

Hong Leong SEA-5 Equity Fund

Semi-Annual Report

Financial Period Ended 31 May 2024

2023/2024

Unaudited



HONG LEONG SEA-5 EQUITY FUND

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Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong SEA-5 Equity Fund ("HLSEA-5" or "the Fund")

Fund Category

Equity

Fund Type

Growth

Investment Objective

The Fund aims to achieve medium to long-term capital growth by investing in a portfolio of investments in 5 South-East Asia markets, namely Malaysia, Singapore, Indonesia, Thailand and Philippines.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

FTSE/ASEAN 40 Index

Distribution Policy

The Fund intends to provide Unit holder with medium to long-term capital growth. As such, cash distributions will be incidental to the overall capital growth objective* and a substantial portion of the income returns from investments will be reinvested. Any distribution is subject to the availability of realized income and/or gains.

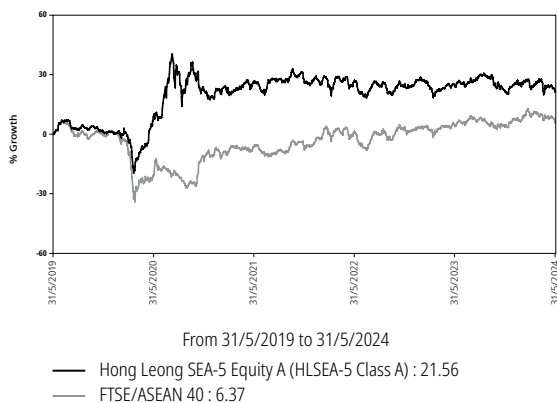
Note:

* In relation to distribution policy, the focus of the Fund is to secure medium and long-term capital growth.

II. FUND PERFORMANCE

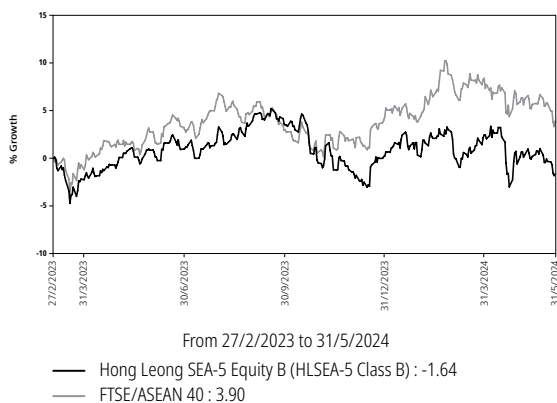
Chart 1: Performance of the Fund versus the benchmark

Hong Leong SEA-5 Equity 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 HLSEA-5 Class A reinvested.

Hong Leong SEA-5 Equity 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 HLSEA-5 Class B reinvested.

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

Performance Review

This Semi-Annual Report covers the six-month financial periods from 1 December 2023 to 31 May 2024.

For Hong Leong SEA-5 Equity Fund Class A, the Fund posted a return of 0.18% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the FTSE/ASEAN 40 Index has registered a return of 2.75% (in Malaysian Ringgit terms). For the five-year financial periods ended 31 May 2024, the Fund has posted a return of 21.56% while its benchmark has registered a return of 6.37% while distributing a total gross income of 7.0000 sen per unit (net income of 6.8850 sen per unit).

For Hong Leong SEA-5 Equity Fund Class B, the Fund posted a return of 0.45% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the FTSE/ASEAN 40 Index has registered a return of 2.75% (in Malaysian Ringgit terms). Since 27 February 2023 (date of launch), the Fund has posted a return of -1.64% while its benchmark has registered a return of 3.90%.

Table 1: Performance of the Fund for the following periods as at 31 May 2024 (Source: Lipper for Investment Management)

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Launch
HLSEA-5 Class A Return (%)	-1.77	0.18	-2.17	-3.37	21.56	12.59
Benchmark (%)	-2.86	2.75	2.23	13.63	6.37	16.76
	3 Months	6 Months	1 Year	Since Launch		
HLSEA-5 Class B Return (%)	-1.64	0.45	-1.78	-1.64		
Benchmark (%)	-2.86	2.75	2.23	3.90		

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 30 November 2023 to 31 May 2024 (Source: Lipper for Investment Management)

HLSEA-5 Class A	31-May-24	30-Nov-23	Return (%)
NAV Per Unit	RM0.4941	RM0.4932	0.18
Benchmark	47,646.86	46,369.93	2.75
vs Benchmark (%)	-	-	-2.57

HLSEA-5 Class B	31-May-24	30-Nov-23	Return (%)
NAV Per Unit	RM0.4918	RM0.4896	0.45
Benchmark	47,646.86	46,369.93	2.75
vs Benchmark (%)	-	-	-2.30

Table 3: Financial Highlights

The Fair Value of Outstanding Units are represented by:

	31-May-24 (RM)	30-Nov-23 (RM)	Change (%)
Class A	2,779,565	3,363,709	(17.37)
Class B	492	490	0.41

Units in Circulation:

Class A	5,625,833	6,819,577	(17.50)
Class B	1,000	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 period ended 31 May and financial years ended 30 November

HLSEA-5 Class A	Financial Period 2024	Financial Year 2023	Financial Year 2022	Financial Year 2021
Highest NAV Per Unit (RM)	0.5195	0.5591	0.5994	0.6148
Lowest NAV Per Unit (RM)	0.4874	0.4932	0.5193	0.5436
Capital Growth (%)	0.18	-9.02	-6.95	2.95
Income Distribution (%)	-	6.21	6.19	-
Total Return (%)	0.18	-2.81	-0.76	2.95

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 HLSEA-5 Class A reinvested.

HLSEA-5 Class B	Financial Period 2024	Financial Period 2023*
Highest NAV Per Unit (RM)	0.5167	RM0.5260
Lowest NAV Per Unit (RM)	0.4848	RM0.4763
Capital Growth (%)	0.45	-2.08
Income Distribution (%)	-	-
Total Return (%)	0.45	-2.08

* The figure shown is for the period since Fund launch (27 February 2023 to 30 November 2023).

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 HLSEA-5 Class B reinvested.

Table 5: Average Total Return of the Fund for the financial period ended 31 May 2024

	1 Year	3 Years	5 Years
HLSEA-5 Class A (%)	-2.17	-1.12	4.31
HLSEA-5 Class B (%)	-1.78	-	-

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 HLSEA-5 reinvested.

Table 6: Annual Total Return of the Fund for the financial years ended 30 November

Financial Year	2023	2022	2021	2020	2019
HLSEA-5 Class A (%)	-2.81	-0.76	2.95	20.82	-2.92
HLSEA-5 Class B (%)	-2.08*	-	-	-	-

* The figure shown is for the period since Fund launch (27 February 2023 to 30 November 2023).

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 HLSEA-5 reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – December 2023 to May 2024

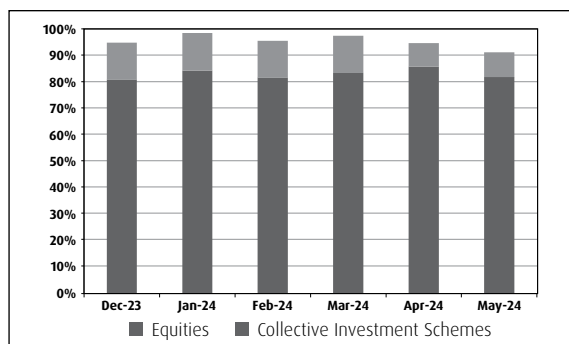


Chart 3: Sector Allocation as at 31 May 2024

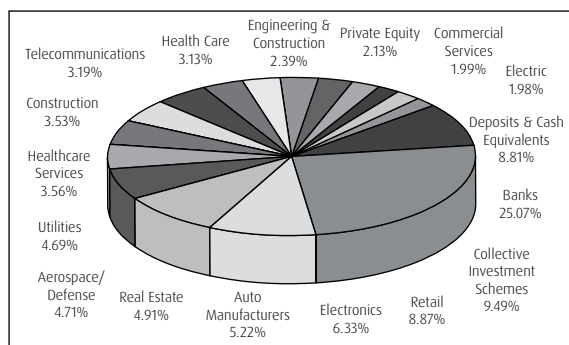
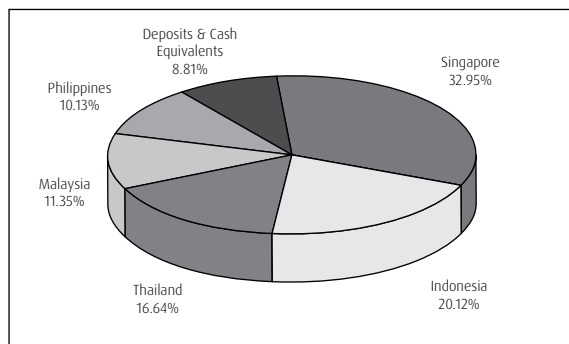


Chart 4: Geographical Allocation as at 31 May 2024



Strategies employed by the Fund during the period under review

We increased our positions in Malaysia as we turned optimistic towards Malaysia market thanks to the influx of Foreign Direct Investments (FDIs) from the global tech giants into data centers segment. This will create more construction jobs and increase the electricity demand which benefited local utilities and construction players.

An explanation on the differences in portfolio composition

During the financial period under review, we increased our positions in Malaysia. We have increased our holdings into utilities and construction sectors.

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, ASEAN markets saw some gradual recovery partly due to the export recovery on the global basis. However, due to the United States (US) maintained its interest rates for higher and longer, that caused weakness to the ASEAN's currencies, with the exception of Singapore Dollar (SGD). Indonesian banks suffered as a result of Bank of Indonesia (BI) decided to raise interest rates to 6.25% in April 2024 to defend Indonesia Rupiah (IDR).

In the broader economic context, the US economy remains solid, although data released in May indicates signs of moderation, with capital spending and home sales trending sideways. The flash Purchasing Managers' Index (PMI) data provided a bright spot, with the manufacturing component rising to 50.9 and services to 54.8. However, disinflationary trends in the US are stalling, particularly with persistent price pressures in the services sector. The latest inflation release showed only a modest slowing in both headline and core categories, reducing year-on-year (YoY) rates to 3.4% and 3.6%, respectively.

Singapore's first quarter of 2024 Gross Domestic Product (GDP) reported 2.7% YoY growth which was in line with the estimates, primarily driven by the finance & insurance, transportation & storage and wholesale trade sectors. However, the manufacturing sector contracted by 1.8% YoY which was dragged by the relatively volatile biomedical sector. Hence, Singapore's economy will stay underpinned by improving global trade backdrop and inbound visitor arrivals.

The Indonesian economy expanded 5.1 percent YoY in the first quarter of 2024, along the consensus estimates and it was largely steady from the 2023 average. The key lift was from higher government and campaign-related spending, while public investments slowed ahead of the elections. In March, Prabowo Subianto secured a first-round majority in the election boding well for Indonesia's political stability and policy continuity.

Thailand's first quarter of 2024 GDP growth surprised to the upside, as the economy grew 1.5% YoY which was better than the consensus estimates. The sequential quarter-on-quarter (QoQ) growth also came in stronger-than-expected at 1.1%. The economy was supported by solid personal consumption at 6.9% YoY which offsets the weakness in government spending and investment activity. Separately, the Thai Cabinet is planning to seek approval for an additional budget of Thai Baht (THB) 122 billion for Financial Year 2024 to finance the government's economic stimulus.

The Philippines's first quarter of 2024 GDP grew by 5.7% YoY, up from 5.5% YoY in the fourth quarter of last year but falling short of market expectations of 6.0% YoY. The acceleration stemmed from rebounds in public spending and net exports of goods and services. The exports of goods and services rebounded, growing 7.5% YoY in the first quarter, largely thanks to a recovery in the global electronics sector.

In the first quarter, Malaysia's GDP growth jumped to 4.2% YoY, exceeds expectations which was driven by resilient domestic household spending and a turnaround in export's growth, +6.3% YoY. Both construction and manufacturing also seeing positive growth in the first quarter which led to a very positive outlook for its 2024 GDP growth. Furthermore, an increase in tourist arrivals and a healthy labour market would significantly support the growth trajectory.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

In the second half of the year, our outlook on ASEAN markets turns more cautious, primarily due to the upside surprise on US inflation and jobs market prints in the first half of 2024 which pushback the Federal Reserve's rates cuts to the end of the fourth quarter of 2024. However, the influx of FDIs into ASEAN countries may spur the economies especially towards the supply chain surrounding the data centres developments.

This proactive strategy aims to capitalize on the evolving market dynamics, positioning our portfolio to benefit from the rising trend of infrastructure capital expenditure which is driven by the generative artificial intelligence demands. As we navigate the uncertainties of the financial landscape, our focus remains on optimizing returns while adapting to the shifting economic conditions.

VI. SOFT COMMISSIONS

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

STATEMENT BY THE MANAGER

I, Chue Kwok Yan, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 12 to 41 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 May 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period ended 31 May 2024 in accordance with the Malaysian Financial Reporting Standard 134 "Interim Financial Reporting" and International Accounting Standard 34 "Interim Financial Reporting".

For and on behalf of the Manager,
Hong Leong Asset Management Bhd
(Company No.: 199401033034 (318717-M))

CHUE KWOK YAN

Acting Chief Executive Officer/Executive Director

Kuala Lumpur
22 July 2024

TRUSTEE'S REPORT

To the unit holders of HONG LEONG SEA-5 EQUITY FUND ("Fund"),

We have acted as Trustee of the Fund for the financial period ended 31 May 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deeds, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deeds; and
3. Any creation and cancellation of units are carried out in accordance with the deeds and any regulatory requirement.

For **Maybank Trustees Berhad**
[Company No.: 196301000109 (5004-P)]

NORHAZLIANA BINTI MOHAMMED HASHIM

Head, Unit Trust & Corporate Operations

Kuala Lumpur
22 July 2024

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2024

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Interest income from financial assets measured at amortised cost		699	1,426
Dividend income		60,476	66,480
Net loss on derivatives	7	(12,629)	(93,856)
Net gain on financial assets at fair value through profit or loss ("FVTPL")	8	47,863	96,318
Net foreign currency exchange loss		(12,584)	(13,338)
		<u>83,825</u>	<u>57,030</u>
EXPENDITURE			
Management fee	4	(29,090)	(35,537)
Trustee's fee	5	(566)	(691)
Auditors' remuneration		(5,649)	(4,837)
Tax agent's fee		(2,251)	(2,013)
Custodian fees		(2,895)	(2,763)
Transaction costs		(5,456)	(8,900)
Other expenses		(9,219)	(6,820)
		<u>(55,126)</u>	<u>(61,561)</u>
NET PROFIT/(LOSS) BEFORE TAXATION			
Taxation	6	28,699	(4,531)
		<u>(7,474)</u>	<u>(10,926)</u>
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS			
		<u>21,225</u>	<u>(15,457)</u>
Increase/(decrease) in net assets attributable to unit holders consists of:			
Realised amount		16,434	17,787
Unrealised amount		4,791	(33,244)
		<u>21,225</u>	<u>(15,457)</u>

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

CONDENSED STATEMENT OF FINANCIAL POSITION (Unaudited)

AS AT 31 MAY 2024

	Note	31.05.2024 RM	30.11.2023 RM
ASSETS			
Cash and cash equivalents		265,710	477,263
Derivatives	7	5,204	-
Dividends receivable		7,322	8,172
Financial assets at FVTPL	8	2,535,082	2,949,274
Tax recoverable		3,305	-
TOTAL ASSETS		<u>2,816,623</u>	<u>3,434,709</u>
LIABILITIES			
Amount due to the Manager			
-cancellation of units		1,089	-
-management fee		4,410	5,082
Amount due to the Trustee		86	7,764
Derivatives	7	-	17,845
Other payables and accruals		30,981	39,079
Tax payable		-	740
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>36,566</u>	<u>70,510</u>
NET ASSET VALUE OF THE FUND		<u>2,780,057</u>	<u>3,364,199</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>2,780,057</u>	<u>3,364,199</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class A		2,779,565	3,363,709
- Class B		492	490
		<u>2,780,057</u>	<u>3,364,199</u>
UNITS IN CIRCULATION (UNITS)			
- Class A		5,625,833	6,819,577
- Class B		1,000	1,000
	9	<u>5,626,833</u>	<u>6,820,577</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.4941	0.4932
- Class B		0.4918	0.4896

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

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS (Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2024

	2024 RM	2023 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	3,364,199	4,257,476
Movement due to units created and cancelled during the financial period:		
Creation of units from applications	-	8,500
Cancellation of units	(605,367)	(468,452)
	(605,367)	(459,952)
Increase/(decrease) in net assets attributable to unit holders	21,225	(15,457)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u>2,780,057</u>	<u>3,782,067</u>

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

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2024

	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of financial assets at FVTPL	1,001,675	1,238,507
Purchase of financial assets at FVTPL	(542,268)	(1,040,765)
Realised loss on derivatives	(35,678)	(32,509)
Realised foreign exchange differences arising from operating activities	(12,603)	(35,147)
Interest income received from financial assets measured at amortised cost	699	1,426
Dividend income received	54,840	58,813
Management fee paid	(29,762)	(36,012)
Trustee's fee paid	(8,244)	(8,125)
Payment for other fees and expenses	(24,482)	(5,111)
Tax paid	(11,519)	(6,915)
Net cash generated from operating and investing activities	<u>392,658</u>	<u>134,162</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	-	8,500
Payments for cancellation of units	(604,278)	(468,452)
Net cash used in financing activities	<u>(604,278)</u>	<u>(459,952)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(211,620)	(325,790)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	67	21,881
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>477,263</u>	<u>809,788</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>265,710</u>	<u>505,879</u>

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong SEA-5 Equity Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 6 December 2016, First Supplemental Deed dated 18 June 2021, Second Supplemental Deed dated 9 September 2021 and Third Supplemental Deed dated 26 May 2022 between the Manager, Hong Leong Asset Management Bhd and Maybank Trustees Berhad (“the Trustee”) for the unit holders of the Fund.

The Fund aims to achieve medium to long-term capital growth by investing in a portfolio of investments in 5 South-East Asia markets, namely Malaysia, Singapore, Indonesia, Thailand and Philippines.

The Fund will invest in a diversified portfolio of equities comprising blue chip stocks and index stocks listed in the 5 South-East Asia markets, namely Malaysia, Singapore, Indonesia, Thailand and Philippines. The Fund commenced operations on 9 January 2017 and will continue its operations until terminated as provided under Part 12 of the Deeds.

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

The financial statements were authorised for issue by the Manager on 22 July 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

The condensed financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard 134 “Interim Financial Reporting” and International Accounting Standard 34 “Interim Financial Reporting”.

The condensed financial statements should be read in conjunction with the audited financial statements of the Fund for the financial year ended 30 November 2023 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”).

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund’s business model for managing those financial assets and the contractual cash flows characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund’s debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, all investments are measured at fair value through profit or loss.

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

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

Recognition and measurement

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

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

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss including the effects of currency translation are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the period which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of dividend income when the Fund's right to receive payments is established.

Local quoted investments are valued at the last traded market prices quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

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

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

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

Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Foreign currency

Functional and presentation currency

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

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

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

Transactions and balances

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

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

(d) Income recognition

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

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

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

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

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

(e) Cash and cash equivalents

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

(f) Amount due from/to brokers/dealers

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

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

(g) Taxation

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

(h) Unit holders' capital

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

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

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

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

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

(j) Finance cost

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

A proposed distribution is recognised as a financial liability in the year in which it is approved.

(k) Transaction costs

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

(l) Derivatives

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

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

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

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

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

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

(m) Fair value of financial instruments

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

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

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

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
31.05.2024			
<u>Financial assets</u>			
Cash and cash equivalents	-	265,710	265,710
Derivatives (Note 7)	5,204	-	5,204
Dividends receivable	-	7,322	7,322
Financial assets at FVTPL (Note 8)	2,535,082	-	2,535,082
	<u>2,540,286</u>	<u>273,032</u>	<u>2,813,318</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	1,089	1,089
-management fee	-	4,410	4,410
Amount due to the Trustee	-	86	86
Other payables and accruals	-	30,981	30,981
	<u>-</u>	<u>36,566</u>	<u>36,566</u>
30.11.2023			
<u>Financial assets</u>			
Cash and cash equivalents	-	477,263	477,263
Dividends receivable	-	8,172	8,172
Financial assets at FVTPL (Note 8)	2,949,274	-	2,949,274
	<u>2,949,274</u>	<u>485,435</u>	<u>3,434,709</u>

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	5,082	5,082
Amount due to the Trustee	-	7,764	7,764
Derivatives (Note 7)	17,845	-	17,845
Other payables and accruals	-	39,079	39,079
	17,845	51,925	69,770

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

(n) Critical accounting estimates and judgements in applying accounting policies

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

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

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

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

3. FAIR VALUE ESTIMATION

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

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

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

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.05.2024				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities - local	315,431	-	-	315,431
- Quoted equity securities - foreign	1,955,694	-	-	1,955,694
- Quoted collective investment schemes - foreign	263,957	-	-	263,957
	<u>2,535,082</u>	<u>-</u>	<u>-</u>	<u>2,535,082</u>
<u>Financial assets:</u>				
- Derivatives	-	5,204	-	5,204
30.11.2023				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities - local	177,224	-	-	177,224
- Quoted equity securities - foreign	2,458,127	-	-	2,458,127
- Quoted collective investment schemes - foreign	313,923	-	-	313,923
	<u>2,949,274</u>	<u>-</u>	<u>-</u>	<u>2,949,274</u>
<u>Financial liabilities:</u>				
- Derivatives	-	(17,845)	-	(17,845)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and listed collective investment schemes. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

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

4. MANAGEMENT FEE

In accordance with Division 13.1 of the Deeds, the Manager is entitled to a management fee of up to 1.80% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 May 2024, the management fee was recognised at a rate of 1.80% (27.02.2023 to 31.05.2023: 1.80%) per annum for both Class A and Class B. The management fee is recognised at a rate of 1.80% per annum from 1 December 2022 to 26 February 2023.

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

5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deeds, the Trustee is entitled to a fee not exceeding 0.08% per annum subject to a minimum of RM9,000 (excluding custodian fee and charges) per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 May 2024, the Trustee's fee is recognised at a rate of 0.035% (2023: 0.035%) per annum.

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

6. TAXATION

	2024 RM	2023 RM
Tax charge for the financial period:		
Current taxation	7,474	10,926

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

	2024 RM	2023 RM
Profit/(loss) before taxation	28,699	(4,531)
Taxation at Malaysian statutory rate of 24% (2023: 24%)	6,888	(1,087)
Tax effects of:		
(Investment income not subject to tax)/ investment loss disallowed from tax	(9,064)	108
Expenses not deductible for tax purposes	1,016	2,301
Restriction on tax deductible expenses for unit trust fund	8,634	9,604
Taxation	7,474	10,926

7. DERIVATIVES

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

	31.05.2024 RM	30.11.2023 RM
<u>Derivative assets:</u>		
Forward currency contracts	5,204	-
<u>Derivative liabilities:</u>		
Forward currency contracts	-	17,845

	2024 RM	2023 RM
<u>Net loss on derivatives:</u>		
Realised loss on disposals	(35,678)	(32,509)
Changes in unrealised fair values	23,049	(61,347)
	(12,629)	(93,856)

	Maturity date	Contract or underlying principal amounts	*Fair value RM
31.05.2024			
Philippines Peso	within 1 month	30,521#	(2,381)
Singapore Dollar	within 1 month	137,000	1,507
Thai Baht	within 1 month	2,379,000	5,472
United States Dollar	within 1 month	41,521	606
			5,204
30.11.2023			
Philippines Peso	within 1 month	39,576#	(3,963)
Singapore Dollar	within 1 month	212,000	(11,130)
Thai Baht	within 1 month	2,620,000	(3,144)
United States Dollar	within 1 month	39,576	392
			(17,845)

This is the equivalent US Dollar amount used to hedge PHP1,816,000 (30.11.2023: PHP2,242,000).

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

	Receivables RM	Payables RM	Fair value RM	Percentage of net asset value %
31.05.2024				
Hong Leong Bank Berhad	6,397	(2,381)	4,016	0.14
Hong Leong Investment Bank Berhad	1,507	(319)	1,188	0.04
	7,904	(2,700)	5,204	0.18
30.11.2023				
Hong Leong Bank Berhad	392	(7,107)	(6,715)	0.20
Hong Leong Investment Bank Berhad	-	(11,130)	(11,130)	0.33
	392	(18,237)	(17,845)	0.53

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

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

	31.05.2024 RM	30.11.2023 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities - local	315,431	177,224
Quoted equity securities - foreign	1,955,694	2,458,127
Quoted collective investment schemes - foreign	263,957	313,923
	2,535,082	2,949,274
2024 RM		
2023 RM		
<u>Net gain on financial assets at FVTPL:</u>		
Realised gain on disposals	66,140	90,024
Changes in unrealised fair values	(18,277)	6,294
	47,863	96,318

Financial assets at FVTPL as at 31 May 2024 are as detailed below:

	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES - LOCAL				
<u>Construction</u>				
Gamuda Berhad	16,160	58,247	98,091	3.53
<u>Health Care</u>				
Alpha IVF Group Berhad	276,000	88,320	86,940	3.13
<u>Utilities</u>				
Tenaga Nasional Berhad	10,000	100,000	130,400	4.69
TOTAL QUOTED EQUITY SECURITIES - LOCAL	302,160	246,567	315,431	11.35
QUOTED EQUITY SECURITIES - FOREIGN				
Indonesia				
<u>Banks</u>				
PT Bank Central Asia TBK	58,000	150,231	155,263	5.58
PT Bank Rakyat Indonesia Persero TBK	63,500	85,166	79,756	2.87
	121,500	235,397	235,019	8.45
<u>Commercial Services</u>				
PT Jasa Marga (Persero) TBK	40,000	40,824	55,333	1.99
<u>Retail</u>				
ACE Hardware Indonesia TBK PT	760,000	169,590	180,354	6.49

	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Telecommunications</u>				
PT Indosat TBK	30,000	69,733	88,556	3.19
Total Indonesia	951,500	515,544	559,262	20.12
Philippines				
<u>Auto Manufacturers</u>				
GT Capital Holdings, Inc.	3,000	132,095	145,022	5.22
<u>Real Estate</u>				
Ayala Corporation	1,500	81,915	71,668	2.58
SM Prime Holdings, Inc.	30,000	82,241	64,923	2.33
	31,500	164,156	136,591	4.91
Total Philippines	34,500	296,251	281,613	10.13
Singapore				
<u>Aerospace/Defense</u>				
Singapore Technologies Engineering Limited	9,000	113,175	130,970	4.71
<u>Banks</u>				
DBS Group Holdings Ltd	1,320	101,141	165,390	5.95
Oversea-Chinese Banking Corporation Limited	2,900	114,335	146,494	5.27
United Overseas Bank Limited	1,400	103,868	150,069	5.40
	5,620	319,344	461,953	16.62
<u>Private Equity</u>				
CapitaLand Investment Limited	6,400	43,353	59,268	2.13
Total Singapore	21,020	475,872	652,191	23.46
Thailand				
<u>Electric</u>				
Rojana Indus Park PCL [^]	70,000	54,807	55,026	1.98
<u>Electronics</u>				
Hana Microelectronics Public Company Limited [^]	34,000	225,245	176,007	6.33
<u>Engineering and Construction</u>				
Airports of Thailand Public Company Limited [^]	8,000	74,757	66,466	2.39
<u>Healthcare Services</u>				
Bumrungrad Hospital Public Company Limited [^]	3,200	108,456	98,983	3.56
<u>Retail</u>				
CP All Public Company Limited [^]	9,000	76,099	66,146	2.38
Total Thailand	124,200	539,364	462,628	16.64
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	1,131,220	1,827,031	1,955,694	70.35

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

	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN				
Singapore				
<u>Real Estate Investment Trust</u>				
AIMS Apac Reit	20,000	82,377	89,124	3.20
Fraser's Logistics and Commercial Trust	17,600	70,621	60,660	2.18
Mapletree Logistics Trust	24,658	128,567	114,173	4.11
	62,258	281,565	263,957	9.49
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN	62,258	281,565	263,957	9.49
TOTAL INVESTMENTS	1,495,638	2,355,163	2,535,082	91.19
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL				
			179,919	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL				
		2,535,082		
QUOTED EQUITY SECURITIES - LOCAL				
<u>Construction</u>				
Gamuda Berhad	15,945	57,295	76,058	2.26
<u>Transportation & Logistics</u>				
Malaysia Airports Holdings Berhad	14,090	85,755	101,166	3.01
TOTAL QUOTED EQUITY SECURITIES - LOCAL	30,035	143,050	177,224	5.27
QUOTED EQUITY SECURITIES - FOREIGN				
Indonesia				
<u>Banks</u>				
PT Bank Central Asia TBK	80,000	207,215	215,903	6.42
<u>Commercial Services</u>				
PT Jasa Marga (Persero) TBK	60,000	61,235	83,895	2.49
<u>Retail</u>				
ACE Hardware Indonesia TBK PT	980,000	218,682	222,488	6.61
<u>Telecommunications</u>				
PT Indosat TBK	30,000	69,733	85,925	2.55
PT Telkom Indonesia (Persero) TBK	60,000	67,597	67,838	2.02
	90,000	137,330	153,763	4.57
Total Indonesia	1,210,000	624,462	676,049	20.09

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

	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Philippines				
<u>Auto Manufacturers</u>				
GT Capital Holdings, Inc.	3,000	132,095	136,547	4.06
<u>Real Estate</u>				
Ayala Corporation	1,500	81,915	83,564	2.48
SM Prime Holdings, Inc.	30,000	82,241	81,299	2.42
	31,500	164,156	164,863	4.90
Total Philippines	34,500	296,251	301,410	8.96
Singapore				
<u>Aerospace/Defense</u>				
Singapore Technologies Engineering Limited	9,000	113,175	116,595	3.47
<u>Banks</u>				
DBS Group Holdings Ltd	2,300	193,853	254,916	7.58
Oversea-Chinese Banking Corporation Limited	4,400	173,474	192,669	5.73
United Overseas Bank Limited	2,000	148,384	190,099	5.65
	8,700	515,711	637,684	18.96
<u>Private Equity</u>				
Capitaland Investment Limited	10,000	67,739	105,805	3.14
Total Singapore	27,700	696,625	860,084	25.57
Thailand				
<u>Electric</u>				
Rojana Indus Park PCL [^]	180,000	140,931	138,122	4.11
<u>Electronics</u>				
Hana Microelectronics Public Company Limited [^]	34,000	225,245	201,296	5.98
<u>Engineering & Construction</u>				
Airports of Thailand Public Company Limited [^]	8,000	74,757	62,975	1.87
<u>Healthcare - Services</u>				
Bumrungrad Hospital Public Company Limited [^]	3,200	108,456	94,410	2.81
<u>Real Estate</u>				
Sansiri Public Company Limited [^]	280,000	73,737	61,864	1.84
<u>Retail</u>				
CP All Public Company Limited [^]	9,000	76,099	61,917	1.84
Total Thailand	514,200	699,225	620,584	18.45
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	1,786,400	2,316,563	2,458,127	73.07

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	Quantity units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN				
Singapore				
<u>Real Estate Investment Trust</u>				
AIMS APAC REIT	40,000	164,754	177,388	5.27
Mapletree Logistics Trust	24,286	126,711	136,535	4.06
	64,286	291,465	313,923	9.33
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEMES - FOREIGN	64,286	291,465	313,923	9.33
TOTAL INVESTMENTS	1,880,721	2,751,078	2,949,274	87.67
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL				
		198,196		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL				
		2,949,274		

9. UNITS IN CIRCULATION

	01.12.2023 to 31.05.2024 No. of units	01.12.2022 to 30.11.2023 No. of units
Class A (i)	5,625,833	6,819,577
Class B (ii)	1,000	1,000
	5,626,833	6,820,577
(i) Class A		
At the beginning of the financial period/year	6,819,577	7,853,773
Add: Creation of units during the financial period/year		
- Arising from applications	-	105,219
- Arising from distribution	-	463,864
Less: Cancellation of units during the financial period/year	(1,193,744)	(1,603,279)
At the end of the financial period/year	5,625,833	6,819,577
(ii) Class B		
At the beginning of the financial period/year	1,000	-
Add: Creation of units during the financial period/year		
- Arising from applications	-	1,000
At the end of the financial period/year	1,000	1,000

10. TOTAL EXPENSE RATIO (“TER”)

	2024 %	2023 %
TER (annualised)	2.84	2.58

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

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

Where;

- A = Management fee
- B = Trustee’s fee
- C = Auditors’ remuneration
- D = Tax agent’s fee
- E = Custodian fees
- F = Other expenses excluding withholding tax
- G = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial period calculated on a daily basis is RM3,228,820 (2023: RM3,956,774).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024 Times	2023 Times
PTR	0.23	0.33

PTR is derived from the following calculation:

(Total acquisitions for the financial period + total disposals for the financial period) / 2

Average net asset value of the Fund for the financial period calculated on a daily basis

Where:

total acquisitions for the financial period
= RM540,117 (2023: RM1,152,050)

total disposals for the financial period
= RM938,840 (2023: RM1,464,291)

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

	31.05.2024		30.11.2023	
	Units	RM	Units	RM
The Manager - Class B	1,000	492	1,000	490

No units were held by parties related to the Manager as at 31 May 2024 and 30 November 2023.

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.

	31.05.2024	30.11.2023
	RM	RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	48,693	137,715
Derivatives:		
- Hong Leong Bank Berhad	4,016	(6,715)
- Hong Leong Investment Bank Berhad	1,188	(11,130)
	<u>53,897</u>	<u>119,870</u>
	2024	2023
	RM	RM
<u>Related party transactions</u>		
Interest income from auto-sweep facility bank account		
- Hong Leong Bank Berhad	699	1,426
Purchase of quoted equity securities:		
- Hong Leong Investment Bank Berhad	100,380	159,223
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	-	328,181

13. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade	Percentage of total trade	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
2024				
Maybank Investment Bank Berhad	465,214	30.13	1,164	28.84
PT. Mandiri Sekuritas	399,698	25.89	662	16.40
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS -CIMB Securities Sdn Bhd)	353,152	22.87	768	19.03

	Values of trade	Percentage of total trade	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
RHB Investment Bank Berhad	103,021	6.67	259	6.42
Hong Leong Investment Bank Berhad*	100,380	6.50	250	6.19
AmInvestment Bank Berhad	89,345	5.79	883	21.88
DBS Vickers Securities (Singapore) Pte Ltd	33,275	2.15	50	1.24
	<u>1,544,085</u>	<u>100.00</u>	<u>4,036</u>	<u>100.00</u>
2023				
PT. Mandiri Sekuritas	615,997	22.77	1,019	17.25
Maybank Investment Bank Berhad	529,426	19.57	1,327	22.48
Hong Leong Investment Bank Berhad*	487,404	18.02	1,220	20.67
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS -CIMB Securities Sdn Bhd)	446,718	16.52	1,114	18.86
DBS Vickers Securities (Singapore) Pte Ltd	340,393	12.59	510	8.64
Public Investment Bank Berhad	121,873	4.51	306	5.18
RHB Investment Bank Berhad	111,064	4.11	279	4.72
Kenanga Investment Bank Berhad	51,775	1.91	130	2.20
	<u>2,704,650</u>	<u>100.00</u>	<u>5,905</u>	<u>100.00</u>

* Transactions with brokers/dealers related to the Manager.

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

Performance Data

for the Financial Period ended 31 May and Financial Years ended 30 November

		Financial Period 2024 %	Financial Year 2023 %	Financial Year 2022 %	Financial Year 2021 %
A. (i) Portfolio Compositions:					
By Sector:					
Aerospace/Defense		4.71	3.47	-	-
Auto Manufacturers		5.22	4.06	-	-
Banks		25.07	25.38	28.50	-
Commercial Services		1.99	2.49	-	-
Construction		3.53	2.26	1.48	-
Consumer Products & Services		-	-	2.92	-
Electric		1.98	4.11	-	-
Electronics		6.33	5.98	2.90	8.75
Engineering & Construction		2.39	1.87	4.32	-
Financial Services		-	-	1.90	27.91
Food		-	-	3.01	1.53
Health Care		3.13	-	-	-
Healthcare Services		3.56	2.81	2.32	5.70
Holding Companies-Diversified		-	-	-	3.27
Industrial Products & Services		-	-	-	5.55
Lodging		-	-	4.54	-
Mining		-	-	2.25	-
Miscellaneous Manufacturing		-	-	-	2.83
Oil & Gas		-	-	1.97	3.84
Private Equity		2.13	3.14	2.79	-
Real Estate		4.91	6.74	2.93	2.08
Retail		8.87	8.45	4.23	-
Technology		-	-	7.59	8.11
Telecommunications		3.19	4.57	2.54	-
Transportation & Logistics		-	3.01	2.11	-
Utilities		4.69	-	-	-
Collective Investment Schemes		9.49	9.33	2.94	4.38
Deposits & Cash Equivalents		8.81	12.33	18.76	26.05
By Country:					
Indonesia		20.12	20.09	9.90	2.57
Malaysia		11.35	5.27	16.00	24.16
Philippines		10.13	8.96	-	-
Singapore		32.95	34.90	37.96	33.88
Thailand		16.64	18.45	17.38	13.34
Deposits & Cash Equivalents		8.81	12.33	18.76	26.05
(ii) Total Net Asset Value	Class A	RM2,779,565	RM3,363,709	RM4,257,476	RM4,954,557
(ex-distribution)	Class B	RM492	RM490	-	-
(iii) Net Asset Value Per Unit	Class A	RM0.4941	RM0.4932	RM0.5421	RM0.5826
(ex-distribution)	Class B	RM0.4918	RM0.4896	-	-
Units in Circulation	Class A	5,625,833	6,819,577	7,853,773	8,504,067
(ex-distribution)	Class B	1,000	1,000	-	-

Performance Data

for the Financial Period ended 31 May and Financial Years ended 30 November

		Financial Period 2024 %	Financial Year 2023 %	Financial Year 2022 %	Financial Year 2021 %
(iv) Highest/Lowest NAV Per Unit (ex-distribution)	Class A:				
	Highest NAV Per Unit	RM0.5195	RM0.5591	RM0.5994	RM0.6148
	Lowest NAV Per Unit	RM0.4874	RM0.4932	RM0.5193	RM0.5436
	Class B:				
	Highest NAV Per Unit	RM0.5167	RM0.5260^	-	-
	Lowest NAV Per Unit	RM0.4848	RM0.4763^	-	-
(v) Total Return of the Fund*	Class A	0.18%	-2.81%	-0.76%	2.95%
	- Capital Growth	0.18%	-9.02%	-6.95%	2.95%
	- Income Distribution	-	6.21%	6.19%	-
Total Return of the Fund*	Class B	0.45%	-2.08%^	-	-
	- Capital Growth	0.45%	-2.08%^	-	-
	- Income Distribution	-	-	-	-
(vi) The distribution (gross) is made out of:- Class A	- The Fund's Capital	-	3.5000 sen/unit	3.5000 sen/unit	-
	- The Fund's Income	-	0.0000 sen/unit	0.0000 sen/unit	-
	- Total Distribution Amount	-	3.5000 sen/unit	3.5000 sen/unit	-
	- The Fund's Capital (% of Total Distribution Amount)	-	100%	100%	-
	- The Fund's Income (% of Total Distribution Amount)	-	0%	0%	-
	The distribution (gross) is made out of:- Class B				
- The Fund's Capital	-	-	-	-	
- The Fund's Income	-	-	-	-	
- Total Distribution Amount	-	-	-	-	
- The Fund's Capital (% of Total Distribution Amount)	-	-	-	-	
- The Fund's Income (% of Total Distribution Amount)	-	-	-	-	
(vii) Distribution Per Unit	Class A				
	Additional Units	-	-	-	-
	Distribution (Gross)	-	3.5000 sen/unit	3.5000 sen/unit	-
	Distribution (Net)	-	3.3850 sen/unit	3.5000 sen/unit	-
	Distribution Date	-	18/07/23	20/07/22	-
	Cum-Distribution NAV/Unit	-	RM0.5469	RM0.5607	-
	Ex-Distribution NAV/Unit	-	RM0.5131	RM0.5257	-
	Class B				
	Additional Units	-	-	-	-
	Distribution (Gross)	-	-	-	-
	Distribution (Net)	-	-	-	-
	Distribution Date	-	-	-	-
	Cum-Distribution NAV/Unit	-	-	-	-
	Ex-Distribution NAV/Unit	-	-	-	-
(viii) Total Expense Ratio (TER)		2.84%#	2.98%	2.73%	2.50%
(ix) Portfolio Turnover Ratio (PTR) (times)		0.23##	0.72	0.92	0.93

Performance Data

for the Financial Period ended 31 May and Financial Years ended 30 November

	Financial Period 2024 %	Financial Year 2023 %	Financial Year 2022 %	Financial Year 2021 %
B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 31/05/2024)*				
Class A:				
(i) One year	-2.17%			
(ii) Three years	-1.12%			
(iii) Five years	4.31%			
Class B:				
(i) One year	-1.78			
(ii) Three years	-			
(iii) Five years	-			

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

^ The figure shown is for the period since Fund launch (27 February 2023 to 30 November 2023)

The TER was 0.14 percentage point lower as compared to 2.98% for the financial year ended 30 November 2023 mainly due to decrease in total expenses of the Fund and increased by 0.26 percentage point higher as compared to 2.58% for the financial period from 1 December 2022 to 31 May 2023 mainly due to decrease in average net asset value of the Fund.

The PTR decreased by 0.49 times (68.06%) to 0.23 times for the financial period from 1 December 2023 to 31 May 2024 versus 0.72 times for the financial year ended 30 November 2023 and 0.10 times (30.30%) as compared to 0.33 times for the financial period from 1 December 2022 to 31 May 2023 mainly due to lower level of rebalancing activities undertaken by the Fund.

Corporate Information

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

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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 / Acting Chief Executive Officer

Mr. Chue Kwok Yan

Trustee

Maybank Trustees Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Distributor

Hong Leong Bank Berhad

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