net distribution per unit (sen)	<u>1.0000</u>	<u>1.2000</u>
Distribution on 14/15 September		
Gross/net distribution per unit (sen)	<u>1.5000</u>	<u>1.2000</u>
Distribution on 14/15 December		
Gross/net distribution per unit (sen)	<u>0.2000</u>	<u>1.1000</u>
Distribution on 15/16 March		
Gross/net distribution per unit (sen)		
- Class B	0.4000	-
- Class C	0.2000	-
- Class D	<u>0.4000</u>	<u>1.0000</u>

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

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

The above distributions have been proposed before taking into account the unrealised loss of RM6,218,815 (2021: unrealised loss of RM31,909,178) which is carried forward to the next financial year.

8. TAXATION

	2022	2021
	RM	RM
Tax charge for the financial year:		
Current taxation	<u>-</u>	<u>-</u>

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

	2022	2021
	RM	RM
Profit/(loss) before finance cost and taxation	<u>6,137,797</u>	<u>(7,384,406)</u>
Taxation at Malaysian statutory rate of 24% (2021: 24%)	1,473,071	(1,772,257)
Tax effects of:		
Investment income not subject to tax	(2,042,784)	(215,434)
Expenses not deductible for tax purposes	20,677	31,501
Restriction on tax deductible expenses for wholesale fund	<u>549,036</u>	<u>1,956,190</u>
Taxation	<u>-</u>	<u>-</u>

9. CASH AND CASH EQUIVALENTS

	2022 RM	2021 RM
Short term deposits with licensed financial institutions	28,156,350	16,219,778
Cash at banks	436,867	809,070
	<u>28,593,217</u>	<u>17,028,848</u>

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

	2022 %	2021 %
Short term deposits with licensed financial institutions	<u>1.75</u>	<u>1.75</u>

Short term deposits with licensed financial institutions have an average remaining maturity of 1 day (2021: 1 day).

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

	2022 RM	2021 RM
<u>Financial assets at FVTPL:</u>		
Unquoted fixed income securities	324,476,511	609,593,291
Unquoted collective investment schemes	46,185,274	5,004,701
	<u>370,661,785</u>	<u>614,597,992</u>
<u>Net loss on financial assets at FVTPL:</u>		
Realised (loss)/gain on disposals	(3,108,943)	3,670,812
Changes in unrealised fair values	(6,250,090)	(31,923,099)
Management fee rebates (Note 5)	34,633	79,866
	<u>(9,324,400)</u>	<u>(28,172,421)</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

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

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

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
<u>Corporate Sukuk (continued)</u>				
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 Berhad (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
<u>Malaysian Government Securities</u>				
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

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

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

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
<u>Government Investment Issues</u>				
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
	<u>42,000,000</u>	<u>47,268,062</u>	<u>41,874,422</u>	<u>10.49</u>
<u>Securities Guaranteed by Government of Malaysia</u>				
4.95% Danainfra Nasional Berhad 19/03/2032 - IMTN Tranche No 58	10,000,000	11,656,611	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
	<u>40,000,000</u>	<u>42,286,499</u>	<u>37,995,914</u>	<u>9.52</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>329,600,000</u>	<u>350,214,587</u>	<u>324,476,511</u>	<u>81.28</u>
	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset 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	<u>47,389,148</u>	<u>46,337,596</u>	<u>46,185,274</u>	<u>11.57</u>
TOTAL INVESTMENTS		<u>396,552,183</u>	<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>		

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

Financial assets at FVTPL as at 31 March 2021 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>				
5.05% Grand Sepadu (NK) Sdn Bhd (AA-) 09/06/2023 - Series 2	10,000,000	10,300,585	10,375,175	1.65
3.20% Imtiaz Sukuk II Berhad (AA2) 07/10/2027 - IMTN	5,000,000	5,077,151	4,930,101	0.78
4.57% Imtiaz Sukuk II Berhad (AA2) 17/10/2022 - IMTN	3,000,000	3,061,601	3,138,371	0.50
2.90% Malayan Banking Berhad (AAA) 09/10/2025 09/10/2030 - IMTN	5,000,000	5,069,123	4,962,623	0.79
3.10% Malayan Banking Berhad (AAA) 08/10/2027 08/10/2032 - IMTN	1,000,000	1,014,778	974,398	0.16
4.71% Malayan Banking Berhad (AA1) 30/01/2026 31/01/2031 - IMTN	35,000,000	35,620,740	37,194,169	5.90
2.37% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2024 - IMTN Tranche No 4	5,000,000	5,052,595	4,945,545	0.78
2.67% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2026 - IMTN Tranche No 6	5,000,000	5,059,252	4,859,352	0.77
2.76% Pengerang LNG (TWO) Sdn Bhd (AAA) 21/10/2027 - IMTN Tranche No 7	5,000,000	5,061,249	4,802,399	0.76
2.92% Pengerang LNG (TWO) Sdn Bhd (AAA) 19/10/2029 - IMTN Tranche No 9	2,600,000	2,633,696	2,451,696	0.39
4.65% Public Islamic Bank Berhad (AA1) 03/08/2022 03/08/2027 - Subsukuk Murabahah	9,000,000	9,065,355	9,268,035	1.47
4.95% Sarawak Energy Berhad (AAA) 25/11/2033 - IMTN	5,000,000	5,085,438	5,327,988	0.85
4.80% Sepangar Bay Power Corporation Sdn Bhd (AA1) 03/07/2023 - Series 9	10,000,000	10,082,081	10,515,211	1.67
2.90% Tenaga Nasional Berhad (AAA) 12/08/2030 - IMTN	5,000,000	5,017,877	4,585,627	0.72
3.25% Tenaga Nasional Berhad (AAA) 10/08/2035 - IMTN	5,000,000	5,020,034	4,349,484	0.68
3.55% Tenaga Nasional Berhad (AAA) 10/08/2040 - IMTN	5,000,000	5,021,884	4,277,134	0.68
4.78% Tenaga Nasional Berhad (AAA) 29/08/2033 - IMTN	10,000,000	10,044,526	10,454,226	1.65
4.98% Tenaga Nasional Berhad (AAA) 27/08/2038 - IMTN	10,000,000	10,046,389	10,414,989	1.65
	135,600,000	137,334,354	137,826,523	21.85
<u>Private Debt Securities</u>				
3.60% Alliance Bank Berhad (A2) 27/10/2025 25/10/2030 - MTN	5,000,000	5,076,932	5,095,882	0.81
4.05% Alliance Bank Berhad (A2) 28/10/2030 26/10/2035 - MTN	5,000,000	5,086,548	5,014,998	0.80
4.70% CIMB Bank Berhad (AAA) 18/05/2027 - MTN Series 1 Tranche 3	5,000,000	5,086,274	5,391,724	0.86
4.70% CIMB Bank Berhad (AA+) 09/08/2021 07/08/2026 - Issue No. 4	5,000,000	5,033,231	5,073,629	0.81
4.77% CIMB Bank Berhad (AA+) 09/08/2021 07/08/2026 - Issue No. 4	20,000,000	20,143,714	20,292,712	3.22

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

Financial assets at FVTPL as at 31 March 2021 are as detailed below: (continued)

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
<i>Private Debt Securities (continued)</i>				
3.15% CIMB Group Holdings Berhad (AA) 12/11/2025 12/11/2030 - Tranche 6	15,000,000	15,181,233	14,959,533	2.37
4.88% CIMB Group Holdings Berhad (AA) 13/09/2024 13/09/2029 - Tranche 4	13,000,000	13,029,547	13,713,477	2.18
4.90% CIMB Group Holdings Berhad (AA) 30/11/2022 30/11/2027 - Tranche 2	6,000,000	6,100,982	6,284,388	1.00
4.95% CIMB Group Holdings Berhad (AA) 29/03/2023 29/03/2028 - Tranche 3	10,000,000	10,004,068	10,372,668	1.65
5.00% Eternal Icon Sdn Bhd (AAA) 29/03/2024 31/03/2027 - MTN Senior Class S2	5,000,000	5,000,685	5,196,285	0.82
5.10% Eternal Icon Sdn Bhd (AAA) 31/03/2025 31/03/2028 - MTN Senior Class S3	10,000,000	10,001,397	10,454,697	1.66
4.90% GENM Capital Berhad (AA1) 22/08/2025 - MTN	27,000,000	27,130,950	27,468,798	4.36
3.70% Hong Leong Assurance Berhad (AA3) 28/12/2028 - Sub Notes Tranche 2B	10,000,000	10,095,288	9,630,788	1.53
4.40% IGB REIT Capital Sdn Bhd (AAA) 20/09/2022 20/09/2024 - MTN Tranche 1	30,000,000	30,036,164	30,804,464	4.89
5.05% Northern Gateway Infrastructure Sdn Bhd (AA1) 27/08/2027 - MTN Series 8	5,000,000	5,037,292	5,381,221	0.85
3.72% Public Bank Berhad (AA1) 18/12/2024 18/12/2029 - Sub Notes Tranche 7	10,000,000	10,105,995	10,219,895	1.62
3.90% Public Bank Berhad (AA1) 29/07/2024 27/07/2029 - MTN	5,000,000	5,187,148	5,121,273	0.81
4.82% RHB Bank Berhad (AA3) 27/09/2022 27/09/2027 - MTN	2,000,000	2,002,242	2,052,612	0.33
3.00% United Overseas Bank (Malaysia) Berhad (AA1) 01/08/2025 02/08/2030 - MTN	5,000,000	5,023,425	4,915,375	0.78
4.80% United Overseas Bank (Malaysia) Berhad (AA1) 25/07/2023 25/07/2028	2,000,000	2,022,181	2,088,699	0.33
	195,000,000	196,385,296	199,533,118	31.68
<i>Malaysian Government Securities</i>				
3.726% Government of Malaysia 31/03/2026	22,000,000	23,531,084	23,025,240	3.65
4.119% Government of Malaysia 30/11/2034	40,000,000	45,450,027	41,036,218	6.51
4.130% Government of Malaysia 09/07/2029	8,000,000	8,667,791	8,486,202	1.35
3.502% Government of Malaysia 31/05/2027	10,000,000	10,765,701	10,428,375	1.65
3.757% Government of Malaysia 22/05/2040	50,000,000	54,312,340	47,649,599	7.56
3.844% Government of Malaysia 15/04/2033	40,000,000	43,785,426	40,109,662	6.36
3.885% Government of Malaysia 15/08/2029	50,000,000	54,767,428	52,417,471	8.32
4.642% Government of Malaysia 07/11/2033	10,000,000	11,785,599	10,815,437	1.72
	230,000,000	253,065,396	233,968,204	37.12

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

Financial assets at FVTPL as at 31 March 2021 are as detailed below: (continued)

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
UNQUOTED FIXED INCOME SECURITIES (CONTINUED)				
<u>Securities Guaranteed by Government of Malaysia</u>				
4.95% Danainfra Nasional Berhad 19/03/2032 - IMTN Tranche No 58	10,000,000	11,794,468	10,877,762	1.73
3.06% Prasarana Malaysia Berhad 10/07/2029 - Sukuk Murabahah S15	5,000,000	5,033,534	4,827,684	0.77
3.75% Prasarana Malaysia Berhad 23/03/2040 - Sukuk Murabahah S14	20,000,000	20,596,639	17,765,638	2.82
2.58% PR1MA Corporation Malaysia 30/07/2027 - IMTN	5,000,000	5,021,912	4,794,362	0.76
	<u>40,000,000</u>	<u>42,446,553</u>	<u>38,265,446</u>	<u>6.08</u>
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>600,600,000</u>	<u>629,231,599</u>	<u>609,593,291</u>	<u>96.73</u>
	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
UNQUOTED COLLECTIVE INVESTMENT SCHEME				
Hong Leong Dana Al-Izdihar	<u>10,009,403</u>	<u>5,006,701</u>	<u>5,004,701</u>	<u>0.79</u>
TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEME	<u>10,009,403</u>	<u>5,006,701</u>	<u>5,004,701</u>	<u>0.79</u>
TOTAL INVESTMENTS		634,238,300	<u>614,597,992</u>	<u>97.52</u>
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		<u>(19,640,308)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL			<u>614,597,992</u>	

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

11. UNITS IN CIRCULATION

	2022 No. of units	2021 No. of units
Class A (i)	1,000	-
Class B (ii)	1,000	395,712
Class C (iii)	25,083,079	-
Class D (iv)	<u>391,818,792</u>	<u>644,364,477</u>
	<u>416,903,871</u>	<u>644,760,189</u>

11. UNITS IN CIRCULATION (CONTINUED)

	2022 No. of units	2021 No. of units
(i) <u>Class A</u>		
At the beginning of the financial year	-	-
Adc Creation of units during the financial year		
- Arising from applications	1,000	-
At the end of the financial year	<u>1,000</u>	<u>-</u>
(ii) <u>Class B</u>		
At the beginning of the financial year	395,712	-
Adc Creation of units during the financial year		
- Arising from applications	253,908	385,220
- Arising from distributions	6,196	10,492
Les Cancellation of units during the financial year	(654,816)	-
At the end of the financial year	<u>1,000</u>	<u>395,712</u>
(iii) <u>Class C</u>		
At the beginning of the financial year	-	-
Adc Creation of units during the financial year		
- Arising from applications	25,033,050	-
- Arising from distributions	50,029	-
At the end of the financial year	<u>25,083,079</u>	<u>-</u>
(iv) <u>Class D</u>		
At the beginning of the financial year	644,364,477	783,974,352
Adc Creation of units during the financial year		
- Arising from applications	204,760,625	172,184,743
- Arising from distributions	4,496,456	6,181,918
Les Cancellation of units during the financial year	(461,802,766)	(317,976,536)
At the end of the financial year	<u>391,818,792</u>	<u>644,364,477</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

	2022		2021	
	Units	RM	Units	RM
Hong Leong Assurance Berhad				
-Class D	-	-	204,814,566	200,206,238
Hong Leong Bank Berhad				
-Class D	228,760,107	218,557,406	231,984,370	226,764,722
Hong Leong Asset Management Bhd				
- Class A	1,000	992	-	-
- Class B	1,000	955	-	-
- Class C	1,000	990	-	-
	<u>228,763,107</u>	<u>218,560,343</u>	<u>436,798,936</u>	<u>426,970,960</u>

12. UNITS HELD BY THE MANAGER AND RELATED PARTIES TRANSACTIONS AND BALANCES (CONTINUED)

Units held by the Manager and related parties of the Manager (continued)

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.

	2022 RM	2021 RM
<u>Related party balances</u>		
Short term deposits with licensed financial institution:		
- Hong Leong Investment Bank Berhad	28,156,350	-
Cash at bank		
- Hong Leong Bank Berhad	4,641	11,158
	<u>28,160,991</u>	<u>11,158</u>
<u>Related party transactions</u>		
Interest income from deposits with licensed financial institutions:		
- Hong Leong Bank Berhad	121,987	431,681
- Hong Leong Investment Bank Berhad	60,890	-
	<u>182,877</u>	<u>431,681</u>
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	<u>9,453</u>	<u>13,724</u>
Dividend income from unquoted collective investment schemes		
- Hong Leong Asset Management Bhd	<u>382,127</u>	<u>312,673</u>
Purchase of unquoted collective investment schemes:		
- Hong Leong Asset Management Bhd	<u>46,000,000</u>	<u>85,000,000</u>
Purchase of unquoted fixed income securities:		
- Hong Leong Bank Berhad	43,790,904	57,259,754
- Hong Leong Islamic Bank Berhad	1,096,859	-
- Hong Leong Investment Bank Berhad	3,102,867	10,000,000
	<u>47,990,630</u>	<u>67,259,754</u>
Disposal of unquoted fixed income securities:		
- Hong Leong Bank Berhad	191,477,265	129,285,315
- Hong Leong Investment Bank Berhad	57,433,838	-
	<u>248,911,103</u>	<u>129,285,315</u>
Disposal of unquoted collective investment schemes:		
- Hong Leong Asset Management Bhd	<u>5,051,252</u>	<u>79,988,979</u>

Performance Data

		Financial Year 31/03/21– 31/03/22 %																																				
A.	(i) Portfolio Compositions:																																					
	Corporate Bonds	44.03																																				
	Government Securities	37.25																																				
	Collective Investment Schemes	11.57																																				
	Deposits & Cash Equivalents	7.15																																				
(ii)	Total Net Asset Values (ex-distribution)	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Class D</td> <td style="width: 20%; text-align: right;">RM374,349,972</td> </tr> <tr> <td></td> <td style="text-align: right;">Class B</td> <td style="text-align: right;">RM955</td> </tr> <tr> <td></td> <td style="text-align: right;">Class C</td> <td style="text-align: right;">RM24,837,087</td> </tr> <tr> <td></td> <td style="text-align: right;">Class A</td> <td style="text-align: right;">RM992</td> </tr> </table>		Class D	RM374,349,972		Class B	RM955		Class C	RM24,837,087		Class A	RM992																								
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(iii)	Net Asset Value Per Unit (ex-distribution)	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Class D</td> <td style="width: 20%; text-align: right;">RM0.9554</td> </tr> <tr> <td></td> <td style="text-align: right;">Class B</td> <td style="text-align: right;">RM0.9549</td> </tr> <tr> <td></td> <td style="text-align: right;">Class C</td> <td style="text-align: right;">RM0.9902</td> </tr> <tr> <td></td> <td style="text-align: right;">Class A</td> <td style="text-align: right;">RM0.9925</td> </tr> </table>		Class D	RM0.9554		Class B	RM0.9549		Class C	RM0.9902		Class A	RM0.9925																								
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	Units in Circulations (ex-distribution)	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Class D</td> <td style="width: 20%; text-align: right;">391,818,792</td> </tr> <tr> <td></td> <td style="text-align: right;">Class B</td> <td style="text-align: right;">1,000</td> </tr> <tr> <td></td> <td style="text-align: right;">Class C</td> <td style="text-align: right;">25,083,079</td> </tr> <tr> <td></td> <td style="text-align: right;">Class A</td> <td style="text-align: right;">1,000</td> </tr> </table>		Class D	391,818,792		Class B	1,000		Class C	25,083,079		Class A	1,000																								
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(iv)	Highest/Lowest NAV Per Unit (ex-distribution)	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Class D:</td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Highest NAV Per Unit</td> <td style="text-align: right;">RM0.9922</td> </tr> <tr> <td></td> <td style="text-align: right;">Lowest NAV Per Unit</td> <td style="text-align: right;">RM0.9524</td> </tr> <tr> <td></td> <td style="text-align: right;">Class B:</td> <td style="text-align: right;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Highest NAV Per Unit</td> <td style="text-align: right;">RM0.9922</td> </tr> <tr> <td></td> <td style="text-align: right;">Lowest NAV Per Unit</td> <td style="text-align: right;">RM0.9519</td> </tr> <tr> <td></td> <td style="text-align: right;">Class C (29/12/2021-31/03/2022):</td> <td style="text-align: right;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Highest NAV Per Unit</td> <td style="text-align: right;">RM1.0042</td> </tr> <tr> <td></td> <td style="text-align: right;">Lowest NAV Per Unit</td> <td style="text-align: right;">RM0.9871</td> </tr> <tr> <td></td> <td style="text-align: right;">Class A(29/12/2021-31/03/2022):</td> <td style="text-align: right;"></td> </tr> <tr> <td></td> <td style="text-align: right;">Highest NAV Per Unit</td> <td style="text-align: right;">RM1.0045</td> </tr> <tr> <td></td> <td style="text-align: right;">Lowest NAV Per Unit</td> <td style="text-align: right;">RM0.9894</td> </tr> </table>		Class D:			Highest NAV Per Unit	RM0.9922		Lowest NAV Per Unit	RM0.9524		Class B:			Highest NAV Per Unit	RM0.9922		Lowest NAV Per Unit	RM0.9519		Class C (29/12/2021-31/03/2022):			Highest NAV Per Unit	RM1.0042		Lowest NAV Per Unit	RM0.9871		Class A(29/12/2021-31/03/2022):			Highest NAV Per Unit	RM1.0045		Lowest NAV Per Unit	RM0.9894
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(v)	Total Return of the Fund*	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%;"></td> <td style="width: 20%; text-align: right;">Class D</td> <td style="width: 20%; text-align: right;">0.88%</td> </tr> <tr> <td>- Capital Growth</td> <td style="text-align: right;">Class D</td> <td style="text-align: right;">-2.26%</td> </tr> <tr> <td>- Income Distribution</td> <td style="text-align: right;">Class D</td> <td style="text-align: right;">3.14%</td> </tr> </table>		Class D	0.88%	- Capital Growth	Class D	-2.26%	- Income Distribution	Class D	3.14%																											
	Class D	0.88%																																				
- Capital Growth	Class D	-2.26%																																				
- Income Distribution	Class D	3.14%																																				

	Financial Year 31/03/20– 31/03/21 %	Financial Year 31/03/19– 31/03/20 %
	59.61	51.66
	37.12	1.69
	0.79	–
	2.48	46.65
	RM629,845,309	RM808,983,998
	RM386,796	–
	–	–
	–	–
	RM0.9775	RM1.0319
	RM0.9775	–
	–	–
	–	–
	644,364,477	783,974,352
	395,712	–
	–	–
	–	–
	RM1.0531	RM1.0571
	RM0.9739	RM1.0284
	RM1.0531	RM1.0571
	RM0.9739	RM1.0284
	–	–
	–	–
	–	–
	–	–
	-1.01%	4.75%
	-5.27%	0.23%
	4.26%	4.52%

Performance Data

		Financial Year 31/03/21– 31/03/22 %
Total Return of the Fund*	Class B	0.82%
- Capital Growth	Class B	-2.31%
- Income Distribution	Class B	3.13%
Total Return of the Fund* (29/12/21–31/03/22)	Class C	-0.78%
- Capital Growth	Class C	-0.98%
- Income Distribution	Class C	0.20%
Total Return of the Fund* (29/12/21–31/03/22)	Class A	-0.75%
- Capital Growth	Class A	-0.75%
- Income Distribution	Class A	0.00%
(vi) The distribution (gross) is made out of:- Class D		
-The Fund's Capital		2.21 sen/unit
-The Fund's Income		0.89 sen/unit
-Total Distribution Amount		3.10 sen/unit
-The Fund's Capital (% of Total Distribution Amount)		71%
-The Fund's Income (% of Total Distribution Amount)		29%
The distribution (gross) is made out of:- Class B		
-The Fund's Capital		2.26 sen/unit
-The Fund's Income		0.84 sen/unit
-Total Distribution Amount		3.10 sen/unit
-The Fund's Capital (% of Total Distribution Amount)		73%
-The Fund's Income (% of Total Distribution Amount)		27%
The distribution (gross) is made out of:- Class C		
-The Fund's Capital		0.20 sen/unit
-The Fund's Income		0.00 sen/unit
-Total Distribution Amount		0.20 sen/unit
-The Fund's Capital (% of Total Distribution Amount)		100%
-The Fund's Income (% of Total Distribution Amount)		0%
The distribution (gross) is made out of:- Class A		
-The Fund's Capital		0.00 sen/unit
-The Fund's Income		0.00 sen/unit
-Total Distribution Amount		0.00 sen/unit
-The Fund's Capital (% of Total Distribution Amount)		0%
-The Fund's Income (% of Total Distribution Amount)		0%

Financial Year 31/03/20– 31/03/21 %	Financial Year 31/03/19– 31/03/20 %
-1.01%	4.75%
-5.27%	0.23%
4.26%	4.52%
–	–
–	–
–	–
–	–
–	–
–	–
4.50 sen/unit	0.00 sen/unit
0.00 sen/unit	4.60 sen/unit
4.50 sen/unit	4.60 sen/unit
100%	0%
0%	100%
4.50 sen/unit	0.00 sen/unit
0.00 sen/unit	4.60 sen/unit
4.50 sen/unit	4.60 sen/unit
100%	0%
0%	100%
–	–
–	–
–	–
–	–
–	–
–	–
–	–
–	–
–	–
–	–

Performance Data

		Financial Year 31/03/21– 31/03/22 %		
(vii) Distribution Per Unit	Class D	Additional Units	–	
		Distribution (Gross)	1.0 sen/unit	
		Distribution (Net)	1.0 sen/unit	
		Distribution Date	15/06/2021	
		Cum-Distribution NAV/Unit	RM0.9902	
			EX-Distribution NAV/Unit	RM0.9802
			Additional Units	–
			Distribution (Gross)	1.5 sen/unit
			Distribution (Net)	1.5 sen/unit
			Distribution Date	14/09/2021
			Cum-Distribution NAV/Unit	RM0.9908
			EX-Distribution NAV/Unit	RM0.9758
			Additional Units	–
			Distribution (Gross)	0.2 sen/unit
			Distribution (Net)	0.2 sen/unit
		Distribution Date	14/12/2021	
		Cum-Distribution NAV/Unit	RM0.9680	
		EX-Distribution NAV/Unit	RM0.9660	
		Additional Units	–	
		Distribution (Gross)	0.4 sen/unit	
		Distribution (Net)	0.4 sen/unit	
		Distribution Date	15/03/2022	
		Cum-Distribution NAV/Unit	RM0.9697	
		EX-Distribution NAV/Unit	RM0.9657	
Class B		Additional Units	–	
		Distribution (Gross)	1.0 sen/unit	
		Distribution (Net)	1.0 sen/unit	
		Distribution Date	15/06/2021	
		Cum-Distribution NAV/Unit	RM0.9902	
			EX-Distribution NAV/Unit	RM0.9802
			Additional Units	–
			Distribution (Gross)	1.5 sen/unit
			Distribution (Net)	1.5 sen/unit
			Distribution Date	14/09/2021
			Cum-Distribution NAV/Unit	RM0.9908
			EX-Distribution NAV/Unit	RM0.9758

Financial Year 31/03/20– 31/03/21 %	Financial Year 31/03/19– 31/03/20 %
–	–
1.2 sen/unit	1.1 sen/unit
1.2 sen/unit	1.1 sen/unit
16/06/2020	18/06/2019
RM1.0478	RM1.0438
RM1.0358	RM1.0328
–	–
1.2 sen/unit	1.1 sen/unit
1.2 sen/unit	1.1 sen/unit
15/09/2020	17/09/2019
RM1.0458	RM1.0564
RM1.0338	RM1.0454
–	–
1.1 sen/unit	1.3 sen/unit
1.1 sen/unit	1.3 sen/unit
15/12/2020	17/12/2019
RM1.0287	RM1.0486
RM1.0177	RM1.0356
–	–
1.0 sen/unit	1.1 sen/unit
1.0 sen/unit	1.1 sen/unit
16/03/2021	17/03/2020
RM0.9855	RM1.0505
RM0.9755	RM1.0395
–	–
1.2 sen/unit	1.1 sen/unit
1.2 sen/unit	1.1 sen/unit
16/06/2020	18/06/2019
RM1.0478	RM1.0438
RM1.0358	RM1.0328
–	–
1.2 sen/unit	1.1 sen/unit
1.2 sen/unit	1.1 sen/unit
15/09/2020	17/09/2019
RM1.0458	RM1.0564
RM1.0338	RM1.0454

Performance Data

Financial Year
31/03/21–
31/03/22
%

Additional Units	–
Distribution (Gross)	0.2 sen/unit
Distribution (Net)	0.2 sen/unit
Distribution Date	14/12/2021
Cum-Distribution NAV/Unit	RM0.9680
EX-Distribution NAV/Unit	RM0.9660

Additional Units	–
Distribution (Gross)	0.4 sen/unit
Distribution (Net)	0.4 sen/unit
Distribution Date	15/03/2022
Cum-Distribution NAV/Unit	RM0.9696
EX-Distribution NAV/Unit	RM0.9656

Class C	Additional Units	–
	Distribution (Gross)	0.2 sen/unit
	Distribution (Net)	0.2 sen/unit
	Distribution Date	15/03/2022
	Cum-Distribution NAV/Unit	RM1.0029
	EX-Distribution NAV/Unit	RM1.0009

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 31/03/2022)*

Class D:

(i) One Year	0.88%
(ii) Three Years	1.53%
(iii) Five Years	3.07%

Financial Year 31/03/20– 31/03/21 %	Financial Year 31/03/19– 31/03/20 %
–	–
1.1 sen/unit	1.3 sen/unit
1.1 sen/unit	1.3 sen/unit
15/12/2020	17/12/2019
RM1.0287	RM1.0486
RM1.0177	RM1.0356
–	–
1.0 sen/unit	1.1 sen/unit
1.0 sen/unit	1.1 sen/unit
16/03/2021	17/03/2020
RM0.9855	RM1.0505
RM0.9755	RM1.0395
–	–
–	–
–	–
–	–
–	–
–	–
–	–
–	–
–	–
–	–
–	–
–	–

Performance Data

	Financial Year 31/03/21– 31/03/22 %
Class B:	
(i) One Year	0.82%
(ii) Three Years	1.52%
(iii) Five Years	3.05%
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)

Financial Year
31/03/20–
31/03/21
%

Financial Year
31/03/19–
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

Head Office

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

Pulau Pinang

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

Ipoh

2nd Floor, Lot 3, Persiaran Greentown 4
Greentown Business Centre
30450 Ipoh, Perak
Tel: 05-2558 388, 05-2559 388, 05-2534 388
Fax: 05-2558 389

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