

Hong Leong Dana Al-Safa'

Annual Report
Financial Year Ended 29 February 2024

2023/2024
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	15-17
Statement of Comprehensive Income	18
Statement of Financial Position	19-20
Statement of Changes in Net Assets Attributable to Unit Holders	21
Statement of Cash Flows	22
Notes to the Financial Statements	23-41
Performance Data	42-51
Corporate Information	52
Corporate Directory	53

This page is intentionally left blank.

Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Dana Al-Safa' ("HLDASA" or "the Fund")

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

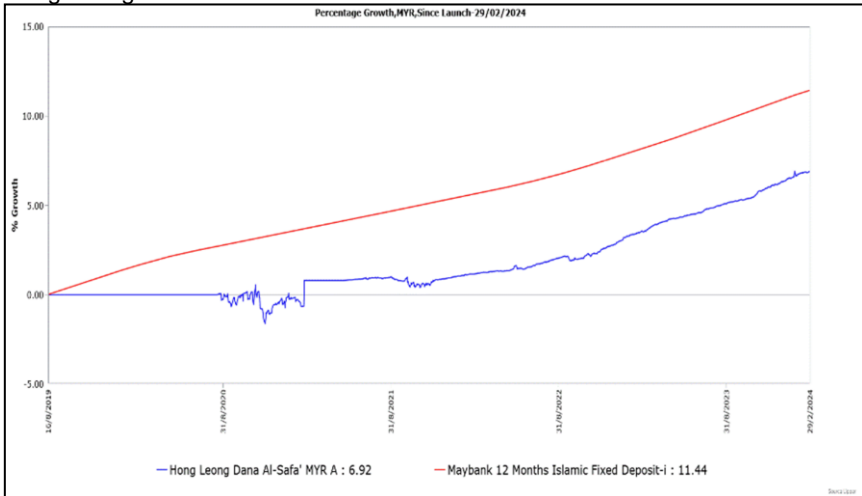
The Fund intends to provide Unit holders with regular income. As such, income distributions will be on a monthly basis, subject to availability of income and the amount of income available for distribution may fluctuate from time to time.

Note:

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

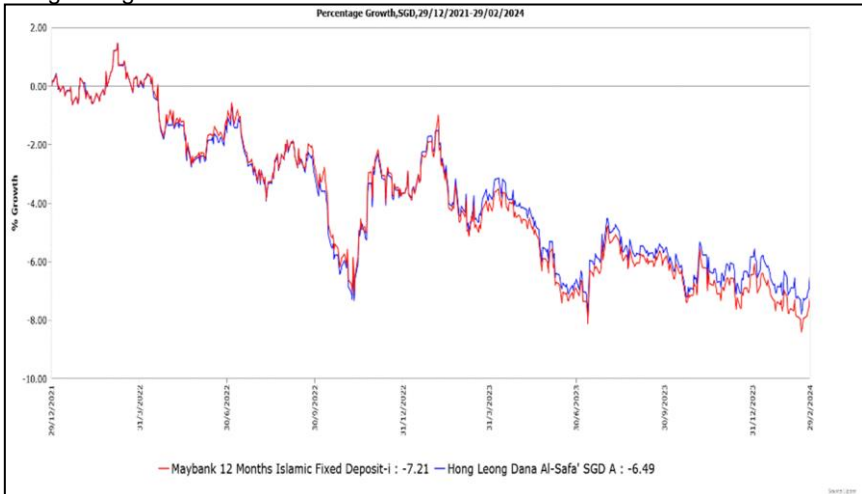
II. FUND PERFORMANCE

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



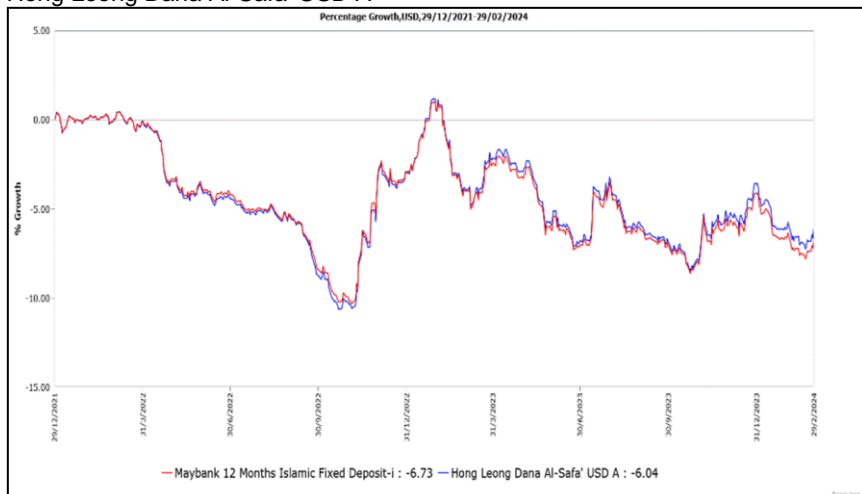
Source: Lipper for Investment Management, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA MYR A reinvested.

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 2023 to 29 February 2024.

For Hong Leong Dana Al-Safa' MYR A, the Fund posted a return of 3.23% (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 3.03%. During the financial year under review, the Fund has distributed 12 times of income distributions to its Unit holders. Unit holders 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 42-51. Since launch on 16 August 2019, the Fund has posted a return of 6.92% compared to the benchmark's return of 11.44% while distributing a total gross income of 6.86 sen per unit (net income of 6.86 sen per unit).

For Hong Leong Dana Al-Safa' SGD A, the Fund posted a return of -2.17% (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 -2.69%. Since 29 December 2021, the Fund has registered a return of -6.49% compared to the benchmark's return of -7.21%.

For Hong Leong Dana Al-Safa' USD A, the Fund posted a return of -2.07% (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 -2.57%. Since 29 December 2021, the Fund has registered a return of -6.04% compared to the benchmark's return of -6.73%.

Table 1: Performance of the Fund for the following periods as at 29 February 2024 (Source: Lipper for Investment Management)

	30/11/23– 29/02/24	31/08/23– 29/02/24	28/02/23– 29/02/24	28/02/21– 29/02/24	16/08/19– 29/02/24
	3 Months	6 Months	1 Year	3 Years	Since Launch
HLDASA MYR A Return (%)	0.84	1.74	3.23	6.06	6.92
Benchmark (%)	0.74	1.51	3.03	7.46	11.44
	30/11/23– 29/02/24	31/08/23– 29/02/24	28/02/23– 29/02/24	29/12/21– 29/02/24	
	3 Months	6 Months	1 Year	Since Launch	
HLDASA SGD A Return (%)	-0.02	-0.71	-2.17	-6.49	
Benchmark (%)	-0.35	-1.18	-2.69	-7.21	
	30/11/23– 29/02/24	31/08/23– 29/02/24	28/02/23– 29/02/24	29/12/21– 29/02/24	
	3 Months	6 Months	1 Year	Since Launch	
HLDASA USD A Return (%)	-0.76	-0.33	-2.07	-6.04	
Benchmark (%)	-1.09	-0.75	-2.57	-6.73	

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 28 February 2023 to 29 February 2024 (Source: Lipper for Investment Management)

HLDASA MYR A	29-Feb-24	28-Feb-23	Return (%)
NAV Per Unit	RM0.9980	RM0.9957	3.23#
Benchmark	2.70%	2.85%	3.03
vs Benchmark (%)	–	–	0.20

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

HLDASA SGD A	29-Feb-24	28-Feb-23	Return (%)
NAV Per Unit	SGD0.9352	SGD0.9559	-2.17
Benchmark	2.70%	2.85%	-2.69
vs Benchmark (%)	–	–	0.52

HLDASA USD A	29-Feb-24	28-Feb-23	Return (%)
NAV Per Unit	USD0.9397	USD0.9596	-2.07
Benchmark	2.70%	2.85%	-2.57
vs Benchmark (%)	–	–	0.50

Table 3: Financial Highlights

The Fair Value of Outstanding Units are represented by:

	29-Feb-24 (RM)	28-Feb-23 (RM)	Change (%)
MYR Class A	28,229,280	70,608,957	(60.02)
SGD Class A	3,296	3,184	3.52
USD Class A	4,454	4,303	3.51

Units in Circulation:

MYR Class A	28,285,775	70,910,887	(60.11)
SGD Class A	1,000	1,000	-
USD Class A	1,000	1,000	-

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

	Financial Year	Financial Year	Financial Year
HLDASA MYR A	28/02/23– 29/02/24	28/02/22– 28/02/23	28/02/21– 28/02/22
Highest NAV Per Unit (RM)	1.0005	0.9984	1.0020
Lowest NAV Per Unit (RM)	0.9946	0.9919	0.9957
Capital Growth (%)	0.23	-	-0.43
Income Distribution (%)	3.00	2.38	0.78
Total Return (%)	3.23	2.38	0.35

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 HLDASA MYR A reinvested.

	Financial Year	Financial Year	Financial Period
HLDASA SGD A	28/02/23– 29/02/24	28/02/22– 28/02/23	29/12/21– 28/02/22
Highest NAV Per Unit (SGD)	0.9686	1.0148	1.0044
Lowest NAV Per Unit (SGD)	0.9217	0.9268	0.9938
Capital Growth (%)	-2.17	-4.75	0.35
Income Distribution (%)	-	-	-
Total Return (%)	-2.17	-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	Financial Year	Financial Period
HLDASA USD A	28/02/23– 29/02/24	28/02/22– 28/02/23	29/12/21– 28/02/22
Highest NAV Per Unit (USD)	0.9835	1.0119	1.0043
Lowest NAV Per Unit (USD)	0.9153	0.8941	0.9927
Capital Growth (%)	-2.07	-3.95	-0.10
Income Distribution (%)	-	-	-
Total Return (%)	-2.07	-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

	28/02/23– 29/02/24	28/02/21– 29/02/24
	1 Year	3 Years
Average Total Return – HLDASA MYR A (%)	3.23	2.02
Average Total Return – HLDASA SGD A (%)	-2.17	-
Average Total Return – HLDASA USD A (%)	-2.07	-

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 Period/Year	28/02/23– 29/02/24	28/02/22– 28/02/23	28/02/21– 28/02/22	29/02/20– 28/02/21
Annual Total Return - HLDASA MYR A (%)	3.23	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 Period/Year	28/02/23– 29/02/24	28/02/22– 28/02/23	29/12/21– 28/02/22
Annual Total Return - HLDASA SGD A (%)	-2.17	-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 Period/Year	28/02/23– 29/02/24	28/02/22– 28/02/23	29/12/21– 28/02/22
Annual Total Return - HLDASA USD A (%)	-2.07	-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 2023 to February 2024

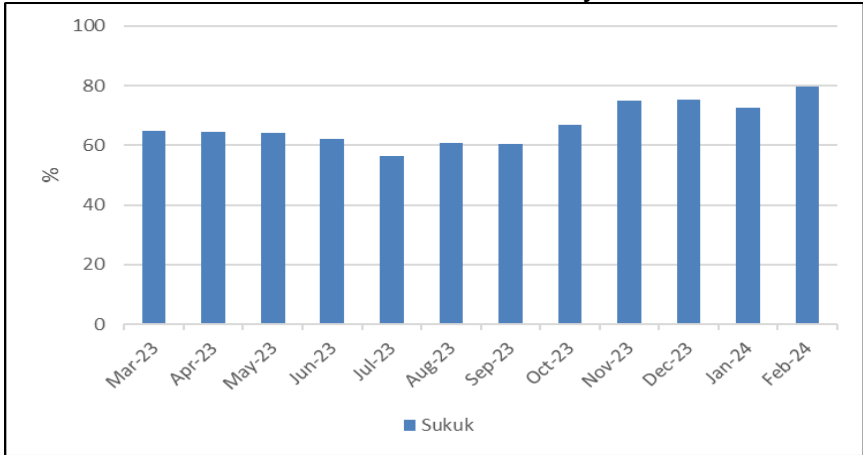


Chart 3: Sector Allocation as at 29 February 2024

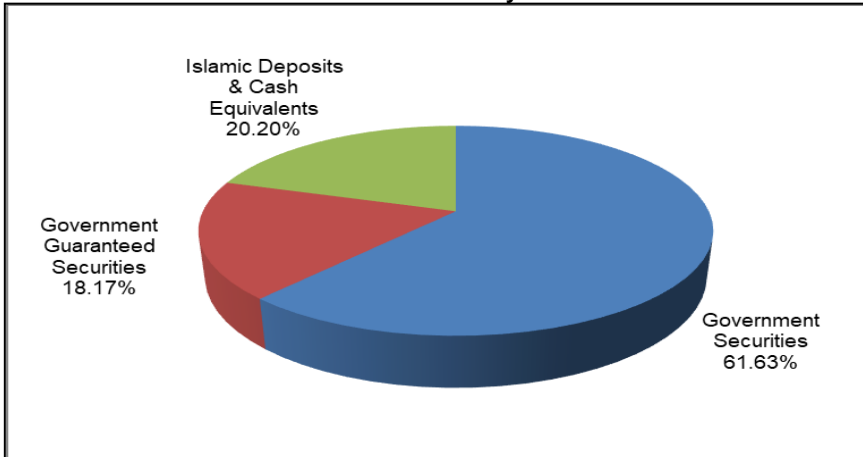
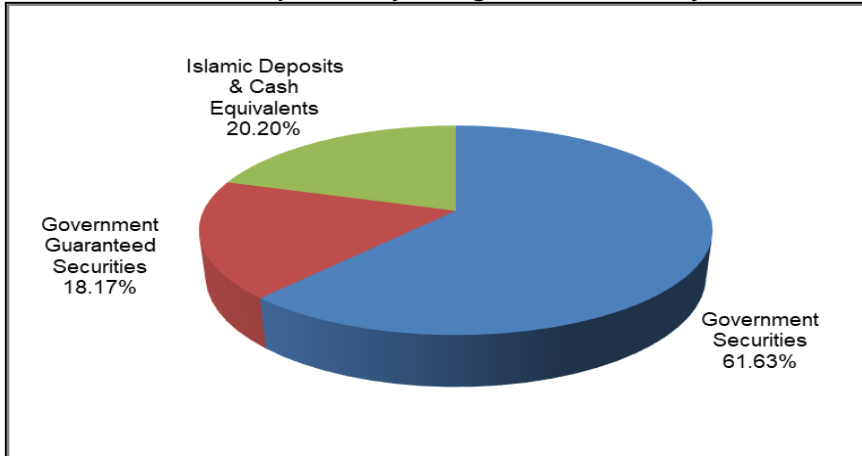


Chart 4: Portfolio Composition by Ratings as at 29 February 2024



Strategies employed by the Fund during the period under review

The Fund adopted a defensive duration strategy during the financial year under review to reduce adverse sensitivity of the Fund's valuation holdings to higher policy rate and volatile rates arising from monetary tightening actions. These defensive strategies include shortening the average remaining maturities for the sukuk and increasing exposure to short term Islamic deposits. Notwithstanding duration management during period of higher policy rate, the Fund shall opportunistically lengthen its duration upon firm views that policy rates tightening cycle is at its near-end.

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 Islamic 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 Unit holders up to the date of this Manager's report.

IV. MARKET REVIEW

United States (US) Federal Reserves (Fed) resumed its rate hike cycle in March and May 2023, hiking another 50 basis points (bps) in total to bring the Fed Funds rate (FFR) to 5.25% before maintaining its policy rate level consistent with the downtrend in US headline inflation from 4.9% year-on-year (YoY) to 3.2% YoY and core inflation (ex food and energy prices) declining to 3.8% from 5.6% YoY. Similar Bank Negara Malaysia (BNM) normalized its Overnight Policy Rate (OPR) by 25 bps (0.25%) to 3.00% signalling the pre-COVID-19 level is accommodative to support domestic growth. Headline inflation moderated in 2023 to 2.5% YoY (2022: 3.3% YoY) while core inflation remained steady at 3.0% YoY (2022: 3.0% YoY). Factory gate prices as measured by the Producers' Price Index (PPI) saw an uptick in February 2024 to +0.30% YoY after four consecutive months of deflation reflecting the reflationary trend creeping in arising from higher import costs, frontloading of higher service tax and subsidy reforms narratives.

During the financial year under review, the 10-Year Malaysia Government Investment Issuances (MGII) benchmark yield declined by -12.1 bps (0.121%) to 3.864% while the 15-Year on-the-run MGII yield plunged to 3.978% from 4.176% as markets started to price-in OPR stabilization in the second half of 2023 and possibly throughout 2024. Domestic Gross Domestic Product (GDP) growth ended marginally lower than 2023 official forecasts of 4.0%–5.0%, registering 3.7% YoY growth reflecting lower exports volume, tech downcycle and slowdown in manufacturing sector. Malaysia's manufacturing Purchasing Managers' Index (PMI) in February 2024 continued to improve to 49.5 from 49.0 but still in contractionary zone. Manufacturing PMI in Malaysia averaged 48.47 from 2015 to 2024 and reaching at historical high of 53.9 in April 2021 and record low of 31.3 in April 2020. Business confidence continued to slow from 12.1 in the first quarter of 2023 to 9.8 in the fourth quarter of 2023 or 19.0 percentage points drop reflecting diminishing pandemic reopening theme and a more challenging and volatile business and manufacturing conditions.

V. FUTURE PROSPECT AND PROPOSED STRATEGIES

On forward-looking basis, we expect BNM to maintain its OPR at 3.00% throughout 2024 with slight bias of easing in 2025 of 25 bps (0.25%) in tandem with global central banks easing of their respective policy rates (with exception to Japan). We are of the view that rates likely to be volatile driven by US rates sentiment amid ongoing splits in consensus views of the timing and quantum of FFR cut as Fed expresses caution in pre-emptive easing preferring to have firmer inflationary trend prospectively. Geopolitical risks, ongoing trade tensions and China's growth slowdown presents myriad of conundrum and opaqueness to the interest rate views and projections. Therefore, we continue to maintain our defensive duration strategy and opportunistically lengthened the maturity profile as the remaining maturity debt papers matures should there be clarity in rate cut views.

VI. SOFT COMMISSIONS

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

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

No securities lending or repurchase transactions have been carried out during the financial 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 18 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 29 February 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial year ended 29 February 2024 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

22 April 2024

**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 29 February 2024 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
22 April 2024

**SHARIAH ADVISER'S REPORT
TO THE UNIT HOLDERS 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 29 February 2024, 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; and
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

NURUL AQILA SUFIYAH LOKMAN
Designated Shariah Officer

Kuala Lumpur
22 April 2024

**INDEPENDENT AUDITORS' REPORT
TO THE UNIT HOLDERS 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 29 February 2024 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 29 February 2024, and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 18 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 and Report, but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

Responsibilities of the Manager for the financial statements

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

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

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 of the Fund 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
22 April 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Profit income from financial assets measured at fair value through profit or loss ("FVTPL")		1,109,039	1,019,912
Profit income from financial assets measured at amortised cost		607,413	755,900
Net gain on financial assets at fair value through profit or loss ("FVTPL")	9	22,549	20,712
Net foreign currency exchange gain		449	527
		<u>1,739,450</u>	<u>1,797,051</u>
EXPENDITURE			
Management fee	4	(106,173)	(133,828)
Trustee's fee	5	(12,000)	(12,000)
Auditors' remuneration		(7,600)	(10,400)
Tax agent's fee		(3,350)	(3,350)
Other expenses		(8,808)	(8,972)
		<u>(137,931)</u>	<u>(168,550)</u>
PROFIT BEFORE FINANCE COST AND TAXATION			
		1,601,519	1,628,501
Finance cost	6	<u>(1,518,670)</u>	<u>(1,627,710)</u>
PROFIT BEFORE TAXATION		82,849	791
Taxation	7	<u>-</u>	<u>-</u>
INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>82,849</u>	<u>791</u>
Increase in net assets attributable to unit holders consists of:			
Realised amount		45,167	(21,485)
Unrealised amount		<u>37,682</u>	<u>22,276</u>
		<u>82,849</u>	<u>791</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024**

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	8	5,727,389	22,756,060
Financial assets at fair value through profit or loss ("FVTPL")	9	22,533,448	47,888,488
		<u>28,260,837</u>	<u>70,644,548</u>
LIABILITIES			
Amount due to the Manager			
- management fee		4,469	11,327
Amount due to the Trustee		6,915	5,875
Other payables and accruals		12,423	10,902
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>23,807</u>	<u>28,104</u>
NET ASSET VALUE OF THE FUND		<u>28,237,030</u>	<u>70,616,444</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>28,237,030</u>	<u>70,616,444</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- MYR Class A		28,229,280	70,608,957
- MYR Class B*		-	-
- MYR Class C*		-	-
- MYR Class D*		-	-
- MYR Class E*		-	-
- SGD Class A		3,296	3,184
- USD Class A		4,454	4,303
		<u>28,237,030</u>	<u>70,616,444</u>
UNITS IN CIRCULATION (UNITS)			
- MYR Class A		28,285,775	70,910,887
- MYR Class B*		-	-
- MYR Class C*		-	-
- MYR Class D*		-	-
- MYR Class E*		-	-
- SGD Class A		1,000	1,000
- USD Class A		1,000	1,000
	11	<u>28,287,775</u>	<u>70,912,887</u>

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

	2024	2023
	RM	RM
NET ASSET VALUE PER UNIT (RM)		
- MYR Class A	0.9980	0.9957
- MYR Class B*	-	-
- MYR Class C*	-	-
- MYR Class D*	-	-
- MYR Class E*	-	-
- SGD Class A	3.2964	3.1842
- USD Class A	4.4542	4.3031
	<u>4.4542</u>	<u>4.3031</u>
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES		
- MYR Class A	RM0.9980	RM0.9957
- MYR Class B*	-	-
- MYR Class C*	-	-
- MYR Class D*	-	-
- MYR Class E*	-	-
- SGD Class A	SGD0.9352	SGD0.9559
- USD Class A	USD0.9397	USD0.9596
	<u>USD0.9397</u>	<u>USD0.9596</u>

* The Manager has terminated MYR Class B, MYR Class C, MYR Class D & 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 HOLDERS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024**

	2024	2023
	RM	RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>70,616,444</u>	<u>45,149,407</u>
Movement due to units created and cancelled during the financial year:		
Creation of units from applications	3,000,950	36,856,464
Creation of units from distributions	1,518,670	1,603,545
Cancellation of units	<u>(46,981,883)</u>	<u>(12,993,763)</u>
	<u>(42,462,263)</u>	<u>25,466,246</u>
Increase in net assets attributable to unit holders	<u>82,849</u>	<u>791</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR	<u><u>28,237,030</u></u>	<u><u>70,616,444</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 29 FEBRUARY 2024**

	2024	2023
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of financial assets at FVTPL	32,339,898	3,934,790
Proceeds from redemptions of financial assets at FVTPL	10,000,000	55,000,000
Purchase of financial assets at FVTPL	(17,356,432)	(83,070,780)
Profit income received from financial assets measured at FVTPL and amortised cost	2,110,575	2,007,766
Management fee paid	(113,031)	(129,424)
Trustee's fee paid	(10,960)	(17,312)
Payment for other fees and expenses	(18,237)	(18,657)
Net cash generated from/(used in) operating activities	<u>26,951,813</u>	<u>(22,293,617)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	3,000,950	36,856,464
Payments for cancellation of units	(46,981,883)	(12,993,744)
Payments for distributions	-	(24,165)
Net cash (used in)/generated from financing activities	<u>(43,980,933)</u>	<u>23,838,555</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,029,120)	1,544,938
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	449	527
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	<u>22,756,060</u>	<u>21,210,595</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u><u>5,727,389</u></u>	<u><u>22,756,060</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 29 FEBRUARY 2024**

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 16 January 2023 ("the Deeds"), between Hong Leong Asset Management Bhd ("the Manager") and CIMB Islamic Trustee Berhad ("the Trustee") 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, private retirement schemes and private investment mandates. Its holding company is Hong Leong Capital Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

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 22 April 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

The 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 judgment in the process of applying the Fund's accounting policies. The Manager believes that the underlying assumptions are appropriate and the Fund's financial statements therefore present the financial position results fairly. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

(i) Amendments to published standard and interpretations that are relevant and effective 1 January 2023.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 March 2023 that have a material effect on the financial statements of the Fund.

-
- (ii) New standards, amendment and interpretations effective after 1 January 2023 and have not been early adopted.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund, 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 March 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 amount due to the Manager, amount due to the Trustee and other payables and accruals as financial liabilities measured at amortised cost.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. 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 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 holders' capital

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

The Fund issues cancellable units, in three (2023: three) classes of units, known respectively as the MYR Class A, SGD Class A and USD Class A (2023: MYR Class A, 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 holders. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Finance cost

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

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

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

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the 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. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate risk), credit risk, liquidity risk, 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
2024			
<u>Financial asset</u>			
Cash and cash equivalents (Note 8)	-	5,727,389	5,727,389
Financial assets at FVTPL (Note 9)	22,533,448	-	22,533,448
	<u>22,533,448</u>	<u>5,727,389</u>	<u>28,260,837</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	4,469	4,469
Amount due to the Trustee	-	6,915	6,915
Other payables and accruals	-	12,423	12,423
	<u>-</u>	<u>23,807</u>	<u>23,807</u>
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>

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:

	2024 RM	2023 RM
Financial assets at FVTPL:		
- Islamic money market instrument*	-	2,002,367
- Unquoted sukuk*	22,533,448	45,886,121
	<u>22,533,448</u>	<u>47,888,488</u>

* Includes profit receivables of RM308,308 (2023: RM454,387).

The table below summarises the sensitivity of the Fund's net asset value and net assets attributable to unit holders to movements in prices of 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 holders/ net asset value RM
2024		
-5%	21,113,883	(1,111,257)
0%	22,225,140	-
5%	23,336,397	1,111,257
2023		
-5%	45,062,396	(2,371,705)
0%	47,434,101	-
5%	49,805,806	2,371,705

(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 holders 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 holders/ net asset value	
	2024 RM	2023 RM
+1%	(420,886)	(593,760)
-1%	420,887	609,012

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 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 Shariah-compliant 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
2024			
- AAA	5,727,389	-	5,727,389
- NR#	-	22,533,448	22,533,448
Total	5,727,389	22,533,448	28,260,837
2023			
- AAA	19,755,842	2,002,367	21,758,209
- AA1/AA+	3,000,218	-	3,000,218
- NR#	-	45,886,121	45,886,121
Total	22,756,060	47,888,488	70,644,548

The unquoted sukuk are not rated as the sukuk are guaranteed and 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
2024			
<u>Financial Liabilities</u>			
Amount due to the Manager			
-management fee	4,469	-	4,469
Amount due to the Trustee	6,915	-	6,915
Other payables and accruals	-	12,423	12,423
Net assets attributable to unit holders*	28,237,030	-	28,237,030
Contractual undiscounted cash flows	<u>28,248,414</u>	<u>12,423</u>	<u>28,260,837</u>
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 holders*	70,616,444	-	70,616,444
Contractual undiscounted cash flows	<u>70,633,646</u>	<u>10,902</u>	<u>70,644,548</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
2024				
<u>Financial assets at FVTPL:</u>				
- Unquoted sukuk	-	22,533,448	-	22,533,448
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

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 29 February 2024, the management fee is recognised at 0.20% (2023: 0.20%) per annum for MYR Class A. For the period from 1 March 2022 to 14 October 2022, 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% per annum 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 29 February 2024, the Trustee's fee is recognised at a rate of 0.01% (2023: 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 29 February 2024.

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

6. FINANCE COST

Distribution to unit holders is derived from the following sources:

	2024 RM	2023 RM
Prior financial year's realised income	376	85,907
Profit income from financial assets measured at FVTPL and amortised cost	1,626,562	1,668,007
Less: Expenses	<u>(108,268)</u>	<u>(126,204)</u>
Net distributions amount	<u>1,518,670</u>	<u>1,627,710</u>
Gross/net distribution amount - MYR Class A	<u>2.9430</u>	<u>2.3420</u>
Date of Declaration		
Distribution on 27/25 March 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2370</u>	<u>0.1210</u>
Distribution on 25 April 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2340</u>	<u>0.1440</u>
Distribution on 25 May 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2450</u>	<u>0.1400</u>
Distribution on 26/27 June 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2600</u>	<u>0.1640</u>
Distribution on 25 July 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2290</u>	<u>0.1250</u>
Distribution on 25 August 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2310</u>	<u>0.1910</u>
Distribution on 25/26 September 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2430</u>	<u>0.2190</u>
Distribution on 25 October 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2220</u>	<u>0.2210</u>
Distribution on 27/25 November 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2770</u>	<u>0.2450</u>
Distribution on 26/27 December 2023/2022		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2380</u>	<u>0.2590</u>
Distribution on 26/25 January 2024/2023		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2740</u>	<u>0.2410</u>
Distribution on 26/27 February 2024/2023		
Gross/net distribution per unit (sen)		
- MYR Class A	<u>0.2530</u>	<u>0.2720</u>

The composition of distribution payments sourced from income and capital are disclosed in below:

	Income RM	%	Capital RM	%
2024	<u>1,518,670</u>	<u>100.00</u>	<u>-</u>	<u>-</u>
2023	<u>1,627,710</u>	<u>100.00</u>	<u>-</u>	<u>-</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.

Included in the above distributions was an amount of RM376 (2023: RM85,907) derived from prior financial year's realised income.

7. TAXATION

	2024 RM	2023 RM
Tax charges for the financial year		
Current taxation	<u>-</u>	<u>-</u>

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

	2024 RM	2023 RM
Profit before taxation	<u>82,849</u>	<u>791</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	19,884	190
Tax effects of:		
Investment income not subject to tax	(417,468)	(431,292)
Expenses not deductible for tax purposes	369,998	396,166
Restriction on tax deductible expenses for unit trust fund	<u>27,586</u>	<u>34,936</u>
Taxation	<u>-</u>	<u>-</u>

8. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Islamic deposits with licensed financial institutions	5,698,382	22,727,602
Cash at banks	<u>29,007</u>	<u>28,458</u>
	<u>5,727,389</u>	<u>22,756,060</u>

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

	2024 %	2023 %
Islamic deposits with licensed financial institutions	<u>3.95</u>	<u>3.83</u>

Islamic deposits with licensed financial institutions have an average remaining maturity of 24 days (2023: 19 days).

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

	2024 RM	2023 RM
<u>Financial assets at FVTPL:</u>		
Islamic money market instrument	-	2,002,367
Unquoted sukuk	22,533,448	45,886,121
	<u>22,533,448</u>	<u>47,888,488</u>
<u>Net gain on financial assets at FVTPL:</u>		
Realised loss on disposals	(14,684)	(1,037)
Changes in unrealised fair values	37,233	21,749
	<u>22,549</u>	<u>20,712</u>

Financial assets at FVTPL as at 29 February 2024 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>				
3.726% Government of Malaysia 31/03/2026	10,000,000	10,225,059	10,220,059	36.19
3.990% Government of Malaysia 15/10/2025	5,000,000	5,113,912	5,124,622	18.15
4.070% Government of Malaysia 30/09/2026	1,000,000	1,033,045	1,031,714	3.65
4.258% Government of Malaysia 26/07/2027	1,000,000	1,028,647	1,027,734	3.64
	<u>17,000,000</u>	<u>17,400,663</u>	<u>17,404,129</u>	<u>61.63</u>
<u>Sukuk Guaranteed by Government of Malaysia</u>				
4.32% Danainfra Nasional Berhad 26/11/2025 - IMTN Tranche No 80	5,000,000	5,116,271	5,129,319	18.17
TOTAL INVESTMENT	<u>22,000,000</u>	<u>22,516,934</u>	<u>22,533,448</u>	<u>79.80</u>
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		<u>16,514</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL			<u>22,533,448</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	2,000,000	2,002,367	2,002,367	2.83
TOTAL ISLAMIC MONEY MARKET INSTRUMENT	2,000,000	2,002,367	2,002,367	2.83
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	45,000,000	45,906,840	45,886,121	64.98
TOTAL INVESTMENT	47,000,000	47,909,207	47,888,488	67.81
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		(20,719)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		47,888,488		

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, Fully Automated System for Issuing/Tendering of Bank Negara Malaysia and The Bond and Sukuk Information Exchange; and
- (ii) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

11. UNITS IN CIRCULATION

	2024 No. of units	2023 No. of units
MYR Class A (i)	28,285,775	70,910,887
MYR Class B* (ii)	-	-
MYR Class C* (iii)	-	-
MYR Class D* (iv)	-	-
MYR Class E* (v)	-	-
SGD Class A (vi)	1,000	1,000
USD Class A (vii)	1,000	1,000
	<u>28,287,775</u>	<u>70,912,887</u>

(i) MYR Class A		
At the beginning of the financial year	70,910,887	45,334,513
Add: Creation of units during the financial year		
- Arising from applications	3,007,765	36,999,468
- Arising from distributions	1,524,389	1,612,998
Less: Cancellation of units during the financial year	(47,157,266)	(13,036,092)
At the end of the financial year	<u>28,285,775</u>	<u>70,910,887</u>
(ii) MYR Class B*		
At the beginning of the financial year	-	1,000
Less: Cancellation of units during the financial year	-	(1,000)
At the end of the financial year	<u>-</u>	<u>-</u>
(iii) MYR Class C*		
At the beginning of the financial year	-	1,000
Less: Cancellation of units during the financial year	-	(1,000)
At the end of the financial year	<u>-</u>	<u>-</u>
(iv) MYR Class D*		
At the beginning of the financial year	-	1,000
Less: Cancellation of units during the financial year	-	(1,000)
At the end of the financial year	<u>-</u>	<u>-</u>
(v) MYR Class E*		
At the beginning of the financial year	-	1,000
Less: Cancellation of units during the financial year	-	(1,000)
At the end of the financial year	<u>-</u>	<u>-</u>
(vi) SGD Class A		
At the beginning/end of the financial year	<u>1,000</u>	<u>1,000</u>
(vii) USD Class A		
At the beginning/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")

	2024 %	2023 %
TER	0.26	0.25

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 RM52,977,658 (2023: RM66,993,385).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2024 Times	2023 Times
PTR	0.41	0.62

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 = RM15,156,600 (2023: RM80,277,225)
- total disposals for the financial year = RM28,359,527 (2023: RM3,071,700)

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

	2024		2023	
	Units	RM	Units	RM
The Manager				
- SGD Class A	1,000	3,296	1,000	3,184
- USD Class A	1,000	4,454	1,000	4,303
	2,000	7,750	2,000	7,487

The above units were transacted at the prevailing market price.

No units were held by parties related to the Manager as at 29 February 2024 and 28 February 2023.

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

	2024	2023
	RM	RM
<u>Related party balances</u>		
Cash at bank		
- Hong Leong Islamic Bank Berhad	29,007	28,458
Short term Islamic deposits with licensed financial institution:		
- Hong Leong Islamic Bank Berhad	3,021,904	-
Islamic money market instrument		
- Hong Leong Islamic Bank Berhad	-	2,002,367
	<u>3,050,911</u>	<u>2,030,825</u>
<u>Related party transactions</u>		
Profit income from Islamic deposits with licensed financial institution:		
- Hong Leong Islamic Bank Berhad	154,970	120,176
Profit income from Islamic money market instrument:		
- Hong Leong Islamic Bank Berhad	9,118	2,367
	<u>164,088</u>	<u>122,543</u>
Purchase of unquoted sukuk:		
- Hong Leong Islamic Bank Berhad	-	17,830,438
Purchase of unquoted sukuk:		
- Hong Leong Bank Berhad	<u>5,092,236</u>	<u>-</u>

15. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %
2024		
JP Morgan Chase Bank Berhad	17,322,491	39.47
RHB Investment Bank Berhad	5,169,919	11.78
CIMB Islamic Bank Berhad	5,098,729	11.62
Hong Leong Bank Berhad*	5,092,236	11.60
AmBank Islamic Berhad	5,086,875	11.59
Standard Chartered Bank Malaysia Berhad	5,083,860	11.59
CIMB Bank Berhad	1,031,424	2.35
	<u>43,885,534</u>	<u>100.00</u>

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	<u>2,039,712</u>	<u>2.42</u>
	<u>84,162,073</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

Islamic Deposits & Cash Equivalents

(ii) Total Net Asset Value (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 Circulation (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 28/02/2023– 29/02/2024 %	Financial Year 28/02/2022– 28/02/2023 %	Financial Year 28/02/2021– 28/02/2022 %
18.17	–	–
61.63	64.98	53.08
20.20	35.02	46.92
RM28,229,280	RM70,608,957	RM45,138,099
RM3,296	RM3,184	RM3,103
RM4,454	RM4,303	RM4,193
RM0.9980	RM0.9957	RM0.9957
SGD0.9352	SGD0.9559	SGD1.0036
USD0.9397	USD0.9596	USD0.9991
28,285,775	70,910,887	45,334,513
1,000	1,000	1,000
1,000	1,000	1,000
RM1.0005	RM0.9984	RM1.0020
RM0.9946	RM0.9919	RM0.9957
SGD0.9686	SGD1.0148	SGD1.0044
SGD0.9217	SGD0.9268	SGD0.9938
USD0.9835	USD1.0119	USD1.0043
USD0.9153	USD0.8941	USD0.9927
3.23%	2.38%	0.35%
0.23%	–	-0.43%
3.00%	2.38%	0.78%
-2.17%	-4.75%	0.35%
-2.17%	-4.75%	0.35%
–	–	–
-2.07%	-3.95%	-0.10%
-2.07%	-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

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

Financial Year 28/02/2023– 29/02/2024 %	Financial Year 28/02/2022– 28/02/2023 %	Financial Year 28/02/2021– 28/02/2022 %
0.0000 sen/unit	0.0000 sen/unit	0.4300 sen/unit
2.9430 sen/unit	2.3420 sen/unit	0.3520 sen/unit
2.9430 sen/unit	2.3420 sen/unit	0.7820 sen/unit
0%	0%	55%
100%	100%	45%
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
0.2370 sen/unit	0.1210 sen/unit	0.2300 sen/unit
0.2370 sen/unit	0.1210 sen/unit	0.2300 sen/unit
27/03/2023	25/03/2022	25/11/2021
RM0.9990	RM0.9966	RM0.9980
RM0.9966	RM0.9954	RM0.9957
-	-	-
0.2340 sen/unit	0.1440 sen/unit	0.2850 sen/unit
0.2340 sen/unit	0.1440 sen/unit	0.2850 sen/unit
25/04/2023	25/04/2022	24/12/2021
RM0.9993	RM0.9962	RM0.9986
RM0.9969	RM0.9948	RM0.9957
-	-	-
0.2450 sen/unit	0.1400 sen/unit	0.1510 sen/unit
0.2450 sen/unit	0.1400 sen/unit	0.1510 sen/unit
25/05/2023	25/05/2022	25/01/2022
RM0.9984	RM0.9961	RM0.9974
RM0.9960	RM0.9947	RM0.9958

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

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

Financial Year 28/02/2023– 29/02/2024 %	Financial Year 28/02/2022– 28/02/2023 %	Financial Year 28/02/2021– 28/02/2022 %
–	–	–
0.2600 sen/unit	0.1640 sen/unit	0.1160 sen/unit
0.2600 sen/unit	0.1640 sen/unit	0.1160 sen/unit
26/06/2023	27/06/2022	25/02/2022
RM0.9978	RM0.9955	RM0.9968
RM0.9952	RM0.9938	RM0.9957
–	–	–
0.2290 sen/unit	0.1250 sen/unit	–
0.2290 sen/unit	0.1250 sen/unit	–
25/07/2023	25/07/2022	–
RM0.9982	RM0.9960	–
RM0.9959	RM0.9947	–
–	–	–
0.2310 sen/unit	0.1910 sen/unit	–
0.2310 sen/unit	0.1910 sen/unit	–
25/08/2023	25/08/2022	–
RM0.9981	RM0.9972	–
RM0.9958	RM0.9953	–
–	–	–
0.2430 sen/unit	0.2190 sen/unit	–
0.2430 sen/unit	0.2190 sen/unit	–
25/09/2023	26/09/2022	–
RM0.9976	RM0.9941	–
RM0.9951	RM0.9919	–
–	–	–
0.2220 sen/unit	0.2210 sen/unit	–
0.2220 sen/unit	0.2210 sen/unit	–
25/10/2023	25/10/2022	–
RM0.9969	RM0.9940	–
RM0.9946	RM0.9918	–
–	–	–
0.2770 sen/unit	0.2450 sen/unit	–
0.2770 sen/unit	0.2450 sen/unit	–
27/11/2023	25/11/2022	–
RM0.9995	RM0.9946	–
RM0.9967	RM0.9921	–

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

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)

Performance Data

B Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 29/02/2024)*

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 PTR decreased by 0.21 times (33.87%) to 0.41 times for the financial year ended 29 February 2024 versus 0.62 times for the financial year ended 28 February 2023 mainly due to lower level of rebalancing activities undertaken by the Fund.

Financial Year 28/02/2023– 29/02/2024 %	Financial Year 28/02/2022– 28/02/2023 %	Financial Year 28/02/2021– 28/02/2022 %
--	--	--

3.23%

2.02%

-2.17%

-

-2.07%

-

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

Head 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
YBhg Dato' Abdul Majit bin Ahmad Khan
YM 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