

Hong Leong Dana Al-Safa'

Annual Report
Financial Year Ended 28 February 2023

2022/2023
Audited



Hong Leong Dana Al-Safa'

Contents

	Page
Manager's Review and Report	1-11
Statement by the Manager	12
Trustee's Report	13
Shariah Adviser's Report	14
Independent Auditors' Report	15-18
Statement of Comprehensive Income	19
Statement of Financial Position	20-21
Statement of Changes in Net Assets Attributable to Unit Holder	22
Statement of Cash Flows	23
Notes to the Financial Statements	24-41
Performance Data	42-53
Corporate Information	54
Corporate Directory	55

This page is intentionally left blank.

Manager's Review & Report

I. FUND INFORMATION

Fund Name

Hong Leong Dana Al-Safa'

Fund Category

Fixed Income (Islamic)

Fund Type

Income

Investment Objective

The Fund aims to provide investors with a low risk investment portfolio offering a regular stream of income* while adhering to Shariah requirements.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

Malayan Banking Berhad 12-Month Islamic Fixed Deposit-i

Distribution Policy

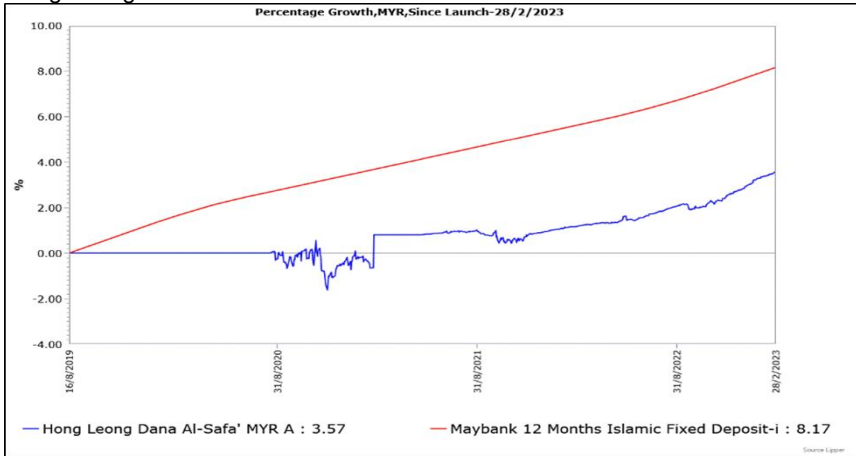
The Fund intends to provide Unit holders with regular income. As such, income distributions will be on a monthly basis, subject to availability of income and the amount of income available for distribution may fluctuate from time to time.

Note:

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

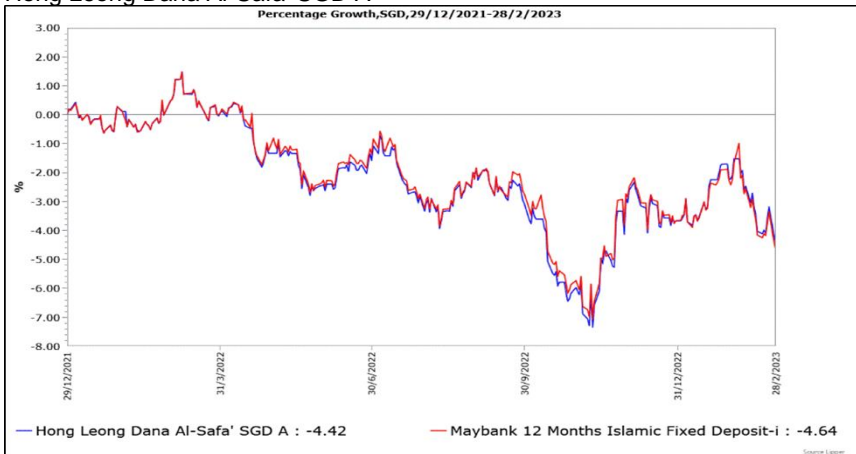
II. FUND PERFORMANCE

Chart 1: Performance of the Fund versus the benchmark
Hong Leong Dana Al-Safa' MYR A



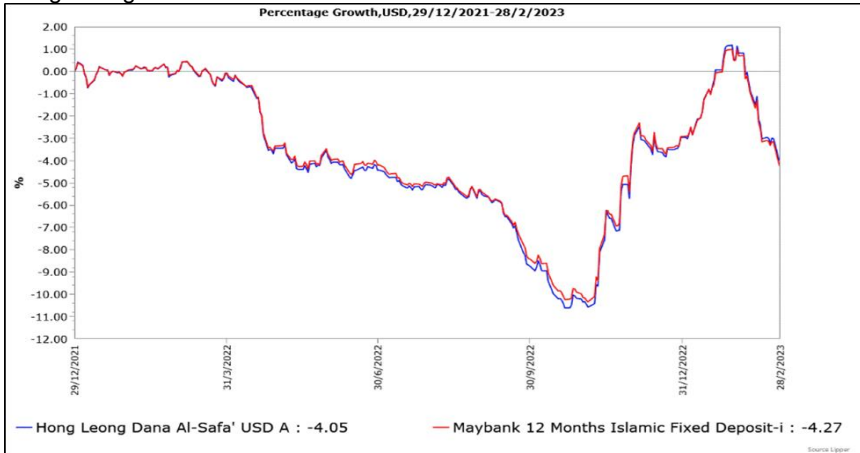
Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA MYR A reinvested.

Hong Leong Dana Al-Safa' SGD A



Source: Lipper For Investment Management, In Singapore Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA SGD A reinvested.

Hong Leong Dana Al-Safa' USD A



Source: Lipper For Investment Management, In US Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA USD A reinvested.

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

Performance Review

This Annual Report covers the twelve-month financial year from 1 March 2022 to 28 February 2023.

For Hong Leong Dana Al-Safa' MYR A, the Fund posted a return of 2.38% (in MYR terms) (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the Malayan Banking Berhad 12-Month Islamic Fixed Deposit-i registered a return of 2.41%. During the financial year under review, the Fund has distributed 12 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 42-53. Since launch on 16 August 2019, the Fund has posted a return of 3.57% compared to the benchmark's return of 8.17% while distributing a total gross income of 3.917 sen per unit (net income of 3.917 sen per unit).

For Hong Leong Dana Al-Safa' SGD A, the Fund posted a return of -4.75% (in SGD terms) (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the Malayan Banking Berhad 12-Month Islamic Fixed Deposit-i registered a

return of -4.98%. Since 29 December 2021, the Fund has registered a return of -4.42% compared to the benchmark's return of -4.64%.

For Hong Leong Dana Al-Safa' USD A, the Fund posted a return of -3.95% (in USD terms) (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the Malayan Banking Berhad 12-Month Islamic Fixed Deposit-i registered a return of -4.19%. Since 29 December 2021, the Fund has registered a return of -4.05% compared to the benchmark's return of -4.27%.

Table 1: Performance of the Fund for the following periods as at 28 February 2023 (Source: Lipper For Investment Management)

	30/11/22– 28/02/23	31/08/22– 28/02/23	28/02/22– 28/02/23	29/02/20– 28/02/23	16/08/19– 28/02/23
	3 Months	6 Months	1 Year	3 Years	Since Launch
HLDASA MYR A	1.07	1.49	2.38	3.57	3.57
Benchmark (%)	0.70	1.36	2.41	6.42	8.17

	30/11/22– 28/02/23	31/08/22– 28/02/23	28/02/22– 28/02/23	29/02/20– 28/02/23	29/12/21– 28/02/23
	3 Months	6 Months	1 Year	3 Years	Since 29/12/21
HLDASA SGD A	-1.59	-2.44	-4.75	-	-4.42
Benchmark (%)	-1.95	-2.46	-4.98	-	-4.64

	30/11/22– 28/02/23	31/08/22– 28/02/23	28/02/22– 28/02/23	29/02/20– 28/02/23	29/12/21– 28/02/23
	3 Months	6 Months	1 Year	3 Years	Since 29/12/21
HLDASA USD A	0.18	1.38	-3.95	-	-4.05
Benchmark (%)	-0.19	1.09	-4.19	-	-4.27

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 28 February 2022 to 28 February 2023 (Source: Lipper For Investment Management)

	28-Feb-23	28-Feb-22	Return (%)
HLDASA MYR A			
NAV Per Unit	RM0.9957	RM0.9957	2.38#
Benchmark	2.85%	1.85%	2.41
vs Benchmark (%)	-	-	(0.03)

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

	28-Feb-23	28-Feb-22	Return (%)
HLDASA SGD A			
NAV Per Unit	SGD0.9559	SGD1.0036	-4.75
Benchmark	2.85%	1.85%	-4.98
vs Benchmark (%)	-	-	0.23

	28-Feb-23	28-Feb-22	Return (%)
HLDASA USD A			
NAV Per Unit	USD0.9596	USD0.9991	-3.95
Benchmark	2.85%	1.85%	-4.19
vs Benchmark (%)	-	-	0.24

Table 3: Financial Highlights

The Fair Value of Outstanding Units are represented by:

	28-Feb-23	28-Feb-22	Change
	(RM)	(RM)	(%)
MYR Class A	70,608,957	45,138,099	56.43
MYR Class B*	-	1,003	-
MYR Class C*	-	1,003	-
MYR Class D*	-	1,003	-
MYR Class E*	-	1,003	-
SGD Class A	3,184	3,103	2.61
USD Class A	4,303	4,193	2.62

Units in Circulation:

MYR Class A	70,910,887	45,334,513	56.42
MYR Class B*	-	1,000	-
MYR Class C*	-	1,000	-
MYR Class D*	-	1,000	-
MYR Class E*	-	1,000	-
SGD Class A	1,000	1,000	0.00
USD Class A	1,000	1,000	0.00

*The Manager has terminated MYR Class B, MYR Class C, MYR Class D and MYR Class E as at 14 October 2022.

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

	Financial Year 28/02/22– 28/02/23	Financial Year 28/02/21– 28/02/22	Financial Year 29/02/20– 28/02/21
HLDASA MYR A			
Highest NAV Per Unit (RM)	0.9984	1.0020	1.0021
Lowest NAV Per Unit (RM)	0.9919	0.9957	0.9790
Capital Growth (%)	0.00	-0.43	0.00
Income Distribution (%)	2.38	0.78	0.80
Total Return (%)	2.38	0.35	0.80

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 HLDASA MYR A reinvested.

	Financial Year 28/02/22– 28/02/23	Financial Year 29/12/21– 28/02/22
HLDASA SGD A		
Highest NAV Per Unit (SGD)	1.0148	1.0044
Lowest NAV Per Unit (SGD)	0.9268	0.9938
Capital Growth (%)	-4.75	0.35
Income Distribution (%)	-	-
Total Return (%)	-4.75	0.35

Source: Lipper For Investment Management, In Singapore Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA SGD A reinvested.

	Financial Year 28/02/22– 28/02/23	Financial Year 29/12/21– 28/02/22
HLDASA USD A		
Highest NAV Per Unit (USD)	1.0119	1.0043
Lowest NAV Per Unit (USD)	0.8941	0.9927
Capital Growth (%)	-3.95	-0.10
Income Distribution (%)	-	-
Total Return (%)	-3.95	-0.10

Source: Lipper For Investment Management, In US Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA USD A reinvested.

Table 5: Average Total Return of the Fund

	28/02/22– 28/02/23	29/02/20– 28/02/23
	1 Year	3 Years
Average Total Return – HLDASA MYR A (%)	2.38	1.19
Average Total Return – HLDASA SGD A (%)	-4.75	-
Average Total Return – HLDASA USD A (%)	-3.95	-

Source: Lipper For Investment Management, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA reinvested.

Table 6: Annual Total Return of the Fund

Financial Year	28/02/22– 28/02/23	28/02/21– 28/02/22	29/02/20– 28/02/21
Annual Total Return - HLDASA MYR A (%)	2.38	0.35	0.80

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 HLDASA MYR A reinvested.\

Financial Year	28/02/22– 28/02/23	29/12/21– 28/02/22
Annual Total Return - HLDASA SGD A (%)	-4.75	0.35

Source: Lipper For Investment Management, In Singapore Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA SGD A reinvested.

Financial Year	28/02/22– 28/02/23	29/12/21– 28/02/22
Annual Total Return - HLDASA USD A (%)	-3.95	-0.10

Source: Lipper For Investment Management, In US Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA USD A reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation - March 2022 to February 2023

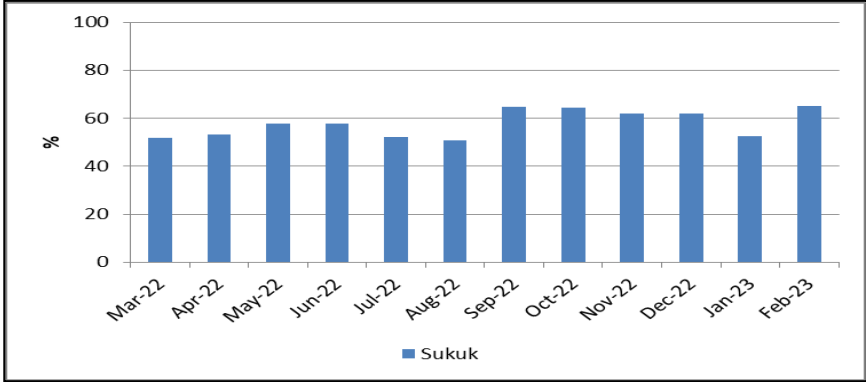


Chart 3: Sector Allocation as at 28 February 2023

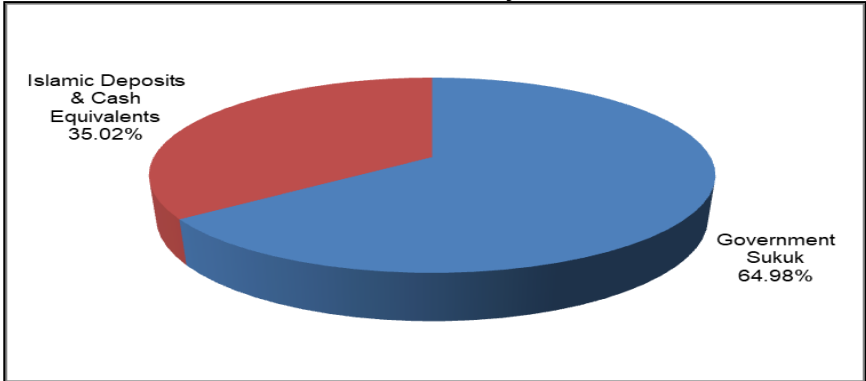
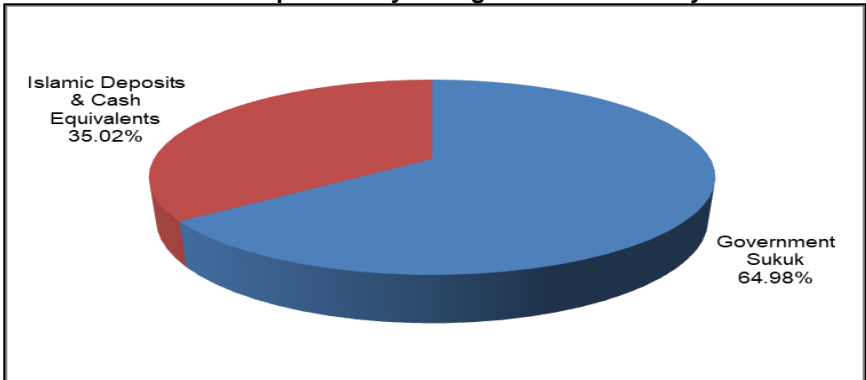


Chart 4: Portfolio Composition by Ratings as at 28 February 2023



Strategies employed by the Fund during the period under review

The Fund has adopted a defensive strategy during the financial review year by maintaining high level of cash allocation and short-tenured government Sukuks to minimize the fund's volatility amid rising borrowing cost environment.

An explanation on the differences in portfolio composition

The Fund's composition continues to adhere to its investment policy and objective by investing a minimum of 50% of its NAV in Sukuk issued or guaranteed by the Government of Malaysia and a maximum of 50% of its NAV in Islamic deposits and money market instruments.

Operational review of the Fund

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

IV. MARKET REVIEW

Following high and persistent inflationary pressures and strong labour market, the United States (US) Federal Reserve raised its borrowing cost by 450 basis points (bps) (+4.50%) to 4.75% with other advanced economies bucking up the trend. European Central Bank and Bank of England tightened their policy rate to 3.00% and 4.00% respectively while Reserve Bank of Australia hiked by 350bps (+3.50%) to 3.60%. For emerging economies (EE), similar policy rate actions were also being observed with Bank of Thailand hiking 125bps (+1.25%) to 1.50%, Bank of Indonesia by 225bps (+2.25%) to 5.75% and Bank Negara Malaysia (BNM) raised its borrowing cost by 100bps (+1.00%) to 2.75%.

With exception of China and Japan, global inflation remained elevated with levels ranging from 6 to 12%. For Asia EE, despite manageable inflation levels, the tightening in the region was compounded by imported inflation amid strengthening US dollar against EE local currencies.

Growth has been spectacular for Malaysia which charted growth of 8.7% year-on-year (YoY) in 2022 (2021: 3.1%YoY) driven by strong domestic demand, robust trade activities and continued policy support. Risks to growth however, is tilted to the downside on elevated commodity prices resulting in spiralling effect on production and retail prices. The effect is compounded by overtightening of financing conditions that may spill over into household debt burdens resulting in cutbacks in consumption as unanchored inflation expectations may pivot on the upside.

Malaysia capital markets reflected resiliency despite external risks with total bonds and Sukuks grew to RM 1.9 bn in 2022 (2021: RM 1.7 bn) reflecting increased fundraising activities. The Malaysia government securities benchmark yield curve shifted upward tracking global sukuk yields adjustments as investors repriced the curve to reflect monetary policy normalization. Meanwhile, the domestic sukuk market witnessed lower foreign borrowing cost, with net outflows amounting to -RM9.8 billion in 2022 (2021: net inflow of RM33.6 billion).

V. FUTURE PROSPECT AND PROPOSED STRATEGIES

BNM opined that the domestic economy remained on a sustainable recovery path and reiterated that current monetary accommodative stance, any potential adjustments will still be determined by evolving developments between growth and inflation.

With current balance of risk to inflation and growth remained well-anchored, we are pencilling another +25bps hike in borrowing cost in the second half of 2023 bringing the cumulative borrowing cost level at 3.00% for the financial year 2023 (Current: 2.75%). The projected borrowing cost level at 3.00% also reflects the preCOVID-19 average borrowing cost environment.

Reflecting the tail-end of the borrowing cost hike tightening cycle, the fund will gradually graduate from its defensive strategy by prudently diversifying the fund's maturity and duration profile to capitalize on stable and potentially downside adjustments to monetary policy on global growth risks.

VI. SOFT COMMISSIONS

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

STATEMENT BY THE MANAGER

I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 19 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 28 February 2023 and of its financial performance, changes in net assets attributable to unit holder and cash flows for the financial year ended 28 February 2023 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf of the Manager,

Hong Leong Asset Management Bhd (Company No.: 199401033034 (318717-M))

HOO SEE KHENG

Chief Executive Officer/Executive Director

Kuala Lumpur

17 April 2023

**TRUSTEE'S REPORT
TO THE UNIT HOLDERS OF HONG LEONG DANA AL-SAFA' ("Fund")**

We have acted as Trustee of the Fund for the financial year ended 28 February 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Hong Leong Asset Management Bhd** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. 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 Islamic Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee
Chief Executive Officer

Kuala Lumpur, Malaysia
17 April 2023

**SHARIAH ADVISER'S REPORT
TO THE UNIT HOLDER OF HONG LEONG DANA AL-SAFA' ("Fund")**

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Bhd has operated and managed the Fund for the period covered by these financial statements namely, the year ended 28 February 2023, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters;
2. The assets of the Fund comprise instruments that have been classified as Shariah compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

NURUSSA'ADAH NASARUDIN
Designated Shariah Officer

Kuala Lumpur
17 April 2023

INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDER OF HONG LEONG DANA AL-SAFA'

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Hong Leong Dana Al-Safa' ("the Fund") give a true and fair view of the financial position of the Fund as at 28 February 2023 and of its financial performance and its cash flows for the financial year ended 28 February 2023 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 28 February 2023, and the statement of comprehensive income, statement of changes in net assets attributable to unit holder and statement of cash flows for the financial year ended 28 February 2023, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 41.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)(“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Review & Report, but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determine is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement whether, due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intend to liquidate the Fund or to cease operations or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unit holder of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
17 April 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023**

	Note	2023 RM	2022 RM
INVESTMENT INCOME			
Profit income from financial assets measured at fair value through profit or loss ("FVTPL")		1,019,912	122,210
Profit income from financial assets measured at amortised cost		755,900	112,553
Net gain/(loss) on financial assets at fair value through profit or loss ("FVTPL")	10	20,712	(42,468)
Net foreign currency exchange gain		527	15
		<u>1,797,051</u>	<u>192,310</u>
EXPENDITURE			
Management fee	4	(133,828)	(22,548)
Trustee's fee	5	(12,000)	(12,000)
Auditors' remuneration		(10,400)	(6,500)
Tax agent's fee		(3,350)	(3,300)
Other expenses		(8,972)	(9,929)
		<u>(168,550)</u>	<u>(54,277)</u>
NET PROFIT BEFORE FINANCE COST AND TAXATION		1,628,501	138,033
Finance cost	6	(1,627,710)	(260,790)
NET PROFIT/(LOSS) BEFORE TAXATION		<u>791</u>	<u>(122,757)</u>
Taxation	7	-	-
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDER		<u>791</u>	<u>(122,757)</u>
Increase/(decrease) in net assets attributable to unit holder consists of:			
Realised amount		(21,485)	(80,304)
Unrealised amount		22,276	(42,453)
		<u>791</u>	<u>(122,757)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023**

	Note	2023 RM	2022 RM
ASSET			
Cash and cash equivalents	8	22,756,060	21,210,595
Financial assets at fair value through profit or loss ("FVTPL")	9	47,888,488	23,963,759
Prepayment		-	2,809
		<u>70,644,548</u>	<u>45,177,163</u>
LIABILITIES			
Amount due to the Manager			
- management fee		11,327	6,923
Amount due to the Trustee		5,875	11,187
Other payables and accruals		10,902	9,646
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDER)		<u>28,104</u>	<u>27,756</u>
NET ASSET VALUE OF THE FUND		<u>70,616,444</u>	<u>45,149,407</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDER		<u>70,616,444</u>	<u>45,149,407</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- MYR Class A		70,608,957	45,138,099
- MYR Class B*		-	1,003
- MYR Class C*		-	1,003
- MYR Class D*		-	1,003
- MYR Class E*		-	1,003
- SGD Class A		3,184	3,103
- USD Class A		4,303	4,193
		<u>70,616,444</u>	<u>45,149,407</u>
UNITS IN CIRCULATION (UNITS)			
- MYR Class A		70,910,887	45,334,513
- MYR Class B*		-	1,000
- MYR Class C*		-	1,000
- MYR Class D*		-	1,000
- MYR Class E*		-	1,000
- SGD Class A		1,000	1,000
- USD Class A		1,000	1,000
	11	<u>70,912,887</u>	<u>45,340,513</u>

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

	2023	2022
	RM	RM
NET ASSET VALUE PER UNIT (RM)		
- MYR Class A	0.9957	0.9957
- MYR Class B*	-	1.0035
- MYR Class C*	-	1.0035
- MYR Class D*	-	1.0035
- MYR Class E*	-	1.0035
- SGD Class A	3.1842	3.1028
- USD Class A	4.3031	4.1933
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- MYR Class A	RM0.9957	RM0.9957
- MYR Class B*	-	RM1.0035
- MYR Class C*	-	RM1.0035
- MYR Class D*	-	RM1.0035
- MYR Class E*	-	RM1.0035
- SGD Class A	SGD0.9559	SGD1.0036
- USD Class A	USD0.9596	USD0.9991

*The Manager has terminated MYR Class B, MYR Class C, MYR Class D and MYR Class E as at 14 October 2022 as disclosed in note 2(h).

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDER
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023**

	2023	2022
	RM	RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDER AT THE BEGINNING OF THE FINANCIAL YEAR	<u>45,149,407</u>	<u>1,000</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications	36,856,464	45,011,374
Creation of units from distributions	1,603,545	260,790
Cancellation of units	<u>(12,993,763)</u>	<u>(1,000)</u>
	<u>25,466,246</u>	<u>45,271,164</u>
Increase/(decrease) in net assets attributable to unit holder	<u>791</u>	<u>(122,757)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDER AT THE END OF THE FINANCIAL YEAR	<u><u>70,616,444</u></u>	<u><u>45,149,407</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023**

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of financial assets at FVTPL	3,934,790	-
Proceeds from redemptions of financial assets at FVTPL	55,000,000	-
Purchase of financial assets at FVTPL	(83,070,780)	(23,889,111)
Profit income received from financial assets measured at FVTPL and amortised cost	2,007,766	117,647
Management fee paid	(129,424)	(19,193)
Trustee's fee paid	(17,312)	(1,101)
Payment for other fees and expenses	(18,657)	(19,608)
Net cash used in operating activities	<u>(22,293,617)</u>	<u>(23,811,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	36,856,464	45,011,374
Payments for cancellation of units	(12,993,744)	(1,000)
Payments for distributions	(24,165)	-
Net cash generated from financing activities	<u>23,838,555</u>	<u>45,010,374</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,544,938	21,199,008
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	527	15
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>21,210,595</u>	<u>11,572</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u><u>22,756,060</u></u>	<u><u>21,210,595</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023**

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Dana Al-Safa' ("the Fund") was constituted pursuant to the execution of a Deed dated 11 June 2019, First Supplemental Deed dated 20 January 2021 and Second Supplemental Deed dated 30 April 2021 ("the Deeds"), between the Manager, Hong Leong Asset Management Bhd and the Trustee, CIMB Islamic 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 while adhering to Shariah requirements.

The Fund intends to invest a minimum of 50% of its net asset value in sukuk issued or guaranteed by the Government of Malaysia and a maximum of 50% of its net asset value in Islamic money market instruments and Islamic deposits. To provide a regular income, the Fund will invest in a portfolio of sukuk, Islamic money market instruments, Islamic deposits and Investment Account. The Fund commenced operations on 16 August 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.

Hong Leong Islamic Asset Management Sdn Bhd (HLISAM) is the external fund manager appointed for Hong Leong Dana Al-Safa'. The effective date for the appointment is at 5 October 2020. HLISAM is a wholly own subsidiary of the Manager, in November 2019, HLISAM was issued with an Islamic fund management license by the Securities Commission Malaysia to undertake the regulated activity of Islamic fund management.

The financial statements were authorised for issue by the Manager on 17 April 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including Islamic derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. The Manager believes that the underlying assumptions are appropriate and the Fund's financial statements therefore present the financial position results fairly. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

(i) Standards and amendments to existing standards effective 1 March 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 March 2022 that have a material effect on the financial statements of the Fund.

-
- (ii) New standards, amendment and interpretations effective after 1 March 2022 and have not been early adopted.

A number of new standards, amendments to standards and interpretations are effective for financial year beginning after 1 March 2022. None of these are expected to have a material effect on the financial statements of the Fund, except the following set out below:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting period beginning on or after 1 January 2024.

The amendment shall be applied retrospectively.

(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 securities¹ as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities² are solely principal and profit, 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 as financial asset measured at amortised cost as this financial asset is 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. Shariah-compliant 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 Shariah-compliant 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.

¹ For the purposes of the investments made by the Fund, equity securities refer to Shariah-compliant equity securities.

² For the purposes of the investments made by the Fund, debt securities refer to sukuk.

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 including the effects of currency translation presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the year which they arise.

Unquoted sukuk 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 sukuk 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.

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

(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 investments 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 year-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.

(d) Income recognition

Profit income from Islamic deposits with licensed financial institutions, Islamic money market instruments and unquoted sukuk are recognised on the effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit 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 profit 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 sukuk is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted sukuk, 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 bank and Islamic deposits held in highly liquid Shariah-compliant 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 Shariah-compliant 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 profit 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, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(g) Taxation

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

(h) Unit holder's 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 three (2022: seven) classes of units, known respectively as the MYR Class A, SGD Class A and USD Class A (2022: MYR Class A, MYR Class B, MYR Class C, MYR Class D, MYR Class E, SGD Class A and USD Class A) 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.

With effective on 14 October 2022, the Manager has terminated MYR Class B, MYR Class C, MYR Class D and MYR Class E.

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

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

(j) Finance cost

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

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

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

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

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

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

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

3. FINANCIAL INSTRUMENTS, RISK MANAG

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

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the prospectus.

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
2023			
<u>Financial asset</u>			
Cash and cash equivalents (Note 8)	-	22,756,060	22,756,060
Financial assets at FVTPL (Note 9)	47,888,488	-	47,888,488
	<u>47,888,488</u>	<u>22,756,060</u>	<u>70,644,548</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	11,327	11,327
Amount due to the Trustee	-	5,875	5,875
Other payables and accruals	-	10,902	10,902
	<u>-</u>	<u>28,104</u>	<u>28,104</u>
2022			
<u>Financial asset</u>			
Cash and cash equivalents (Note 8)	-	21,210,595	21,210,595
Financial assets at FVTPL (Note 9)	23,963,759	-	23,963,759
	<u>23,963,759</u>	<u>21,210,595</u>	<u>45,174,354</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	6,923	6,923
Amount due to the Trustee	-	11,187	11,187
Other payables and accruals	-	9,646	9,646
	<u>-</u>	<u>27,756</u>	<u>27,756</u>

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

(a) Market risk

(i) Price risk

Price risk arises mainly from the uncertainty about future prices of Shariah-compliant investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the Shariah-compliant investment portfolio.

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

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

	2023 RM	2022 RM
Financial assets at FVTPL:		
- Islamic money market instrument*	2,002,367	-
- Unquoted sukuk*	45,886,121	23,963,759
	<u>47,888,488</u>	<u>23,963,759</u>

* Includes profit receivables of RM454,387 (2022: RM222,449).

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

% Change in price of financial assets at FVTPL	Market value RM	Impact on net assets attributable to unit holder/ net asset value RM
2023		
-5%	45,062,396	(2,371,705)
0%	47,434,101	-
5%	49,805,806	2,371,705
2022		
-5%	22,554,244	(1,187,066)
0%	23,741,310	-
5%	24,928,376	1,187,066

(ii) Interest rate risk

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

This risk is crucial since unquoted sukuk portfolio management depends on forecasting interest rate movements. Valuation of unquoted sukuk move inversely to interest rate movements, therefore as interest rates rise, the valuation of unquoted sukuk decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower yield profit rates are more susceptible to interest rate movements.

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

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

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

% Change in interest rate	Impact on net assets attributable to unit holder/net asset value	
	2023 RM	2022 RM
+1%	(593,760)	(150,186)
-1%	609,012	155,777

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

(b) Credit risk

Credit risk refers to the risk that an issuer or counterparty will default on its contractual obligation resulting in financial loss to the Fund.

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

The credit risk arising from placements of Islamic deposits with licensed financial institutions and Islamic money market instrument are managed by ensuring that the Fund will only place Islamic deposits and Islamic money market instrument in reputable licensed financial institutions.

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

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

	Cash and cash equivalents RM	Financial assets at FVTPL RM	Total RM
2023			
- AAA	19,755,842	2,002,367	21,758,209
- AA1	3,000,218	-	3,000,218
- NR#	-	45,886,121	45,886,121
	<u>22,756,060</u>	<u>47,888,488</u>	<u>70,644,548</u>

2022

- AAA	14,479,371	-	14,479,371
- AA3	6,731,224	-	6,731,224
- NR#	-	23,963,759	23,963,759
	<u>21,210,595</u>	<u>23,963,759</u>	<u>45,174,354</u>

The unquoted sukuk are not rated as the sukuk are issued by the Government of Malaysia.

All financial assets of the Fund is neither past due nor impaired.

(c) Liquidity risk

Liquidity risk is the risk that Shariah-compliant investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower net asset value of the Fund.

The Manager manages this risk by maintaining sufficient level of Islamic liquid assets to meet anticipated payments and cancellations of the units by unit holders. Islamic liquid asset comprises cash at bank, Islamic deposits with licensed financial institutions and other instruments.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the end of each reporting year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	1 month to 1 year RM	Total RM
2023			
<u>Financial Liabilities</u>			
Amount due to the Manager			
-management fee	11,327	-	11,327
Amount due to the Trustee	5,875	-	5,875
Other payables and accruals	-	10,902	10,902
Net assets attributable to unit holder*	<u>70,616,444</u>	-	<u>70,616,444</u>
Contractual undiscounted cash flows	<u>70,633,646</u>	<u>10,902</u>	<u>70,644,548</u>

2022Financial Liabilities

Amount due to the Manager			
-management fee	6,923	-	6,923
Amount due to the Trustee	11,187	-	11,187
Other payables and accruals	-	9,646	9,646
Net assets attributable to unit holder*	<u>45,149,407</u>	-	<u>45,149,407</u>
Contractual undiscounted cash flows	<u>45,167,517</u>	<u>9,646</u>	<u>45,177,163</u>

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

(d) Capital risk

The capital of the Fund is represented by the net assets attributable to unit holders. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders' and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah-compliant investment activities of the Fund.

(e) Fair value estimation

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

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

The fair value of financial assets traded in active markets (such as trading Shariah-compliant 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 year end date. Valuation techniques used for non-standardised financial instruments such as Islamic options, currency swaps and other over-the-counter Islamic 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 Shariah-compliant equity and sukuk instruments for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2023				
<u>Financial assets at FVTPL:</u>				
- Islamic money market instrument		2,002,367		2,002,367
- Unquoted sukuk	-	45,886,121	-	45,886,121
	-	47,888,488	-	47,888,488
2022				
<u>Financial assets at FVTPL:</u>				
- Unquoted sukuk	-	23,963,759	-	23,963,759

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 Islamic money market instrument and unquoted sukuk. 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.

(f) Shariah status reclassification risk

This risk refers to the risk of a possibility that the currently held sukuk or Islamic money market instruments or Islamic deposits or Investment Account invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Fund Manager will take the necessary steps to dispose of or withdraw such bond or money market instruments or deposits or conventional investment account.

4. MANAGEMENT FEE

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 year ended 28 February 2023, the management fee is recognised at 0.20% (01.03.2021 to 15.09.2021: waived, 16.09.2021 to 28.02.2022: 0.20%) per annum for MYR Class A. The fee was waived by the Manager for MYR Class B, MYR Class C, MYR Class D, MYR Class E, SGD Class A and USD Class A.

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 Deed, the Trustee is entitled to a fee not exceeding 0.01% subject to a minimum of RM12,000 per annum and capped at a maximum of RM500,000 per annum calculated daily based on the net asset value of the Fund.

For the financial year ended 28 February 2023, the Trustee's fee is recognised at a rate of 0.01% (2022: 0.01%) per annum. The Fund recognised the Trustee's fee at RM12,000 based on terms agreed with the Trustee for the financial year ended 28 February 2023.

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

6. FINANCE COST

	2023 RM	2022 RM
Prior financial year's realised income	85,907	38,781
Profit income from financial assets measured at FVTPL and amortised cost	1,668,007	230,591
Less: Expenses	(126,204)	(30,737)
Distribution equalisation	-	22,155
Net distributions amount	<u>1,627,710</u>	<u>260,790</u>
Gross/net distribution amount - MYR Class A	<u>2.3420</u>	<u>0.7820</u>
Date of Declaration		
Distribution on 25 March		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.1210</u>	-
Distribution on 25 April		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.1440</u>	-
Distribution on 25 May		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.1400</u>	-
Distribution on 27 June		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.1640</u>	-
Distribution on 25 July		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.1250</u>	-
Distribution on 25 August		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.1910</u>	-
Distribution on 26 September		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2190</u>	-
Distribution on 25 October		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2210</u>	-
Distribution on 25 November		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2450</u>	<u>0.2300</u>

Distribution on 27/24 December

Gross/net distribution per unit (sen)

- MYR Class A

<u>0.2590</u>	<u>0.2850</u>
---------------	---------------

Distribution on 25 January

Gross/net distribution per unit (sen)

- MYR Class A

<u>0.2410</u>	<u>0.1510</u>
---------------	---------------

Distribution on 27/25 February

Gross/net distribution per unit (sen)

- MYR Class A

<u>0.2720</u>	<u>0.1160</u>
---------------	---------------

Net distributions above are sourced from prior and current financial year'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 of units. It is computed as at each date of creation and cancellation prices 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 gain of RM22,276 (2022: unrealised loss of RM42,453) which is carried forward to the next financial year.

7. TAXATION

	2023	2022
	RM	RM
Tax charges for the financial year		
Current taxation	<u>-</u>	<u>-</u>

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

	2023	2022
	RM	RM
Profit before finance cost and taxation	<u>1,628,501</u>	<u>138,033</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	390,840	33,128
Tax effects of:		
Investment income not subject to tax	(431,292)	(46,154)
Expenses not deductible for tax purposes	5,516	5,878
Restriction on tax deductible expenses for unit trust fund	<u>34,936</u>	<u>7,148</u>
Taxation	<u>-</u>	<u>-</u>

8. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Islamic deposits with licensed financial institutions	22,727,602	21,182,982
Cash at banks	<u>28,458</u>	<u>27,613</u>
	<u>22,756,060</u>	<u>21,210,595</u>

The weighted average effective rate of return per annum are as follows:

	2023	2022
	%	%
Islamic deposits with licensed financial institutions	<u>3.83</u>	<u>2.09</u>

Islamic deposits with licensed financial institutions have an average remaining maturity of 19 days (2022: 10 days).

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

	2023	2022
	RM	RM
<u>Financial assets at FVTPL:</u>		
Islamic money market instrument	2,002,367	-
Unquoted sukuk	<u>45,886,121</u>	<u>23,963,759</u>
	<u>47,888,488</u>	<u>23,963,759</u>
<u>Net gain/(loss) on financial assets at FVTPL:</u>		
Realised loss on disposals	(1,037)	-
Changes in unrealised fair values	<u>21,749</u>	<u>(42,468)</u>
	<u>20,712</u>	<u>(42,468)</u>

Financial assets at FVTPL as at 28 February 2023 are as detailed below:

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
ISLAMIC MONEY MARKET INSTRUMENT				
<u>Term Investment Account</u>				
3.600% Hong Leong Islamic Bank Bhd 16/03/2023	<u>2,000,000</u>	<u>2,002,367</u>	<u>2,002,367</u>	<u>2.83</u>
TOTAL ISLAMIC MONEY MARKET INSTRUMENT	<u>2,000,000</u>	<u>2,002,367</u>	<u>2,002,367</u>	<u>2.83</u>
UNQUOTED SUKUK				
<u>Government Investment Issues</u>				
3.655% Government of Malaysia 15/10/2024	2,500,000	2,557,920	2,547,841	3.61
3.726% Government of Malaysia 31/03/2026	5,000,000	5,158,474	5,109,696	7.23
3.990% Government of Malaysia 15/10/2025	10,000,000	10,273,330	10,287,173	14.57
4.094% Government of Malaysia 30/11/2023	17,500,000	17,801,746	17,829,438	25.25
4.390% Government of Malaysia 07/07/2023	10,000,000	10,115,370	10,111,973	14.32
TOTAL UNQUOTED SUKUK	<u>45,000,000</u>	<u>45,906,840</u>	<u>45,886,121</u>	<u>64.98</u>
TOTAL INVESTMENT	<u>47,000,000</u>	<u>47,909,207</u>	<u>47,888,488</u>	<u>67.81</u>
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		<u>(20,719)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		<u>47,888,488</u>		

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 %
UNQUOTED SUKUK				
<u>Government Investment Issues</u>				
3.655% Government of Malaysia 15/10/2024	500,000	524,410	517,528	1.15
3.726% Government of Malaysia 31/03/2026	3,000,000	3,130,185	3,095,877	6.86
3.948% Government of Malaysia 14/04/2022	20,000,000	20,351,632	20,350,354	45.07
TOTAL UNQUOTED SUKUK	23,500,000	24,006,227	23,963,759	53.08
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		(42,468)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		23,963,759		

10. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- (i) Sukuk as per the list of sukuk available at Bond Info Hub and Fully Automated System for Issuing/Tendering of Bank Negara Malaysia; and
- (ii) Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

11. UNITS IN CIRCULATION

	2023 No. of units	2022 No. of units
MYR Class A (i)	70,910,887	45,334,513
MYR Class B* (ii)	-	1,000
MYR Class C* (iii)	-	1,000
MYR Class D* (iv)	-	1,000
MYR Class E* (v)	-	1,000
SGD Class A (vi)	1,000	1,000
USD Class A (vii)	1,000	1,000
	70,912,887	45,340,513
(i) MYR Class A		
At the beginning of the financial year	45,334,513	1,000
Add: Creation of units during the financial year		
- Arising from applications	36,999,468	45,072,630
- Arising from distributions	1,612,998	261,883
Less: Cancellation of units during the financial year	(13,036,092)	(1,000)
At the end of the financial year	70,910,887	45,334,513

(ii) MYR Class B*

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

(iii) MYR Class C*

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

(iv) MYR Class D*

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

(v) MYR Class E*

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

(vi) SGD Class A

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

(vii) USD Class A

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

*The manager has terminated MYR Class B, MYR Class C, MYR Class D and MYR Class E as at 14 October 2022 as disclosed in Note 2(h).

12. TOTAL EXPENSE RATIO ("TER")

	2023	2022
	%	%
TER	<u>0.25</u>	<u>0.46</u>

Total expense ratio includes management fee, Trustee's fee, auditors' remuneration, tax agent's fee and other expenses for the financial year 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
- 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 year calculated on a daily basis is RM66,993,385 (2022: RM11,723,429).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2023	2022
	Times	Times
PTR	<u>0.62</u>	<u>1.01</u>

PTR is derived from the following calculation:

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

Where:

- total acquisitions for the financial year = RM80,277,225 (2022: RM23,758,650)
- total disposals for the financial year = RM3,071,700 (2022: NIL)

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

	2023		2022	
	Units	RM	Units	RM
The Manager				
- MYR Class B*	-	-	1,000	1,003
- MYR Class C*	-	-	1,000	1,003
- MYR Class D*	-	-	1,000	1,003
- MYR Class E*	-	-	1,000	1,003
- SGD Class A	1,000	3.184	1,000	3,103
- USD Class A	1,000	4.303	1,000	4,193
	<u>2,000</u>	<u>7.487</u>	<u>6,000</u>	<u>11,308</u>

*The Manager has terminated MYR Class B, MYR Class C, MYR Class D and MYR Class E as at 14 October 2022 as disclosed in note 2(h).

The above units were transacted at the prevailing market price.

No units were held by parties related to the Manager as at 28 February 2023 and 28 February 2022.

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.

	2023	2022
	RM	RM
<u>Related party balances</u>		
Cash at bank		
- Hong Leong Islamic Bank Berhad	28,458	27,613
Short term Islamic deposits with licensed financial institution:		
- Hong Leong Islamic Bank Berhad	-	6,781,457
Islamic money market instrument		
- Hong Leong Islamic Bank Berhad	2,002,367	-
	<u>2,030,825</u>	<u>6,809,070</u>
<u>Related party transactions</u>		
Profit income from Islamic deposits with licensed financial institution:		
- Hong Leong Islamic Bank Berhad	120,176	35,275
Profit income from Islamic money market instrument:		
- Hong Leong Islamic Bank Berhad	2,367	-
	<u>122,543</u>	<u>35,275</u>
Purchase of unquoted sukuk:		
- Hong Leong Islamic Bank Berhad	<u>17,830,438</u>	<u>525,794</u>

15. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %
2023		
CIMB Islamic Bank Berhad	41,912,465	49.80
JP Morgan Chase Bank Berhad	20,335,844	24.16
Hong Leong Islamic Bank Berhad*	17,830,438	21.19
CIMB Bank Berhad	2,043,614	2.43
Bank Islam Berhad	2,039,712	2.42
	<u>84,162,073</u>	<u>100.00</u>
2022		
JP Morgan Chase Bank Berhad	20,275,554	84.86#
CIMB Islamic Bank Berhad	3,091,807	12.94
Hong Leong Islamic Bank Berhad*	525,794	2.20
	<u>23,893,155</u>	<u>100.00</u>

* Transactions with brokers/dealers related to the Manager.

There was a large capital inflow into the fund which occurred towards the end of the fund reporting period. To ensure that the fund comply with its asset allocation requirement, the Manager has deployed the additional capital through sukuk purchases with an approved counterparty that offered the best execution price. Given the short deployment period which occurs close to the end of the fund's reporting period, the Manager was unable to appropriately rebalance the counterparty exposure without resulting in realized financial losses to unit holder.

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 Sukuk		
Islamic Deposits & Cash Equivalents		
(ii)	Total Net Asset Values (ex-distribution)	MYR Class A SGD Class A USD Class A
(iii)	Net Asset Value Per Unit (ex-distribution)	MYR Class A SGD Class A USD Class A
	Units in Circulations (ex-distribution)	MYR Class A SGD Class A USD Class A
(iv)	Highest /Lowest NAV Per Unit (ex-distribution)	MYR Class A: Highest NAV Per Unit Lowest NAV Per Unit SGD Class A: Highest NAV Per Unit Lowest NAV Per Unit USD Class A: Highest NAV Per Unit Lowest NAV Per Unit
(v)	Total Return of the Fund* - Capital Growth - Income Distribution	MYR Class A MYR Class A MYR Class A
	Total Return of the Fund* - Capital Growth - Income Distribution	SGD Class A SGD Class A SGD Class A
	Total Return of the Fund* - Capital Growth - Income Distribution	USD Class A USD Class A USD Class A

Financial Year 28/02/22– 28/02/23 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %
64.98	53.08	–
35.02	46.92	100.00
RM70,608,957	RM45,138,099	RM1,000
RM3,184	RM3,103	–
RM4,303	RM4,193	–
RM0.9957	RM0.9957	RM1.0000
SGD0.9559	SGD1.0036	–
USD0.9596	USD0.9991	–
70,910,887	45,334,513	1,000
1,000	1,000	–
1,000	1,000	–
RM0.9984	RM1.0020	RM1.0021
RM0.9919	RM0.9957	RM0.9790
SGD1.0148	SGD1.0044	–
SGD0.9268	SGD0.9938	–
USD1.0119	USD1.0043	–
USD0.8941	USD0.9927	–
2.38%	0.35%	0.80%
0.00%	-0.43%	0.00%
2.38%	0.78%	0.80%
-4.75%	0.35%	–
-4.75%	0.35%	–
–	–	–
-3.95%	-0.10%	–
-3.95%	-0.10%	–
–	–	–

Performance Data

- (vi) The distribution (gross) is made out of (MYR 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 (SGD 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 (USD 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)

- (vii) Distribution Per Unit MYR 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

Financial Year 28/02/22– 28/02/23 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %
0.0000 sen/unit	0.4300 sen/unit	0.0000 sen/unit
2.3420 sen/unit	0.3520 sen/unit	0.7930 sen/unit
2.3420 sen/unit	0.7820 sen/unit	0.7930 sen/unit
0%	55%	0%
100%	45%	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%	–
–	–	–
0.1210 sen/unit	0.2300 sen/unit	0.1850 sen/unit
0.1210 sen/unit	0.2300 sen/unit	0.1850 sen/unit
25/03/2022	25/11/2021	25/09/2020
RM0.9966	RM0.9980	RM0.9963
RM0.9954	RM0.9957	RM0.9945
–	–	–
0.1440 sen/unit	0.2850 sen/unit	0.1520 sen/unit
0.1440 sen/unit	0.2850 sen/unit	0.1520 sen/unit
25/04/2022	24/12/2021	26/10/2020
RM0.9962	RM0.9986	RM0.9959
RM0.9948	RM0.9957	RM0.9945

Performance Data

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 Year 28/02/22– 28/02/23 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %
–	–	–
0.1400 sen/unit	0.1510 sen/unit	0.1520 sen/unit
0.1400 sen/unit	0.1510 sen/unit	0.1520 sen/unit
25/05/2022	25/01/2022	25/11/2020
RM0.9961	RM0.9974	RM0.9870
RM0.9947	RM0.9958	RM0.9855
–	–	–
0.1640 sen/unit	0.1160 sen/unit	0.1630 sen/unit
0.1640 sen/unit	0.1160 sen/unit	0.1630 sen/unit
27/06/2022	25/02/2022	28/12/2020
RM0.9955	RM0.9968	RM0.9907
RM0.9938	RM0.9957	RM0.9891
–	–	–
0.1250 sen/unit	–	0.1410 sen/unit
0.1250 sen/unit	–	0.1410 sen/unit
25/07/2022	–	25/01/2021
RM0.9960	–	RM0.9919
RM0.9947	–	RM0.9905
–	–	–
0.1910 sen/unit	–	–
0.1910 sen/unit	–	–
25/08/2022	–	–
RM0.9972	–	–
RM0.9953	–	–
–	–	–
0.2190 sen/unit	–	–
0.2190 sen/unit	–	–
26/09/2022	–	–
RM0.9941	–	–
RM0.9919	–	–

Performance Data

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 Year 28/02/22– 28/02/23 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %
–	–	–
0.2210 sen/unit	–	–
0.2210 sen/unit	–	–
25/10/2022	–	–
RM0.9940	–	–
RM0.9918	–	–
–	–	–
0.2450 sen/unit	–	–
0.2450 sen/unit	–	–
25/11/2022	–	–
RM0.9946	–	–
RM0.9921	–	–
–	–	–
0.2590 sen/unit	–	–
0.2590 sen/unit	–	–
27/12/2022	–	–
RM0.9959	–	–
RM0.9933	–	–
–	–	–
0.2410 sen/unit	–	–
0.2410 sen/unit	–	–
25/01/2023	–	–
RM0.9979	–	–
RM0.9955	–	–
–	–	–
0.2720 sen/unit	–	–
0.2720 sen/unit	–	–
27/02/2023	–	–
RM0.9984	–	–
RM0.9956	–	–

Performance Data

Distribution Per Unit SGD Class A

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

Distribution Per Unit USD Class A

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

(viii) Total Expense Ratio (TER)

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

Financial Year 28/02/22– 28/02/23 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
0.25%#	0.46%	0.43%
0.62##	1.01	1.80

Performance Data

**B. Average Total Return, NAV Per Unit-to NAV Per Unit basis
(as at 28/02/2023)***

MYR Class A:

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

SGD Class A:

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

USD Class A:

- (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 TER was 0.21 percentage point lower as compared to 0.46% for the financial year ended 28 February 2023 mainly due to increase in expenses of the fund.

##The PTR decreased by 0.39 times (38.61%) to 0.62 times for the financial year ended 28 February 2023 versus 1.01 times for the financial year ended 28 February 2022 mainly due to lower level of rebalancing activities undertaken by the Fund.

Financial Year 28/02/22– 28/02/23 %	Financial Year 28/02/21– 28/02/22 %	Financial Year 29/02/20– 28/02/21 %
--	--	--

2.38%

1.19%

-4.75%

-

-3.95%

-

Corporate Information

Manager

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

Registered Office

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

Business Office

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

Board of Directors

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

Executive Director / Chief Executive Officer

Mr. Hoo See Kheng

External Fund Manager

Hong Leong Islamic Asset Management Sdn Bhd [198501008000 (140445-U)]

Trustee

CIMB Islamic Trustee Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Shariah Adviser

BIMB Securities Sdn Bhd

Corporate Directory

Headquarters

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

Pulau Pinang

No. 441-1-3
Pulau Tikus Plaza, Jalan Burmah
10350 Pulau Tikus, Pulau Pinang
Tel: 04-228 8112, 04-228 9112
Fax: 04-228 3112

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