

# Hong Leong Income Fund

## Semi-Annual Report

Financial Period Ended 31 August 2022

**2022**

Unaudited



# Hong Leong Income Fund

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# Manager's Review & Report

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## I. FUND INFORMATION

**Fund Name**

Hong Leong Income Fund

**Fund Category**

Fixed Income

**Fund Type**

Income

**Investment Objective**

The Fund aims to provide investors with a low risk investment portfolio offering a regular stream of income\*.

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

Not Applicable

**Benchmark**

Malayan Banking Berhad 12 Months Fixed Deposit Rate

**Distribution Policy**

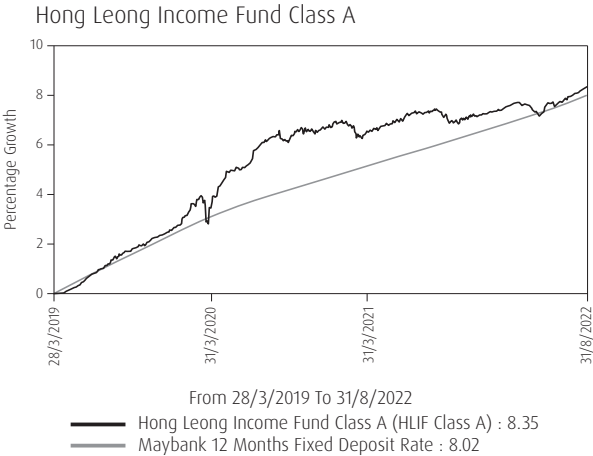
The Fund intends to provide Unit holders with regular income. As such, income distributions will be on a monthly basis, subject to availability of income and the amount of income available for distribution may fluctuate from time to time.

Note:

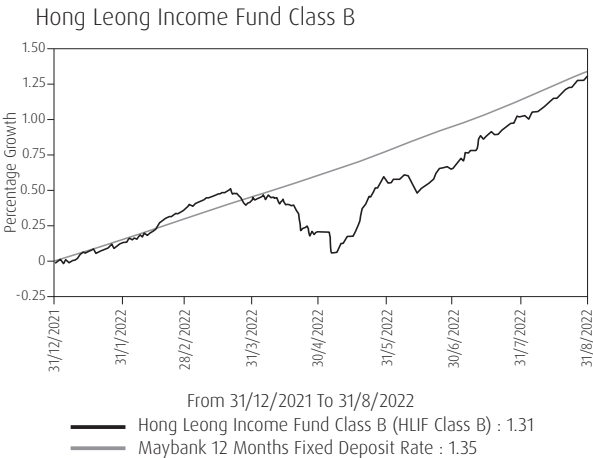
\* Income may be distributed in the form of cash and/or additional Units.

II. FUND PERFORMANCE

Chart 1: Performance of the Fund versus the benchmark

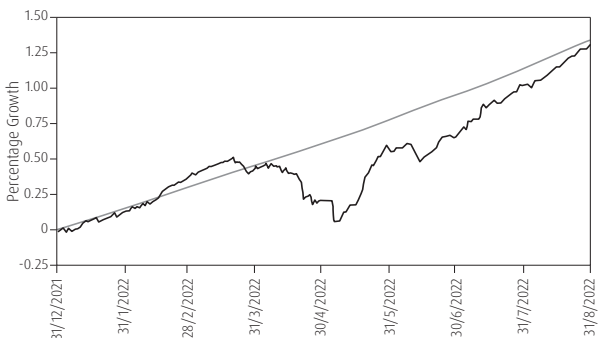


Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLIF Class A reinvested.



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 HLIF Class B reinvested.

## Hong Leong Income Fund Class C

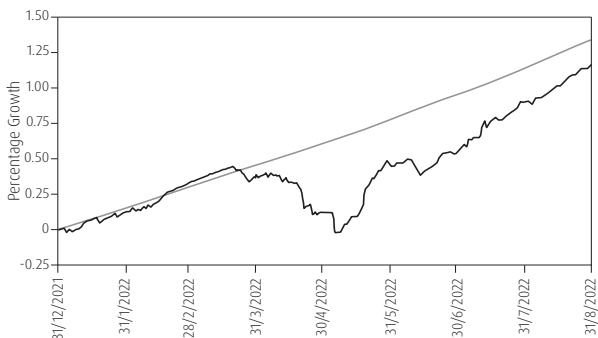


From 31/12/2021 To 31/8/2022

— Hong Leong Income Fund Class C (HLIF Class C) : 1.31  
 — Maybank 12 Months Fixed Deposit Rate : 1.35

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 HLIF Class C reinvested.

## Hong Leong Income Fund Class D



From 31/12/2021 To 31/8/2022

— Hong Leong Income Fund Class D (HLIF Class D) : 1.16  
 — Maybank 12 Months Fixed Deposit Rate : 1.35

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 HLIF 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 Semi-Annual Report covers the six-month financial period from 1 March 2022 to 31 August 2022.

For Hong Leong Income Fund Class A, the Fund posted a return of 0.72% (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 Malayan Banking Berhad 12 Months Fixed Deposit Rate registered a return of 1.05%. During the financial period under review, the Fund has distributed 6 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 48-57. Since launch on 28 March 2019, the Fund has registered a return of 8.35% compared to the benchmark's return of 8.02% while distributing a total gross income of 7.801 sen per unit (net income of 7.801 sen per unit).

For Hong Leong Income Fund Class B, the Fund posted a return of 0.94% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 1.05%. Since 31 December 2021, the Fund has registered a return of 1.31% compared to the benchmark's return of 1.35%.

For Hong Leong Income Fund Class C, the Fund posted a return of 0.94% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 1.05%. Since 31 December 2021, the Fund has registered a return of 1.31% compared to the benchmark's return of 1.35%.

For Hong Leong Income Fund Class D, the Fund posted a return of 0.83% (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 Malayan Banking Berhad 12 Months Fixed Deposit Rate has registered a return of 1.05%. During the financial period

under review, the Fund has distributed 6 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 48-57. Since 31 December 2021, the Fund has registered a return of 1.16% compared to the benchmark's return of 1.35% while distributing a total gross income of 1.374 sen per unit (net income of 1.374 sen per unit).

**Table 1: Performance of the Fund for the following periods as at 31 August 2022 (Source: Lipper For Investment Management)**

	<b>31/05/22- 31/08/22 3 Months</b>	<b>28/02/22- 31/08/22 6 Months</b>	<b>31/08/21- 31/08/22 1 Year</b>	<b>31/08/19- 31/08/22 3 Years</b>	<b>28/03/19- 31/08/22 Since Launch</b>
HLIF Class A (%)	0.64	0.72	0.93	6.70	8.35
Benchmark (%)	0.57	1.05	1.96	6.58	8.02

	<b>31/05/22- 31/08/22 3 Months</b>	<b>28/02/22- 31/08/22 6 Months</b>	<b>31/08/21- 31/08/22 1 Year</b>	<b>31/08/19- 31/08/22 3 Years</b>	<b>31/12/21- 31/08/22 Since 31/12/21</b>
HLIF Class B (%)	0.74	0.94	-	-	1.31
Benchmark (%)	0.57	1.05	-	-	1.35

	<b>31/05/22- 31/08/22 3 Months</b>	<b>28/02/22- 31/08/22 6 Months</b>	<b>31/08/21- 31/08/22 1 Year</b>	<b>31/08/19- 31/08/22 3 Years</b>	<b>31/12/21- 31/08/22 Since 31/12/21</b>
HLIF Class C (%)	0.74	0.94	-	-	1.31
Benchmark (%)	0.57	1.05	-	-	1.35

	<b>31/05/22- 31/08/22 3 Months</b>	<b>28/02/22- 31/08/22 6 Months</b>	<b>31/08/21- 31/08/22 1 Year</b>	<b>31/08/19- 31/08/22 3 Years</b>	<b>31/12/21- 31/08/22 Since 31/12/21</b>
HLIF Class D (%)	0.69	0.83	-	-	1.16
Benchmark (%)	0.57	1.05	-	-	1.35

**Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis (Source: Lipper For Investment Management)**

	<b>31-Aug-22</b>	<b>28-Feb-22</b>	<b>Return (%)</b>
HLIF Class A			
NAV Per Unit	RM1.0029	RM1.0057	0.72#
Benchmark	2.35%	1.85%	1.05
<b>vs Benchmark (%)</b>	-	-	-0.33

	<b>31-Aug-22</b>	<b>28-Feb-22</b>	<b>Return (%)</b>
HLIF Class B			
NAV Per Unit	RM1.0131*	RM1.0037	0.94
Benchmark	2.35%	1.85%	1.05
<b>vs Benchmark (%)</b>	-	-	-0.11

	<b>31-Aug-22</b>	<b>28-Feb-22</b>	<b>Return (%)</b>
HLIF Class C			
NAV Per Unit	RM1.0131*	RM1.0037	0.94
Benchmark	2.35%	1.85%	1.05
<b>vs Benchmark (%)</b>	-	-	-0.11

	<b>31-Aug-22</b>	<b>28-Feb-22</b>	<b>Return (%)</b>
HLIF Class D			
NAV Per Unit	RM0.9978*	RM1.0007	0.83#
Benchmark	2.35%	1.85%	1.05
<b>vs Benchmark (%)</b>	-	-	-0.22

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

\* Based on NAV Per Unit on 30 August 2022 as the above-mentioned reporting date fell on a public holiday.

**Table 3: Financial Highlights**

The Fair Value of Outstanding Units are represented by:

	<b>31-Aug-22 (RM)</b>	<b>28-Feb-22 (RM)</b>	<b>Change (%)</b>
Class A	2,953,448,130	3,876,911,535	(23.82)
Class B	1,013	1,004	0.90
Class C	1,013	1,004	0.90
Class D	1,146,035,318	1,366,485,957	(16.13)

Units in Circulations:

Class A	2,944,776,628	3,855,094,439	(23.61)
Class B	1,000	1,000	0
Class C	1,000	1,000	0
Class D	1,148,419,474	1,365,572,985	(15.90)



**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 periods/years**

HLIF Class A	Financial Period 28/02/22– 31/08/22	Financial Year 28/02/21– 28/02/22	Financial Year 29/02/20– 28/02/21	Financial Period 28/03/19– 29/02/20
Highest NAV Per Unit (RM)	1.0067	1.0157	1.0231	1.0111
Lowest NAV Per Unit (RM)	0.9987	1.0037	0.9983	1.0000
Capital Growth (%)	-0.28	-0.92	0.48	1.02
Income Distribution (%)	1.00	1.76	2.30	2.77
<b>Total Return (%)</b>	<b>0.72</b>	<b>0.84</b>	<b>2.78</b>	<b>3.79</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 HLIF Class A reinvested.

HLIF Class B	Financial Period 28/02/22– 31/08/22	Financial Year 31/12/21– 28/02/22
Highest NAV Per Unit (RM)	1.0132	1.0037
Lowest NAV Per Unit (RM)	1.0007	0.9999
Capital Growth (%)	0.94	0.37
Income Distribution (%)	-	-
<b>Total Return (%)</b>	<b>0.94</b>	<b>0.37</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 HLIF Class B reinvested.

HLIF Class C	Financial Period 28/02/22– 31/08/22	Financial Year 31/12/21– 28/02/22
Highest NAV Per Unit (RM)	1.0132	1.0037
Lowest NAV Per Unit (RM)	1.0007	0.9999
Capital Growth (%)	0.94	0.37
Income Distribution (%)	-	-
<b>Total Return (%)</b>	<b>0.94</b>	<b>0.37</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 HLIF Class C reinvested.

HLIF Class D	Financial Period 28/02/22– 31/08/22	Financial Year 31/12/21– 28/02/22
Highest NAV Per Unit (RM)	1.0018	1.0026
Lowest NAV Per Unit (RM)	0.9938	0.9999
Capital Growth (%)	-0.29	0.07
Income Distribution (%)	1.12	0.26
<b>Total Return (%)</b>	<b>0.83</b>	<b>0.33</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 HLIF Class D reinvested.

**Table 5: Average Total Return of the Fund**

	<b>31/08/21- 31/08/22 1 Year</b>	<b>31/08/19- 31/08/22 3 Years</b>
Average Total Return - HLIF Class A (%)	0.93	2.23
Average Total Return - HLIF Class B (%)	-	-
Average Total Return - HLIF Class C (%)	-	-
Average Total Return - HLIF 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 HLIF reinvested.

**Table 6: Annual Total Return of the Fund**

<b>Financial Year/Period</b>	<b>28/02/21- 28/02/22</b>	<b>29/02/20- 28/02/21</b>	<b>28/03/19- 29/02/20</b>
Annual Total Return - HLIF Class A (%)	0.84	2.78	3.79

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 HLIF Class A reinvested.

<b>Financial Year</b>	<b>31/12/21- 28/02/22</b>
Annual Total Return - HLIF Class B (%)	0.37

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 HLIF Class B reinvested.

<b>Financial Year</b>	<b>31/12/21- 28/02/22</b>
Annual Total Return - HLIF Class C (%)	0.37

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 HLIF Class C reinvested.

<b>Financial Year</b>	<b>31/12/21- 28/02/22</b>
Annual Total Return - HLIF Class D (%)	0.33

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 HLIF Class D reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation - March 2022 to August 2022

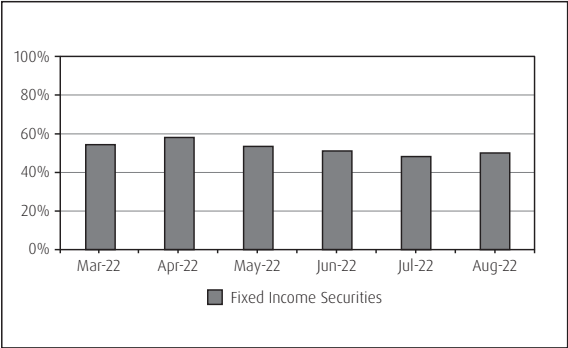


Chart 3: Sector Allocation as at 31 August 2022

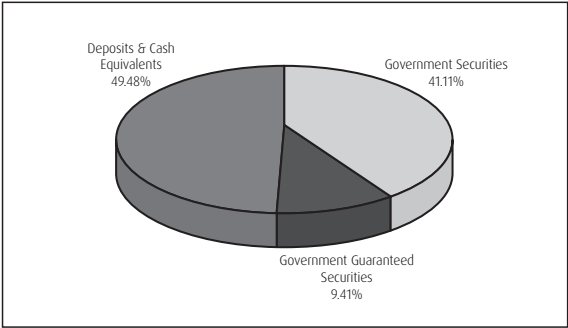
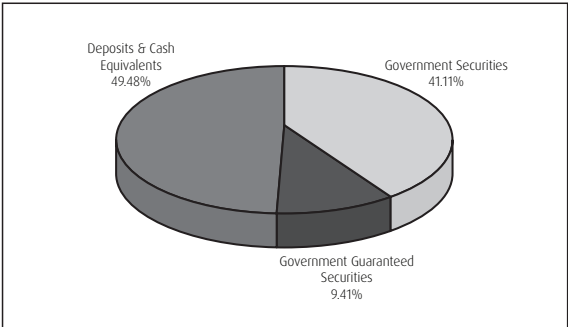


Chart 4: Portfolio Composition by Ratings as at 31 August 2022



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

During the review period, the Fund has maintained a defensive position in order to manage fund volatility in a rising rate environment.

### **An explanation on the differences in portfolio composition**

The Fund gradually decreased its government securities starting May to reduce duration in a rising rate environment as money market/deposit instruments presented more opportunities in a rising yield environment.

### **Operational review of the Fund**

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

## IV. MARKET REVIEW

During the review period, following the high and persistent inflationary pressures and strong labour market, the Federal Reserve (Fed) raised the federal funds rate target range three times, a total of 150 basis points (bps) from 0.00%-0.25% to 1.50%-1.75%, as the central bank began its policy normalization. The decision to raise rates more than 50bps marked the most aggressive increase made in a single meeting since May 2000. Over the last two decades, the Fed has opted to raise interest rates only in increments of 25bps with the latest move underscoring the severity that inflation poses at the moment. Meanwhile, Fed Chairman Jerome Powell said that interest rates would continue to rise until the central bank sees a 'compelling evidence' that inflation is slowing while some Fed officials even advocating for raising the target closer to 2.50% by the end of the year.

On the data front, Malaysia's Consumer Price Index (CPI) for August 2022 grew by 4.7% year-on-year; mainly driven by price increases in food and non-alcoholic beverages. On a year-to-date basis, Malaysia's CPI reading is at 3.1% as of end-August; which remains within Bank Negara Malaysia's (BNM) official forecast of 2.2-3.2%. Meanwhile, the Budget 2023 is likely to remain expansionary to reinforce the post-pandemic recovery, with challenging global economic conditions and impending elections moderating the pace of fiscal consolidation. Given heightened inflation fears, we expect Budget 2023 to provide scope for subsidies to remain broadly intact.

On the monetary end, BNM raised the Overnight Policy Rate, lifting it off from the record low of 1.75% to 2.50%. BNM highlighted that as Malaysia is on transition to endemic phase of COVID-19 while the domestic economy is on a firmer path, it is important for BNM to reduce the degree of monetary policy accommodation. However, BNM also highlighted that this will be done in a measured and gradual manner, ensuring that monetary policy remains supportive of sustainable economic growth in an environment of price stability.

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

BNM opined that the domestic economy remains on a recovery path and reiterated that monetary policy stance will be determined by new data and information. BNM also highlighted that it will continue to monitor economic conditions and will use its policy 'levers' appropriately to aid a sustainable economic recovery.

Given the expectations that the domestic economy is on a firmer path and better growth performance in the second quarter of 2022, we are penciling another +25bps in November and +25bps in January 2023 before settling at 3.00% throughout Financial Year 2023 on the back of impending recessionary risk.

As such, the Fund will maintain its defensive position in order to manage fund volatility in a rising rate environment.

## **VI. SOFT COMMISSIONS**

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

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

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

## **VIII. CROSS TRADE TRANSACTIONS**

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

## STATEMENT BY THE MANAGER

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I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 16 to 47 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 August 2022 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period ended 31 August 2022 in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") 34 "Interim Financial Reporting".

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

**HOO SEE KHENG**

Chief Executive Officer/Executive Director

Kuala Lumpur  
18 October 2022



# TRUSTEE'S REPORT

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## TO THE UNIT HOLDERS OF HONG LEONG INCOME FUND ("FUND")

We have acted as Trustee of the Fund for the financial period ended 31 August 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 period covered by these financial statements in accordance with the following:

- (a) Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
- (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 distributions of income by the Fund are appropriate and reflect the investment objective of the Fund.

For and on behalf of  
**CIMB Commerce Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
18 October 2022

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2022

	Note	2022 RM	2021 RM
<b>INVESTMENT INCOME</b>			
Interest income from financial assets measured at fair value through profit or loss ("FVTPL")		31,016,986	20,823,517
Interest income from financial assets measured at amortised cost	4	23,359,995	12,026,981
Dividend income		-	1,331,805
Net loss on financial assets at fair value through profit or loss ("FVTPL")	10	(16,484,411)	(4,073,039)
		<u>37,892,570</u>	<u>30,109,264</u>
<b>EXPENDITURE</b>			
Management fee	5	(6,872,133)	(7,234,666)
Trustee's fee	6	(221,458)	(144,693)
Auditors' remuneration		(3,277)	(3,277)
Tax agent's fee		(1,310)	(1,310)
Other expenses		(7,519)	(6,467)
		<u>(7,105,697)</u>	<u>(7,390,413)</u>
<b>NET PROFIT BEFORE FINANCE COST AND TAXATION</b>			
		30,786,873	22,718,851
Finance cost	7	(44,642,199)	(29,012,797)
<b>NET LOSS BEFORE TAXATION</b>		<u>(13,855,326)</u>	<u>(6,293,946)</u>
Taxation	8	-	-
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>(13,855,326)</u>	<u>(6,293,946)</u>
Decrease in net assets attributable to unit holders consists of:			
Realised amount		1,493,754	(218,246)
Unrealised amount		(15,349,080)	(6,075,700)
		<u>(13,855,326)</u>	<u>(6,293,946)</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 AUGUST 2022**

	Note	31.08.2022 RM	28.02.2022 RM
<b>ASSETS</b>			
Cash and cash equivalents	9	2,034,455,565	2,268,144,610
Amount due from the Manager			
- creation of units		-	643,000
- management fee rebates		-	1,534
Financial assets at fair value through profit or loss ("FVTPL")	10	2,071,245,863	2,976,164,694
<b>TOTAL ASSETS</b>		<u>4,105,701,428</u>	<u>5,244,953,838</u>
<b>LIABILITIES</b>			
Amount due to the Manager			
- cancellation of units		5,014,500	603,240
- management fee		1,152,335	901,208
- expenses		-	5
Amount due to the Trustee		34,886	40,239
Other payables and accruals		14,233	9,646
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>6,215,954</u>	<u>1,554,338</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>4,099,485,474</u>	<u>5,243,399,500</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>4,099,485,474</u>	<u>5,243,399,500</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDINGS UNITS (RM)</b>			
- Class A		2,953,448,130	3,876,911,535
- Class B		1,013	1,004
- Class C		1,013	1,004
- Class D		1,146,035,318	1,366,485,957
		<u>4,099,485,474</u>	<u>5,243,399,500</u>
<b>UNITS IN CIRCULATION (UNITS)</b>			
- Class A		2,944,776,628	3,855,094,439
- Class B		1,000	1,000
- Class C		1,000	1,000
- Class D		1,148,419,474	1,365,572,985
	11	<u>4,093,198,102</u>	<u>5,220,669,424</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- Class A		1.0029	1.0057
- Class B		1.0132	1.0037
- Class C		1.0132	1.0037
- Class D		0.9979	1.0007

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 AUGUST 2022

	2022 RM	2021 RM
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	5,243,399,500	1,448,813,294
Movement due to units created and cancelled during the financial period:		
Creation of units from applications	71,236,621	2,479,268,178
Creation of units from distributions	11,109,369	7,909,680
Cancellation of units	(1,212,404,690)	(153,803,263)
	<u>(1,130,058,700)</u>	<u>2,333,374,595</u>
Decrease in net assets attributable to unit holders	<u>(13,855,326)</u>	<u>(6,293,946)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD*</b>	<u>4,099,485,474</u>	<u>3,775,893,943</u>

\* During the financial period ended 31 August 2022, net assets attributable to unit holders are classified as financial liabilities. During the financial period ended 31 August 2021, net assets attributable to unit holders are classified as equity as disclosed in note 2(h).

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

# CONDENSED STATEMENT OF CASH FLOWS

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2022

	Note	2022 RM	2021 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sales of financial assets at FVTPL		303,709,929	382,670,002
Proceeds from redemptions of financial assets at FVTPL		1,467,651,704	10,000,000
Purchase of financial assets at FVTPL		(897,778,629)	(1,539,440,123)
Interest income received from financial assets measured at FVTPL and amortised cost		69,228,397	32,842,751
Management fee rebates received		1,534	326,960
Management fee paid		(6,621,006)	(6,204,156)
Trustee's fee paid		(226,811)	(136,938)
Payment for other fees and expenses		(7,524)	(6,462)
Net cash generated from/(used in) operating activities		935,957,594	(1,119,947,966)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		71,879,621	2,479,777,715
Payments for cancellation of units		(1,207,993,430)	(152,806,867)
Payments for distributions		(33,532,830)	(21,103,117)
Net cash (used in)/generated from financing activities		(1,169,646,639)	2,305,867,731
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(233,689,045)	1,185,919,765
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		2,268,144,610	404,445,258
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	9	2,034,455,565	1,590,365,023

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

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Unaudited)*

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**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2022**

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

Hong Leong Income Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 31 January 2019, First Supplemental Deed dated 25 May 2021 and Second Supplemental Deed dated 9 September 2021 ("the Deeds"), between the Manager, Hong Leong Asset Management Bhd and the Trustee, CIMB Commerce Trustee Berhad for the unit holders of the Fund.

The Fund aims to provide investors with a low risk investment portfolio offering a regular stream of income.

The Fund will invest a minimum of 50% of its net asset value in securities issued or guaranteed by the Government of Malaysia and a maximum of 50% of its net asset value in money market instruments and deposits. To provide a regular income, the Fund will invest in a portfolio of bonds, money market instruments and deposits for accrual income. The Fund commenced operations on 28 March 2019 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Manager of the Fund is Hong Leong Asset Management Bhd, a company incorporated in Malaysia. The principal activity of the Manager is the management of unit trust funds 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 18 October 2022.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **(a) Basis of preparation**

The condensed financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") 34 "Interim Financial Reporting".

The condensed financial statements should be read in conjunction with the audited financial statements of the Fund for the financial year ended 28 February 2022 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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

#### Classification

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

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

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

The Fund classifies cash and cash equivalents and amounts 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 period which they arise.

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

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

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

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

### Impairment

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

### Significant increase in credit risk

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

### Definition of default and credit-impaired financial assets

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

### Write-off

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

### **(c) Functional and presentation currency**

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

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

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

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

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

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

### **(e) Cash and cash equivalents**

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

### **(f) Amount due from/to brokers/dealers**

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

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

## **(g) Taxation**

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial period.

## **(h) Unit holders' capital**

Prior to 3 January 2022, 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 3 January 2022 as Class A, Class B, Class C and Class D do not have identical features.

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

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

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

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

**(j) Finance cost**

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

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

**(k) Fair value of financial instruments**

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

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

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

	Financial assets at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<b>31.08.2022</b>			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	2,034,455,565	2,034,455,565
Financial assets at FVTPL (Note 10)	2,071,245,863	-	2,071,245,863
	<u>2,071,245,863</u>	<u>2,034,455,565</u>	<u>4,105,701,428</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	5,014,500	5,014,500
-management fee	-	1,152,335	1,152,335
Amount due to the Trustee	-	34,886	34,886
Other payables and accruals	-	14,233	14,233
	<u>-</u>	<u>6,215,954</u>	<u>6,215,954</u>
<b>28.02.2022</b>			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	2,268,144,610	2,268,144,610
Amount due from the Manager			
-creation of units	-	643,000	643,000
-management fee rebate	-	1,534	1,534
Financial assets at FVTPL (Note 10)	2,976,164,694	-	2,976,164,694
	<u>2,976,164,694</u>	<u>2,268,789,144</u>	<u>5,244,953,838</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	603,240	603,240
-management fee	-	901,208	901,208
-expenses	-	5	5
Amount due to the Trustee	-	40,239	40,239
Other payables and accruals	-	9,646	9,646
	<u>-</u>	<u>1,554,338</u>	<u>1,554,338</u>

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

## **(I) Critical accounting estimates and judgments in applying accounting policies**

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

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

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

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

## **3. FAIR VALUE ESTIMATION**

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



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

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

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

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. 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
<b>31.08.2022</b>				
<u>Financial assets at FVTPL:</u>				
- Unquoted fixed income securities	-	2,071,245,863	-	2,071,245,863
<b>28.02.2022</b>				
<u>Financial assets at FVTPL:</u>				
- Unquoted fixed income securities	-	2,976,164,694	-	2,976,164,694

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. 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	23,198,126	12,023,702
- Auto-sweep facility bank account	161,869	3,279
	<u>23,359,995</u>	<u>12,026,981</u>

#### 5. MANAGEMENT FEE AND MANAGEMENT FEE REBATES

In accordance with Division 13.1 of the Deed, the Manager is entitled to a management fee of up to 3.00% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 August 2022, the management fee are recognised at an average rate of 0.37% and 0.15% per annum for Class A and Class D respectively. The fee was waived by the Manager for Class B and Class C.

The management fee was recognised at an average rate of 0.50% for the financial period ended 31 August 2021.

Management fee rebates relate to the rebates received from the Manager for investing in Hong Leong Dana Al-Izdihar and Hong Leong Money Market Fund for the financial period ended 31 August 2021. The average rate of rebates were 0.20% and 0.48% per annum calculated on the net asset value of Hong Leong Dana Al-Izdihar and Hong Leong Money Market Fund on a daily basis for the financial period ended 31 August 2021.

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 13.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.03% subject to a minimum of RM12,000 per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 August 2022, the Trustee's fee is recognised at a rate of 0.01% (31.08.2021: 0.01%) 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

Distributions to unit holders are from the following sources:

	2022 RM	2021 RM
Prior financial year's realised income	22,643,308	976,334
Interest income from financial assets at FVTPL and amortised cost	23,933,034	29,684,738
Dividend income	-	1,186,381
Net realised gain on financial assets at FVTPL	-	1,943,116
Distribution equalisation	-	1,631,323
Less: Expenses	(1,934,143)	(6,409,095)
Net distributions amount	44,642,199	29,012,797
Net distributions per unit (sen)	2.1120	1.0250
Gross distributions per unit (sen)	2.1120	1.0250

### Date of Declaration

#### Distribution on 18 March

Gross/net distribution per unit (sen)		
- Class A	0.1520	0.1630
- Class D	0.1690	-

#### Distribution on 18/19 April

Gross/net distribution per unit (sen)		
- Class A	0.1650	0.1770
- Class D	0.1800	-

#### Distribution on 18 May

Gross/net distribution per unit (sen)		
- Class A	0.1670	0.1630
- Class D	0.1870	-

	2022 RM	2021 RM
<b>Distribution on 20/18 June</b>		
Gross/net distribution per unit (sen)		
- Class A	0.1830	0.1620
- Class D	0.2040	-
<b>Distribution on 18/19 July</b>		
Gross/net distribution per unit (sen)		
- Class A	0.1450	0.2070
- Class D	0.1640	-
<b>Distribution on 18 August</b>		
Gross/net distribution per unit (sen)		
- Class A	0.1880	0.1530
- Class D	0.2080	-

Net distributions above are sourced from prior financial year's and current financial period's 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.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of distribution available for unit holders.

The above distributions have been proposed before taking into account the unrealised loss of RM15,349,080 (2021: RM6,075,700) which is carried forward to the next financial period.

## 8. TAXATION

	2022 RM	2021 RM
Tax charge for the financial period:		
Current taxation	-	-

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

	2022 RM	2021 RM
Profit before finance cost and taxation	30,786,873	22,718,851
Taxation at Malaysian statutory rate of 24% (2021: 24%)	7,388,850	5,452,524
Tax effects of:		
Investment income not subject to tax	(9,094,217)	(7,139,342)
Expenses not deductible for tax purposes	53,821	35,418
Restriction on tax deductible expenses for unit trust fund	1,651,546	1,651,400
Taxation	-	-

## 9. CASH AND CASH EQUIVALENTS

	31.08.2022 RM	28.02.2022 RM
Deposits with licensed financial institutions	2,034,435,348	2,267,632,125
Cash at banks	20,217	512,485
	2,034,455,565	2,268,144,610

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

	31.08.2022 %	28.02.2022 %
Deposits with licensed financial institutions	2.77	2.11

Deposits with licensed financial institutions for the financial period ended 31 August 2022 have an average remaining maturity of 58 days (28.02.2022: 21 days).

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

	31.08.2022 RM	28.02.2022 RM
<u>Financial assets at FVTPL:</u>		
Unquoted fixed income securities	2,071,245,863	2,976,164,694
	2022 RM	2021 RM
<u>Net loss on financial assets at FVTPL:</u>		
Realised (loss)/gain on disposals	(646,098)	1,694,029
Changes in unrealised fair values	(15,838,313)	(6,129,074)
Management fee rebates (Note 5)	-	362,006
	(16,484,411)	(4,073,039)

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

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<u>Government Investment Issues</u>				
3.422% Government of Malaysia 30/09/2027	9,000,000	9,318,935	8,976,587	0.22
3.655% Government of Malaysia 15/10/2024	125,500,000	129,561,043	127,936,082	3.12
3.699% Government of Malaysia 15/11/2022	50,000,000	50,569,408	50,683,314	1.24
3.726% Government of Malaysia 31/03/2026	74,000,000	77,640,670	75,419,150	1.84
3.990% Government of Malaysia 15/10/2025	40,000,000	41,664,690	41,227,731	1.00
4.045% Government of Malaysia 15/08/2024	30,000,000	30,524,730	30,464,358	0.74
4.070% Government of Malaysia 30/09/2026	10,000,000	10,498,559	10,299,551	0.25
4.094% Government of Malaysia 31/11/2023	30,000,000	30,666,968	30,675,384	0.75
4.369% Government of Malaysia 31/10/2028	20,000,000	21,626,395	20,764,433	0.51
4.444% Government of Malaysia 22/05/2024	28,000,000	28,877,341	28,871,293	0.70
	416,500,000	430,948,739	425,317,883	10.37
<u>Government Sukuk</u>				
3.729% Government of Malaysia 22/03/2023	100,000,000	102,426,034	102,106,704	2.49



	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Malaysian Government Securities</u>				
3.478% Government of Malaysia 14/06/2024	350,000,000	357,905,587	353,929,505	8.63
3.480% Government of Malaysia 15/03/2023	180,000,000	184,387,620	183,613,696	4.48
3.502% Government of Malaysia 31/05/2027	50,000,000	53,057,685	49,968,926	1.22
3.733% Government of Malaysia 15/06/2028	50,000,000	52,114,768	50,097,779	1.22
3.795% Government of Malaysia 30/09/2022	260,000,000	267,215,689	264,450,689	6.45
3.882% Government of Malaysia 14/03/2025	30,000,000	31,197,532	30,937,159	0.75
3.900% Government of Malaysia 30/11/2026	110,000,000	116,667,127	112,245,082	2.74
3.906% Government of Malaysia 15/07/2026	30,000,000	31,449,072	30,474,144	0.74
3.955% Government of Malaysia 15/09/2025	80,000,000	85,364,353	82,710,430	2.02
	1,140,000,000	1,179,359,433	1,158,427,410	28.25
<u>Securities Guaranteed by Government of Malaysia</u>				
2.84% Danainfra Nasional Berhad 24/02/2028 - IMTN Tranche No 17	5,000,000	5,003,112	4,708,012	0.11
4.08% Danainfra Nasional Berhad 18/08/2023 - IMTN Tranche No 79	10,000,000	10,260,356	10,093,378	0.25
4.35% Danainfra Nasional Berhad 21/03/2024 - IMTN Tranche No 56	10,000,000	10,455,427	10,335,652	0.25
4.37% Danainfra Nasional Berhad 21/02/2025 - IMTN Tranche No 73	20,000,000	20,825,545	20,368,945	0.50
4.45% Danainfra Nasional Berhad 11/11/2022 - IMTN Tranche No 37	5,000,000	5,090,601	5,084,674	0.12
0.00% Khazanah Nasional Berhad 02/09/2022	50,000,000	49,997,315	50,002,000	1.22
4.08% Lembaga Pembiayaan Perumahan Sektor Awam 07/09/2022 - IMTN Tranche No 14	10,000,000	10,202,395	10,200,670	0.25
4.28% Lembaga Pembiayaan Perumahan Sektor Awam 06/09/2024 - IMTN Tranche No 15	40,000,000	42,081,234	41,446,893	1.01
2.88% Malaysia Rail Link Sdn Bhd 23/07/2026 - IMTN	20,000,000	20,059,967	19,275,167	0.47
4.23% Pengurusan Air SPV Berhad 16/06/2023 - IMTN Issue No 25	50,000,000	51,149,634	50,844,884	1.24
4.43% Pengurusan Air SPV Berhad 03/02/2023 - IMTN Issue No 22	10,000,000	10,122,477	10,089,070	0.25
4.63% Pengurusan Air SPV Berhad 05/02/2026 - IMTN Issue No 23	5,000,000	5,302,703	5,140,725	0.12
2.98% Prasarana Malaysia Berhad 26/08/2026 - IMTN Series 1	10,000,000	10,002,449	9,670,049	0.24
4.38% Prasarana Malaysia Berhad 24/03/2025 - IMTN Series 2	20,000,000	21,275,853	20,760,200	0.51
4.39% Prasarana Malaysia Berhad 07/03/2025 - IMTN Series 4	20,000,000	21,233,917	20,798,170	0.51
4.47% Prasarana Malaysia Berhad 26/02/2026 - IMTN Series 8	15,000,000	15,793,932	15,330,972	0.37
3.77% Prasarana Malaysia Berhad 06/09/2022 - Sukuk Murabahah T1	45,000,000	45,837,540	45,832,284	1.12
4.08% Prasarana Malaysia Berhad 14/09/2022 - Sukuk Murabahah S1	30,000,000	30,595,002	30,587,236	0.75

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
2.38% PR1MA Corporation Malaysia 30/07/2025 - IMTN	5,000,000	5,011,085	4,824,885	0.12
	380,000,000	390,300,544	385,393,866	9.41
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>2,036,500,000</b>	<b>2,103,034,750</b>	<b>2,071,245,863</b>	<b>50.52</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>(31,788,887)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b><u>2,071,245,863</u></b>		

Financial assets at FVTPL as at 28 February 2022 are as detailed below:

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED FIXED INCOME SECURITIES</b>				
<u>Government Investment Issues</u>				
3.422% Government of Malaysia 30/09/2027	9,000,000	9,335,164	9,125,907	0.17
3.655% Government of Malaysia 15/10/2024	125,500,000	130,077,158	129,899,585	2.48
3.699% Government of Malaysia 15/11/2022	50,000,000	50,626,646	51,146,067	0.98
3.726% Government of Malaysia 31/03/2026	74,000,000	77,961,798	76,364,975	1.46
3.729% Government of Malaysia 31/03/2022	210,000,000	213,605,194	213,593,446	4.07
3.948% Government of Malaysia 14/04/2022	290,000,000	295,096,450	295,080,131	5.63
3.990% Government of Malaysia 15/10/2025	30,000,000	31,522,813	31,500,219	0.60
4.045% Government of Malaysia 15/08/2024	30,000,000	30,632,805	30,928,331	0.59
4.070% Government of Malaysia 30/09/2026	10,000,000	10,535,599	10,477,395	0.20
4.194% Government of Malaysia 15/07/2022	152,000,000	154,154,514	154,163,497	2.94
4.369% Government of Malaysia 31/10/2028	20,000,000	21,721,763	21,182,071	0.40
	<u>1,000,500,000</u>	<u>1,025,269,904</u>	<u>1,023,461,624</u>	<u>19.52</u>
<u>Government Sukuk</u>				
3.729% Government of Malaysia 22/03/2023	100,000,000	103,111,335	103,203,177	1.97

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Malaysian Government Securities</u>				
3.418% Government of Malaysia 15/08/2022	40,000,000	40,357,642	40,366,075	0.77
3.478% Government of Malaysia 14/06/2024	320,000,000	328,996,223	327,890,339	6.25
3.480% Government of Malaysia 15/03/2023	130,000,000	134,303,455	134,213,839	2.56
3.502% Government of Malaysia 31/05/2027	50,000,000	53,311,641	50,642,250	0.97
3.733% Government of Malaysia 15/06/2028	50,000,000	52,242,588	50,789,709	0.97
3.795% Government of Malaysia 30/09/2022	100,000,000	103,044,725	102,779,725	1.96
3.882% Government of Malaysia 10/03/2022	320,000,000	326,061,150	326,049,556	6.22
3.882% Government of Malaysia 14/03/2025	30,000,000	31,320,779	31,350,477	0.60
3.900% Government of Malaysia 30/11/2026	110,000,000	117,278,011	114,004,425	2.17
3.906% Government of Malaysia 15/07/2026	30,000,000	31,601,748	30,912,466	0.59
3.955% Government of Malaysia 15/09/2025	80,000,000	85,980,124	83,937,235	1.60
	1,260,000,000	1,304,498,086	1,292,936,096	24.66

Securities Guaranteed by  
Government of Malaysia

2.84% Danainfra Nasional Berhad 24/02/2028 - IMTN Tranche No 17	5,000,000	5,001,945	4,782,545	0.09
3.18% Danainfra Nasional Berhad 24/02/2031 - IMTN Tranche No 18	5,000,000	5,002,178	4,723,478	0.09
3.74% Danainfra Nasional Berhad 20/07/2022 - IMTN Tranche No 2	20,000,000	20,217,839	20,212,573	0.39
4.06% Danainfra Nasional Berhad 25/05/2022 - IMTN Tranche No 61	15,000,000	15,176,355	15,232,025	0.29
4.08% Danainfra Nasional Berhad 18/08/2023 - IMTN Tranche No 79	10,000,000	10,330,039	10,236,543	0.20
4.12% Danainfra Nasional Berhad 21/03/2022 - IMTN Tranche No 55	10,000,000	10,184,578	10,194,232	0.19
4.15% Danainfra Nasional Berhad 06/04/2022 - IMTN Tranche No 31	50,000,000	50,937,565	50,937,500	0.97
4.35% Danainfra Nasional Berhad 21/03/2024 - IMTN Tranche No 56	10,000,000	10,533,446	10,505,177	0.20
4.37% Danainfra Nasional Berhad 21/02/2025 - IMTN Tranche No 73	20,000,000	20,979,182	20,725,956	0.40
4.45% Danainfra Nasional Berhad 11/11/2022 - IMTN Tranche No 37	5,000,000	5,147,174	5,146,095	0.10
0.00% Khazanah Nasional Berhad 02/09/2022	50,000,000	49,508,081	49,478,000	0.94
4.08% Lembaga Pembiayaan Perumahan Sektor Awam 07/09/2022 - IMTN Tranche No 14	10,000,000	10,305,025	10,296,617	0.20
4.28% Lembaga Pembiayaan Perumahan Sektor Awam 06/09/2024 - IMTN Tranche No 15	40,000,000	42,366,597	42,085,622	0.80
2.88% Malaysia Rail Link Sdn Bhd 23/07/2026 - IMTN	20,000,000	20,056,811	19,600,411	0.37
4.06% Pengurusan Air SPV Berhad 06/06/2022 - IMTN Issue No 29	30,000,000	30,321,500	30,433,344	0.58
4.23% Pengurusan Air SPV Berhad 16/06/2023 - IMTN Issue No 25	50,000,000	51,585,081	51,561,795	0.98

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
4.30% Pengurusan Air SPV Berhad 06/06/2022 - IMTN Issue No 32	50,000,000	50,593,864	50,781,185	0.97
4.43% Pengurusan Air SPV Berhad 03/02/2023 - IMTN Issue No 22	10,000,000	10,223,657	10,219,201	0.19
4.63% Pengurusan Air SPV Berhad 05/02/2026 - IMTN Issue No 23	5,000,000	5,339,498	5,244,903	0.10
2.98% Prasarana Malaysia Berhad 27/08/2026 - IMTN Series 1	10,000,000	10,000,816	9,797,716	0.19
4.38% Prasarana Malaysia Berhad 24/03/2025 - IMTN Series 2	20,000,000	21,435,905	21,092,600	0.40
4.39% Prasarana Malaysia Berhad 07/03/2025 - IMTN Series 4	20,000,000	21,380,947	21,127,753	0.40
4.47% Prasarana Malaysia Berhad 26/02/2026 - IMTN Series 8	15,000,000	15,892,577	15,615,037	0.30
3.77% Prasarana Malaysia Berhad 06/09/2022 - Sukuk Murabahah T1	30,000,000	30,812,564	30,792,859	0.59
4.08% Prasarana Malaysia Berhad 14/09/2022 - Sukuk Murabahah S1	30,000,000	30,893,264	30,870,875	0.59
2.38% PR1MA Corporation Malaysia 30/07/2025 - IMTN	5,000,000	5,009,455	4,869,755	0.09
	<u>545,000,000</u>	<u>559,235,943</u>	<u>556,563,797</u>	<u>10.61</u>
<b>TOTAL UNQUOTED FIXED INCOME SECURITIES</b>	<b>2,905,500,000</b>	<b>2,992,115,268</b>	<b>2,976,164,694</b>	<b>56.76</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>(15,950,574)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>			<b>2,976,164,694</b>	

## 11. UNITS IN CIRCULATION

		<b>01.03.2022 to 31.08.2022 No. of units</b>	<b>01.03.2021 to 28.02.2022 No. of units</b>
Class A	(i)	2,944,776,628	3,855,094,439
Class B	(ii)	1,000	1,000.00
Class C	(iii)	1,000	1,000.00
Class D	(iv)	1,148,419,474	1,365,572,985
		<u>4,093,198,102</u>	<u>5,220,669,424</u>

### (i) Class A

At the beginning of the financial period/year	3,855,094,439	949,115,694
Add: Creation of units during the financial period/year		
- Arising from applications	69,919,985	4,324,738,618
- Arising from distributions	3,340,257	2,451,401
Less: Cancellation of units during the financial period/year	(983,578,053)	(1,421,211,274)
At the end of the financial period/year	<u>2,944,776,628</u>	<u>3,855,094,439</u>

### (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	<u>1,000</u>	<u>1,000</u>

### (iii) Class C

At the beginning of the financial period/year	1,000	-
Add: Creation of units during the financial period/year		
- Arising from applications	-	1,000
At the end of the financial period/year	<u>1,000</u>	<u>1,000</u>

### (iv) Class D

At the beginning of the financial period/year	1,365,572,985	478,131,406
Add: Creation of units during the financial period/year		
- Arising from applications	1,179,715	965,444,611
- Arising from distributions	7,791,375	2,325,294
Less: Cancellation of units during the financial period/year	(226,124,601)	(80,328,326)
At the end of the financial period/year	<u>1,148,419,474</u>	<u>1,365,572,985</u>

## 12. TOTAL EXPENSE RATIO ("TER")

	2022 %	2021 %
TER (annualised)	0.32	0.51

Total expense ratio includes management fee (excluding management fee rebates), Trustee's fee, auditors' remuneration, tax agent's fee 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:

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

Where;

- A = Management fee, excluding management fee rebates
- B = Trustee's fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Other expenses
- F = 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 RM4,386,879,296 (31.08.2021: RM2,882,918,194).

## 13. PORTFOLIO TURNOVER RATIO ("PTR")

	2022 Times	2021 Times
PTR	0.13	0.34

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial period} + \text{total disposals for the financial period}) / 2}{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}}$$

Where; total acquisitions for the financial period  
= RM888,472,525 (2021: RM1,581,569,578)  
total disposals for the financial period  
= RM288,701,536 (2021: RM371,590,074)

## 14. 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 parties related to the Manager

	<b>31.08.2022</b>		<b>28.02.2022</b>	
	<b>Units</b>	<b>RM</b>	<b>Units</b>	<b>RM</b>
The Manager				
- Class B	1,000	1,013	1,000	1,004
- Class C	1,000	1,013	1,000	1,004
- Class D	-	-	1,000	1,001
Hong Leong Bank Berhad				
- Class A	2,564,847,202	2,572,285,259	3,362,137,489	3,381,301,673
Hong Leong Capital Berhad				
- Class D	307,447,526	306,801,886	306,443,559	306,658,069
	<u>2,872,296,728</u>	<u>2,879,089,171</u>	<u>3,668,584,048</u>	<u>3,687,962,751</u>

The above units were transacted at the prevailing market price.

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

	31.08.2022 RM	28.02.2022 RM
<u>Related party balances</u>		
Deposits with licensed financial institutions:		
- Hong Leong Bank Berhad	268,373,670	693,052,297
Cash at bank:		
- Hong Leong Bank Berhad	20,217	512,485
	<u>268,393,887</u>	<u>693,564,782</u>
	2022 RM	2021 RM
<u>Related party transactions</u>		
Interest income from deposits with licensed financial institutions:		
- Hong Leong Bank Berhad	2,634,409	2,688,602
- Hong Leong Islamic Bank Berhad	-	320,733
	<u>2,634,409</u>	<u>3,009,335</u>
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	161,869	3,279
Dividend income from collective investment schemes:		
- Hong Leong Asset Management Bhd	-	1,331,805
Purchase of unquoted fixed income securities:		
- Hong Leong Bank Berhad	45,575,964	441,911,365
- Hong Leong Islamic Bank Berhad	20,393,304	9,990,095
	<u>65,969,268</u>	<u>451,901,460</u>
Purchase of unquoted collective investment scheme:		
- Hong Leong Asset Management Bhd	-	150,000,000
Disposal of unquoted fixed income securities:		
- Hong Leong Bank Berhad	4,543,581	275,909,913
Disposal of unquoted collective investment scheme:		
- Hong Leong Asset Management Bhd	-	15,000,000



## 15. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %
<b>31.08.2022</b>		
JP Morgan Chase Bank Berhad	813,955,521	68.52
Citibank Berhad	218,962,215	18.43
Hong Leong Bank Berhad*	50,119,545	4.22
CIMB Islamic Bank Berhad	33,822,457	2.85
CIMB Bank Berhad	30,217,392	2.54
Hong Leong Islamic Bank Berhad*	20,393,304	1.72
Malayan Banking Berhad	10,295,024	0.86
United Overseas Bank (Malaysia) Bhd	10,188,547	0.86
	<u>1,187,954,005</u>	<u>100.00</u>
<b>31.08.2021</b>		
Hong Leong Bank Berhad*	717,821,278	39.77
JP Morgan Chase Bank Berhad	634,157,596	35.13
CIMB Bank Berhad	174,745,156	9.68
CIMB Islamic Bank Berhad	120,601,874	6.68
United Overseas Bank (Malaysia) Bhd	62,803,846	3.48
Malayan Banking Berhad	41,530,000	2.30
Bank Islam Berhad	21,796,939	1.21
RHB Investment Bank Berhad	21,593,929	1.20
Hong Leong Islamic Bank Berhad*	9,990,095	0.55
	<u>1,805,040,713</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

## A (i) Portfolio Compositions:

Government Guaranteed Securities

Government Securities

Collective Investment Schemes

**Deposits & Cash Equivalents**

(ii) Total Net Asset Value (ex-distribution)	Class A
	Class B
	Class C
	Class D
(iii) Net Asset Value Per Unit (ex-distribution)	Class A
	Class B
	Class C
	Class D
Units in Circulation (ex-distribution)	Class A
	Class B
	Class C
	Class D
(iv) Highest /Lowest NAV Per Unit (ex-distribution)	Class A: Highest NAV Per Unit Lowest NAV Per Unit
	Class B: Highest NAV Per Unit Lowest NAV Per Unit
	Class C: Highest NAV Per Unit Lowest NAV Per Unit
	Class D: Highest NAV Per Unit Lowest NAV Per Unit
	Class A
	Class A
	Class A
	Class B
	Class B
	Class B
	Class C
	Class C
	Class C
	Class D
	Class D
	Class D

Financial Period 28/02/22– 31/08/22 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %	Financial Period 28/03/19– 29/02/20 %
9.41	10.61	20.97	34.40
41.11	46.15	44.18	30.49
–	–	6.94	7.54
49.48	43.24	27.91	27.57
<b>RM2,953,448,130</b>	RM3,876,911,535	RM1,448,813,294	RM891,602,552
<b>RM1,013</b>	RM1,004	–	–
<b>RM1,013</b>	RM1,004	–	–
<b>RM1,146,035,318</b>	RM1,366,485,957	–	–
<b>RM1.0029</b>	RM1.0057	RM1.0150	RM1.0102
<b>RM1.0131</b>	RM1.0037	–	–
<b>RM1.0131</b>	RM1.0037	–	–
<b>RM0.9978</b>	RM1.0007	–	–
<b>2,944,776,628</b>	3,855,094,439	1,427,247,100	882,506,374
<b>1,000</b>	1,000	–	–
<b>1,000</b>	1,000	–	–
<b>1,148,419,474</b>	1,365,572,985	–	–
<b>RM1.0067</b>	RM1.0157	RM1.0231	RM1.0111
<b>RM0.9987</b>	RM1.0037	RM0.9983	RM1.0000
<b>RM1.0132</b>	RM1.0037	–	–
<b>RM1.0007</b>	RM0.9999	–	–
<b>RM1.0132</b>	RM1.0037	–	–
<b>RM1.0007</b>	RM0.9999	–	–
<b>RM1.0018</b>	RM1.0026	–	–
<b>RM0.9938</b>	RM0.9999	–	–
<b>0.72%</b>	0.84%	2.78%	3.79%
<b>-0.28%</b>	-0.92%	0.48%	1.02%
<b>1.00%</b>	1.76%	2.30%	2.77%
<b>0.94%</b>	0.37%	–	–
<b>0.94%</b>	0.37%	–	–
<b>–</b>	–	–	–
<b>0.94%</b>	0.37%	–	–
<b>0.94%</b>	0.37%	–	–
<b>–</b>	–	–	–
<b>0.83%</b>	0.33%	–	–
<b>-0.29%</b>	0.07%	–	–
<b>1.12%</b>	0.26%	–	–

# Performance Data

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

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)

The distribution (gross) is made out of (Class C):-

- 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)

The distribution (gross) is made out of (Class D):-

- 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)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
EX-Distribution NAV/Unit

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

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

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

Financial Period 28/02/22– 31/08/22 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %	Financial Period 28/03/19– 29/02/20 %
0.2800 sen/unit	0.9300 sen/unit	0.0000 sen/unit	0.0000 sen/unit
0.7200 sen/unit	0.8410 sen/unit	2.3100 sen/unit	2.7200 sen/unit
1.0000 sen/unit	1.7710 sen/unit	2.3100 sen/unit	2.7200 sen/unit
28%	53%	0%	0%
72%	47%	100%	100%
0.0000 sen/unit	0.0000 sen/unit	–	–
0.0000 sen/unit	0.0000 sen/unit	–	–
0.0000 sen/unit	0.0000 sen/unit	–	–
0%	0%	–	–
0%	0%	–	–
0.0000 sen/unit	0.0000 sen/unit	–	–
0.0000 sen/unit	0.0000 sen/unit	–	–
0.0000 sen/unit	0.0000 sen/unit	–	–
0%	0%	–	–
0%	0%	–	–
0.2900 sen/unit	0.0000 sen/unit	–	–
0.8220 sen/unit	0.2620 sen/unit	–	–
1.1120 sen/unit	0.2620 sen/unit	–	–
26%	0%	–	–
74%	100%	–	–
–	–	–	–
0.1520 sen/unit	0.1630 sen/unit	0.2250 sen/unit	0.2790 sen/unit
0.1520 sen/unit	0.1630 sen/unit	0.2250 sen/unit	0.2790 sen/unit
18/03/2022	18/03/2021	18/03/2020	21/05/2019
RM1.0067	RM1.0115	RM1.0052	RM1.0028
RM1.0052	RM1.0099	RM1.0030	RM1.0000
–	–	–	–
0.1650 sen/unit	0.1770 sen/unit	0.2480 sen/unit	0.2990 sen/unit
0.1650 sen/unit	0.1770 sen/unit	0.2480 sen/unit	0.2990 sen/unit
18/04/2022	19/04/2021	20/04/2020	18/06/2019
RM1.0039	RM1.0131	RM1.0132	RM1.0038
RM1.0023	RM1.0114	RM1.0107	RM1.0008
–	–	–	–
0.1670 sen/unit	0.1630 sen/unit	0.1930 sen/unit	0.2800 sen/unit
0.1670 sen/unit	0.1630 sen/unit	0.1930 sen/unit	0.2800 sen/unit
18/05/2022	18/05/2021	18/05/2020	18/07/2019
RM1.0002	RM1.0129	RM1.0168	RM1.0041
RM0.9985	RM1.0113	RM1.0148	RM1.0013
–	–	–	–
0.1830 sen/unit	0.1620 sen/unit	0.2180 sen/unit	0.2860 sen/unit
0.1830 sen/unit	0.1620 sen/unit	0.2180 sen/unit	0.2860 sen/unit
20/06/2022	18/06/2021	18/06/2020	19/08/2019
RM1.0014	RM1.0128	RM1.0160	RM1.0063
RM0.9996	RM1.0112	RM1.0138	RM1.0034

# Performance Data

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

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

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

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

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

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

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 28/02/22– 31/08/22 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %	Financial Period 28/03/19– 29/02/20 %
-	-	-	-
<b>0.1450 sen/unit</b>	0.2070 sen/unit	0.2110 sen/unit	0.2580 sen/unit
<b>0.1450 sen/unit</b>	0.2070 sen/unit	0.2110 sen/unit	0.2580 sen/unit
<b>18/07/2022</b>	19/07/2021	20/07/2020	18/09/2019
<b>RM1.0028</b>	RM1.0140	RM1.0216	RM1.0056
<b>RM1.0013</b>	RM1.0120	RM1.0195	RM1.0031
-	-	-	-
<b>0.1880 sen/unit</b>	0.1530 sen/unit	0.1860 sen/unit	0.2570 sen/unit
<b>0.1880 sen/unit</b>	0.1530 sen/unit	0.1860 sen/unit	0.2570 sen/unit
<b>18/08/2022</b>	18/08/2021	18/08/2020	18/10/2019
<b>RM1.0035</b>	RM1.0123	RM1.0230	RM1.0051
<b>RM1.0017</b>	RM1.0107	RM1.0212	RM1.0025
-	-	-	-
-	0.1780 sen/unit	0.1770 sen/unit	0.2840 sen/unit
-	0.1780 sen/unit	0.1770 sen/unit	0.2840 sen/unit
-	20/09/2021	18/09/2020	18/11/2019
-	RM1.0108	RM1.0206	RM1.0054
-	RM1.0090	RM1.0189	RM1.0026
-	-	-	-
-	0.0800 sen/unit	0.1740 sen/unit	0.2530 sen/unit
-	0.0800 sen/unit	0.1740 sen/unit	0.2530 sen/unit
-	18/10/2021	19/10/2020	18/12/2019
-	RM1.0056	RM1.0224	RM1.0048
-	RM1.0048	RM1.0207	RM1.0023
-	-	-	-
-	0.1150 sen/unit	0.1760 sen/unit	0.2810 sen/unit
-	0.1150 sen/unit	0.1760 sen/unit	0.2810 sen/unit
-	18/11/2021	18/11/2020	20/01/2020
-	RM1.0057	RM1.0207	RM1.0056
-	RM1.0045	RM1.0190	RM1.0028
-	-	-	-
-	0.0570 sen/unit	0.1700 sen/unit	0.2430 sen/unit
-	0.0570 sen/unit	0.1700 sen/unit	0.2430 sen/unit
-	20/12/2021	18/12/2020	18/02/2020
-	RM1.0058	RM1.0200	RM1.0111
-	RM1.0052	RM1.0183	RM1.0086
-	-	-	-
-	0.1430 sen/unit	0.1780 sen/unit	-
-	0.1430 sen/unit	0.1780 sen/unit	-
-	19/01/2022	18/01/2021	-
-	RM1.0063	RM1.0207	-
-	RM1.0049	RM1.0189	-
-	-	-	-
-	0.1730 sen/unit	0.1540 sen/unit	-
-	0.1730 sen/unit	0.1540 sen/unit	-
-	18/02/2022	18/02/2021	-
-	RM1.0067	RM1.0175	-
-	RM1.0050	RM1.0160	-

# Performance Data

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Class B	Additional Units
	Distribution (Gross)
	Distribution (Net)
	Distribution Date
	Cum-Distribution NAV/Unit
Class C	EX-Distribution NAV/Unit
	Additional Units
	Distribution (Gross)
	Distribution (Net)
	Distribution Date
Class D	Cum-Distribution NAV/Unit
	EX-Distribution NAV/Unit
	Additional Units
	Distribution (Gross)
	Distribution (Net)
	Distribution Date
	Cum-Distribution NAV/Unit
	EX-Distribution NAV/Unit
	Additional Units
	Distribution (Gross)
	Distribution (Net)
	Distribution Date
	Cum-Distribution NAV/Unit
	EX-Distribution NAV/Unit
	Additional Units
	Distribution (Gross)
	Distribution (Net)
	Distribution Date
	Cum-Distribution NAV/Unit
	EX-Distribution NAV/Unit
	Additional Units
	Distribution (Gross)
	Distribution (Net)
	Distribution Date
	Cum-Distribution NAV/Unit
	EX-Distribution NAV/Unit
	Additional Units
	Distribution (Gross)
	Distribution (Net)
	Distribution Date
	Cum-Distribution NAV/Unit
	EX-Distribution NAV/Unit
	Additional Units
	Distribution (Gross)
	Distribution (Net)
	Distribution Date
	Cum-Distribution NAV/Unit
	EX-Distribution NAV/Unit



Financial Period 28/02/22- 31/08/22 %	Financial Year 28/02/21- 28/02/22 %	Financial Year 29/02/20- 28/02/21 %	Financial Period 28/03/19- 29/02/20 %
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
0.1690 sen/unit	0.2620 sen/unit	-	-
0.1690 sen/unit	0.2620 sen/unit	-	-
18/03/2022	18/02/2022	-	-
RM1.0018	RM1.0026	-	-
RM1.0001	RM1.0000	-	-
-	-	-	-
0.1800 sen/unit	-	-	-
0.1800 sen/unit	-	-	-
18/04/2022	-	-	-
RM0.9990	-	-	-
RM0.9972	-	-	-
-	-	-	-
0.1870 sen/unit	-	-	-
0.1870 sen/unit	-	-	-
18/05/2022	-	-	-
RM0.9953	-	-	-
RM0.9935	-	-	-
-	-	-	-
0.2040 sen/unit	-	-	-
0.2040 sen/unit	-	-	-
20/06/2022	-	-	-
RM0.9966	-	-	-
RM0.9945	-	-	-
-	-	-	-
0.1640 sen/unit	-	-	-
0.1640 sen/unit	-	-	-
18/07/2022	-	-	-
RM0.9978	-	-	-
RM0.9962	-	-	-
-	-	-	-
0.2080 sen/unit	-	-	-
0.2080 sen/unit	-	-	-
18/08/2022	-	-	-
RM0.9986	-	-	-
RM0.9966	-	-	-

# Performance Data

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(viii) Total Expense Ratio (TER)

(ix) Portfolio Turnover Ratio (PTR) (times)

**B. Average Total Return, NAV Per Unit-to-NAV  
Per Unit basis (as at 31/08/2022)\***

Class A:

- (i) One Year
- (ii) Three Years

Class B:

- (i) One Year
- (ii) Three Years

Class C:

- (i) One Year
- (ii) Three Years

Class D:

- (i) One Year
- (ii) Three Years

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

# The PTR decreased by 0.56 times (81.16%) to 0.13 times for the financial period from 1 March 2022 to 31 August 2022 versus 0.69 times for the financial year ended 28 February 2022 and 0.21 times (61.76%) as compared to 0.34 times for the financial period from 1 March 2021 to 31 August 2021 mainly due to **lower level of rebalancing activities undertaken by the Fund**.

Financial Period 28/02/22– 31/08/22 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %	Financial Period 28/03/19– 29/02/20 %
0.32%	0.45%	0.56%	0.41%
0.13#	0.69	0.51	0.80
0.93%			
2.23%			
-			
-			
-			
-			
-			
-			

# Corporate Information

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## **Manager**

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

## **Registered Office**

Level 30, Menara Hong Leong  
No. 6, Jalan Damansara  
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**

CIMB Commerce Trustee Berhad

## **Auditor**

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

## **Agents**

Hong Leong Bank Berhad  
Registered Independent Tied Agents with FiMM

# Corporate Directory

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## **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](http://www.hlam.com.my)  
E-mail: [inquiry@hlam.hongleong.com.my](mailto:inquiry@hlam.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  
Fax: 05-2558 389

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