

Hong Leong Wholesale Bond Fund

First-Quarter Report
Financial Period Ended 30 June 2025

2025
Unaudited



HONG LEONG WHOLESALE BOND FUND

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Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Wholesale Bond Fund ("HLWBoF" or "the 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

12-Month Fixed Deposit Rate quoted by Malayan Banking Berhad (Maybank 12-M FD Rate)

Distribution Policy

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

Notes:

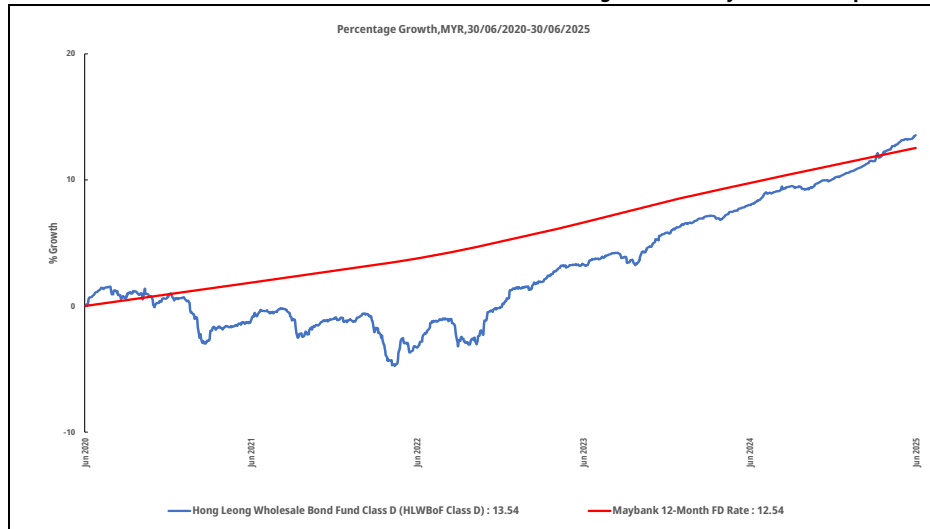
¹ Income may be distributed in the form of cash and/or additional Units.

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

³ The Manager has the discretion to decide on the amount to be distributed to Unit holders. 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 the Unit holders 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 covering the last five-year financial periods



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

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Performance Review

This First-Quarter Report covers the three-month financial period from 1 April 2025 to 30 June 2025.

The Fund posted a return of 1.84% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past three months while its benchmark the Maybank 12-Month FD Rate registered a return of 0.61%. During the financial period under review, the Fund had distributed a gross income distribution of 0.8000 sen per unit (net income distribution of 0.8000 sen per unit) to its Unit holders on 16 June 2025. Prior to the income distribution, the cum-distribution Net Asset Value (NAV) per unit of the Fund was RM1.0170 while the ex-distribution NAV per unit was RM1.0090. Unit holders should note that income distribution has the effect of reducing the NAV per unit of the Fund after distribution.

For the five-year financial periods ended 30 June 2025, the Fund has registered a return of 13.54% compared to the benchmark's return of 12.54% while distributing a total gross income of 15.1000 sen per unit (net income of 15.1000 sen per unit).

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;
- Country risk;
- Currency risk; and
- Derivatives risk.

Table 1: Performance of the Fund for the following periods as at 30 June 2025 (Source: Lipper)

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Launch
HLWBoF Class D Return (%)	1.84	3.14	5.12	17.42	13.54	41.95	51.59
Benchmark (%)	0.61	1.23	2.54	8.45	12.54	31.45	38.86

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 March 2025 to 30 June 2025 (Source: Lipper)

HLWBoF Class D	30-Jun-25	31-Mar-25	Return (%)
NAV Per Unit	RM1.0118	RM1.0014*	1.84#
Benchmark	2.45%	2.45%	0.61
vs Benchmark (%)	-	-	1.23

* Based on the NAV Per Unit on 28 March 2025 as the above-mentioned reporting date fell on a non-business day.

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

Table 3: Financial Highlights

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

	30-Jun-25 (RM)	31-Mar-25 (RM)	Change (%)
Unit Holders' Capital	368,576,780	435,503,441	(15.37)
Retained Earnings	13,231,194	8,712,776	51.86
Net Asset Value	381,807,974	444,216,217	(14.05)
Units in Circulation	377,365,661	443,461,678	(14.90)

Table 4: The Highest and Lowest NAV Per Unit, Total Return of the Fund and the breakdown into Capital Growth and Income Distribution for the financial period ended 30 June and financial years ended 31 March

HLWBoF Class D	Financial Period	Financial Year	Financial Year	Financial Year
	Jun 2025	2025	2024	2023
Highest NAV Per Unit (RM)	1.0171	1.0080	0.9998	0.9843
Lowest NAV Per Unit (RM)	1.0017	0.9906	0.9749	0.9264
Capital Growth (%)	1.04	0.81	1.67	2.27
Income Distribution (%)	0.80	3.27	3.44	1.49
Total Return (%)	1.84	4.08	5.11	3.76

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

Table 5: Average Total Return of the Fund for the financial period ended 30 June 2025

	1 Year	3 Years	5 Years
HLWBoF Class D (%)	5.12	5.81	2.71

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

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

Financial Year	2025	2024	2023	2022	2021
HLWBoF Class D (%)	4.08	5.11	3.76	0.88	-1.01

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

Table 7: Volatility of the Fund for the financial period ended 30 June 2025

Annualised Standard Deviation (%)	1 Year	3 Years	5 Years
HLWBoF Class D (%)	0.97	2.15	2.92

Source: Lipper

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – April 2025 to June 2025

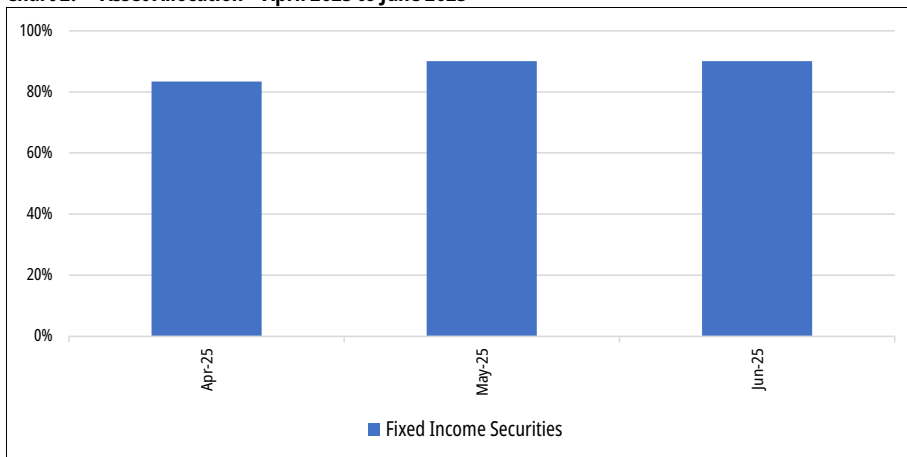


Chart 3: Sector Allocation as at 30 June 2025

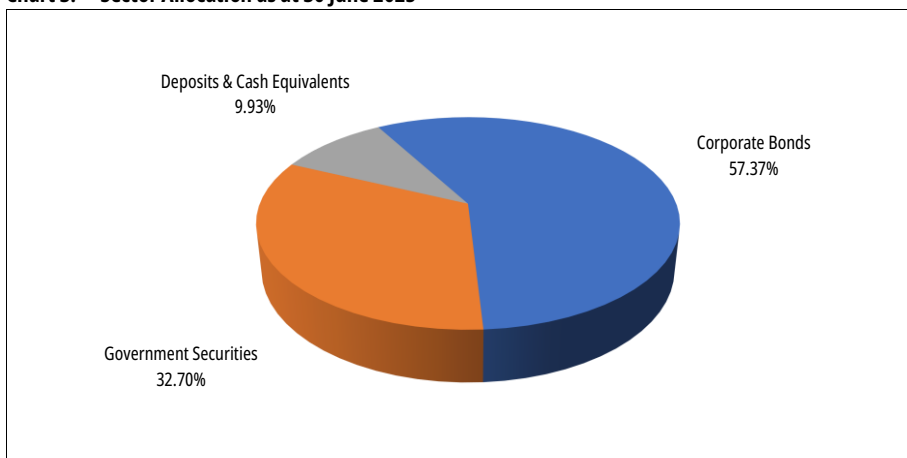
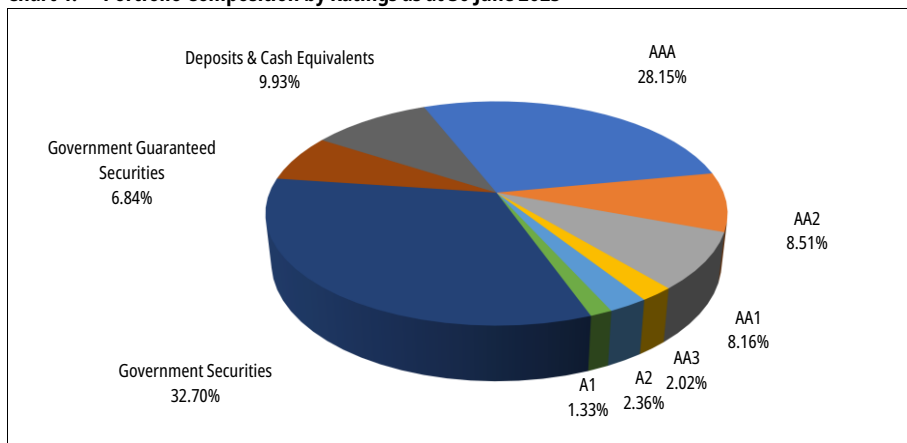


Chart 4: Portfolio Composition by Ratings as at 30 June 2025



Strategies employed by the Fund during the period under review

During the financial period under review, the Fund was fully invested in government securities, government guaranteed bonds and high investment grade bonds and kept close to 10% in cash for liquidity purposes.

An explanation on the differences in portfolio composition

During the financial period under review, the Fund's allocation to fixed income securities reduced slightly to 90.1% (previous period: 91.1%) whilst the cash level increased slightly to 9.9% (previous period: 8.9%). Exposure to corporate and government guaranteed bonds decreased to 57.4% (previous period: 61.3%) while exposure to government securities increased marginally to 32.7% (previous period: 29.8%).

Operational review of the Fund

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

IV. MARKET REVIEW

During the financial period under review, Malaysia's headline Consumer Price Index (CPI) declined further to 1.1% in June 2025 (May: 1.2%, April: 1.4%, March: 1.4%, February: 1.5%, January: 1.7%), marking the lowest inflation rate since February 2021. Core inflation was maintained at 1.8% suggesting that inflationary pressures continued to be benign. Meanwhile, Malaysia's exports fell by 3.5% year-on-year (YoY) in June 2025 (May: -1.1%) as compared to +16.4% in April, reflecting the impact of external headwinds from Trump's tariffs and geopolitical tensions in the Middle East.

In 2Q 2025, 3Y, 5Y and 10Y Malaysian Government Securities (MGS) yields dropped to 3.15% (-22 bps), 3.19% (-36 bps) and 3.47% (-29 bps) respectively (end-March 2025: 3Y: 3.37%, 5Y: 3.55%, 10Y: 3.76%).

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

In July 2025, Bank Negara Malaysia (BNM) cut Overnight Policy Rate (OPR) by 25 basis points (bps) to 2.75% as a pre-emptive move to keep inflation contained as well as to support economic growth amid global uncertainties. BNM has room to cut OPR further in the next 6-12 months should downside risks to growth persist. As such, we maintain our positive outlook for the local bond market. We continue to favour high investment grade corporate bonds with strong fundamentals.

VI. SOFT COMMISSIONS

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

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

Notes: Q = Quarter
Y = Year

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2025 TO 30 JUNE 2025

	01.04.2025 to 30.06.2025 RM	01.04.2024 to 30.06.2024 RM
INVESTMENT INCOME		
Interest income from financial assets measured at fair value through profit or loss ("FVTPL")	3,288,617	3,923,417
Interest income from financial assets measured at amortised cost	438,104	305,206
Dividend income	-	6,964
Net gain/(loss) on financial assets at FVTPL	3,990,084	(58,147)
	<u>7,716,805</u>	<u>4,177,440</u>
EXPENDITURE		
Management fee	(163,693)	(190,986)
Trustee's fee	(15,346)	(17,905)
Auditors' remuneration	(1,720)	(1,720)
Tax agent's fee	(748)	(748)
Other expenses	(850)	(639)
	<u>(182,357)</u>	<u>(211,998)</u>
PROFIT BEFORE TAXATION	7,534,448	3,965,442
Taxation	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	<u>7,534,448</u>	<u>3,965,442</u>
Profit after taxation is made up as follows:		
Realised amount	2,243,345	4,124,242
Unrealised amount	5,291,103	(158,800)
	<u>7,534,448</u>	<u>3,965,442</u>
Distribution for the financial period:		
Net distribution	<u>3,016,030</u>	<u>3,848,837</u>
Net distribution per unit (sen)	<u>0.8000</u>	<u>0.8000</u>
Gross distribution per unit (sen)	<u>0.8000</u>	<u>0.8000</u>

CONDENSED STATEMENT OF FINANCIAL POSITION (Unaudited)
AS AT 30 JUNE 2025

	30.06.2025	31.03.2025
	RM	RM
ASSETS		
Cash and cash equivalents	37,956,274	39,763,787
Financial assets at FVTPL	343,907,805	404,529,063
Tax recoverable	4,598	4,598
TOTAL ASSETS	<u>381,868,677</u>	<u>444,297,448</u>
LIABILITIES		
Amount due to the Manager		
-management fee	50,281	64,493
Amount due to the Trustee	4,714	6,046
Other payables and accruals	5,708	10,692
TOTAL LIABILITIES	<u>60,703</u>	<u>81,231</u>
NET ASSET VALUE OF THE FUND	<u>381,807,974</u>	<u>444,216,217</u>
EQUITY		
Unit holders' capital	368,576,780	435,503,441
Retained earnings	13,231,194	8,712,776
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	<u>381,807,974</u>	<u>444,216,217</u>
UNITS IN CIRCULATION (UNITS)	<u>377,365,661</u>	<u>443,461,678</u>
NET ASSET VALUE PER UNIT (RM)	<u>1.0118</u>	<u>1.0017</u>

CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2025 TO 30 JUNE 2025

	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 April 2025	435,503,441	8,712,776	444,216,217
Movement in net asset value:			
Creation of units from distribution	8,814,000	-	8,814,000
Creation of units from distributions	365,220	-	365,220
Cancellation of units	(76,105,881)	-	(76,105,881)
Total comprehensive income for the financial period	-	7,534,448	7,534,448
Distribution for the financial period	-	(3,016,030)	(3,016,030)
Balance as at 30 June 2025	<u>368,576,780</u>	<u>13,231,194</u>	<u>381,807,974</u>
Balance as at 1 April 2024	473,226,789	4,824,056	478,050,845
Movement in net asset value:			
Creation of units from distribution	890,378	-	890,378
Total comprehensive income for the financial period	-	3,965,442	3,965,442
Distribution for the financial period	-	(3,848,837)	(3,848,837)
Balance as at 30 June 2024	<u>474,117,167</u>	<u>4,940,661</u>	<u>479,057,828</u>

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2025 TO 30 JUNE 2025

	01.04.2025 to 30.06.2025 RM	01.04.2024 to 30.06.2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of financial assets at FVTPL	78,537,325	8,926,117
Proceeds from redemption of financial assets at FVTPL	-	10,000,000
Purchase of financial assets at FVTPL	(14,979,456)	(23,994,975)
Interest income received from financial assets measured at FVTPL and amortised cost	4,780,194	4,487,864
Management fee rebates received	-	1,314
Management fee paid	(177,905)	(192,734)
Trustee's fee paid	(16,678)	(18,069)
Payment for other fees and expenses	(8,302)	(639)
Net cash generated from/(used in) operating activities	<u>68,135,178</u>	<u>(791,122)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	8,814,000	-
Payments for cancellation of units	(76,105,881)	-
Payment for distribution	(2,650,810)	(2,958,459)
Net cash used in financing activities	<u>(69,942,691)</u>	<u>(2,958,459)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,807,513)	(3,749,581)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>39,763,787</u>	<u>42,136,838</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>37,956,274</u></u>	<u><u>38,387,257</u></u>

Performance Data

for the Financial Period Ended 30 June and Financial Years Ended 31 March

A. (i) Portfolio Compositions:

Corporate Bonds

Government Securities

Collective Investment Scheme

Deposits & Cash Equivalents

(ii) Total Net Asset Value (ex-distribution)

(iii) Net Asset Value Per Unit (ex-distribution)
Units in Circulation (ex-distribution)

(iv) Highest/Lowest NAV Per Unit Highest NAV Per Unit
(ex-distribution) Lowest NAV Per Unit

(v) Total Return of the Fund*

- Capital Growth
- Income Distribution

(vi) The distribution (gross) is made out of:-

- The Fund's Capital
- The Fund's Income
- Total Distribution Amount
- The Fund's Capital (% of Total Distribution Amount)
- The Fund's Income (% of Total Distribution Amount)

(vii) Distribution Per Unit

Additional Units
Distribution (Gross)
Distribution (Net)
Distribution Date
Cum-Distribution NAV/Unit
Ex-Distribution NAV/Unit

Additional Units
Distribution (Gross)
Distribution (Net)
Distribution Date
Cum-Distribution NAV/Unit
Ex-Distribution NAV/Unit

Financial Period Jun 2025 %	Financial Year 2025 %	Financial Year 2024 %	Financial Year 2023 %
57.37	61.28	61.54	44.87
32.70	29.79	30.06	30.14
-	-	0.75	9.89
9.93	8.93	7.65	15.10
RM381,807,974	RM444,216,217	RM478,050,845	RM468,764,346
RM1.0118	RM1.0014	RM0.9934	RM0.9771
377,365,661	443,461,678	481,104,576	479,767,547
RM1.0171	RM1.0080	RM0.9998	RM0.9843
RM1.0017	RM0.9906	RM0.9749	RM0.9264
1.84%	4.08%	5.11%	3.76%
1.04%	0.81%	1.67%	2.27%
0.80%	3.27%	3.44%	1.49%
0.0000 sen/unit	0.0000 sen/unit	0.0000 sen/unit	0.0000 sen/unit
0.8000 sen/unit	3.2000 sen/unit	3.3000 sen/unit	1.4000 sen/unit
0.8000 sen/unit	3.2000 sen/unit	3.3000 sen/unit	1.4000 sen/unit
0%	0%	0%	0%
100%	100%	100%	100%
-	-	-	-
0.8000 sen/unit	0.8000 sen/unit	0.7500 sen/unit	0.0500 sen/unit
0.8000 sen/unit	0.8000 sen/unit	0.7500 sen/unit	0.0500 sen/unit
16/06/2025	18/06/2024	15/06/2023	15/06/2022
RM1.0170	RM1.0000	RM0.9898	RM0.9372
RM1.0090	RM0.9920	RM0.9823	RM0.9367
-	-	-	-
-	0.8000 sen/unit	0.7500 sen/unit	0.2500 sen/unit
-	0.8000 sen/unit	0.7500 sen/unit	0.2500 sen/unit
-	17/09/2024	15/09/2023	15/09/2022
-	RM1.0063	RM0.9913	RM0.9589
-	RM0.9983	RM0.9838	RM0.9564

Performance Data

for the Financial Period Ended 30 June and Financial Years Ended 31 March

Additional Units
Distribution (Gross)
Distribution (Net)
Distribution Date
Cum-Distribution NAV/Unit
Ex-Distribution NAV/Unit

Additional Units
Distribution (Gross)
Distribution (Net)
Distribution Date
Cum-Distribution NAV/Unit
Ex-Distribution NAV/Unit

B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 30/06/2025)*

- (i) One year
- (ii) Three years
- (iii) Five years

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

Financial Period Jun 2025 %	Financial Year 2025 %	Financial Year 2024 %	Financial Year 2023 %
-	-	-	-
-	0.8000 sen/unit	1.0000 sen/unit	0.3500 sen/unit
-	0.8000 sen/unit	1.0000 sen/unit	0.3500 sen/unit
-	16/12/2024	15/12/2023	15/12/2022
-	RM1.0037	RM0.9968	RM0.9670
-	RM0.9957	RM0.9868	RM0.9635
-	-	-	-
-	0.8000 sen/unit	0.8000 sen/unit	0.7500 sen/unit
-	0.8000 sen/unit	0.8000 sen/unit	0.7500 sen/unit
-	17/03/2025	15/03/2024	15/03/2023
-	RM1.0080	RM0.9997	RM0.9835
-	RM1.0000	RM0.9917	RM0.9760
5.12%			
5.81%			
2.71%			

Corporate Information

Manager

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

Registered Office

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

Business Office

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

Board of Directors

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

Executive Director/Chief Executive Officer

Mr. Chue Kwok Yan

Trustee

Deutsche Trustees Malaysia Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Corporate Directory

Head Office

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