

Hong Leong Dana Makmur

Semi-Annual Report

Financial Period Ended 31 December 2023

2023

Unaudited



Hong Leong Dana Makmur

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Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Dana Makmur ("HLDM" or "the Fund")

Fund Category

Equity (Islamic)

Fund Type

Growth

Investment Objective

To achieve consistent capital growth over the medium to long-term by investing strictly in accordance with the Shariah requirements.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

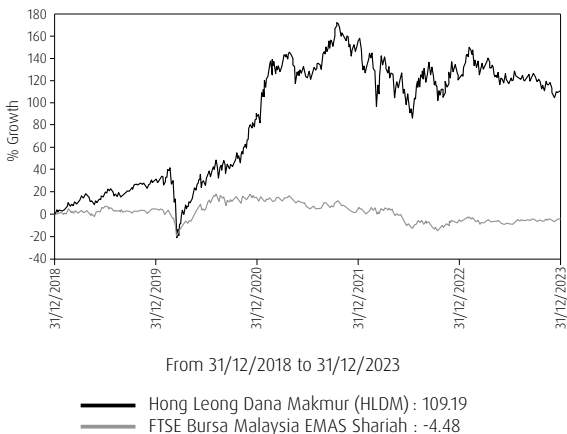
FTSE Bursa Malaysia EMAS Shariah Index

Distribution Policy

The Fund intends to provide long-term capital growth. As such, cash distribution will be incidental to the overall capital growth objective and a substantial portion of the income returns from investments will be reinvested. The Fund may also declare distributions in the form of additional Units to its Unit holders.

II. FUND PERFORMANCE

Chart 1: Performance of the Fund versus the benchmark covering the last five-year financial periods



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 HLDM reinvested.

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

Performance Review

This Semi-Annual Report covers the six-month financial period from 1 July 2023 to 31 December 2023.

The Fund posted a return of -4.15% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the FTSE Bursa Malaysia EMAS Shariah Index registered a return of 5.51%. During the financial period under review, the Fund had distributed a gross income distribution of 3.5000 sen per unit (net income distribution of 3.5000 sen per unit) to its Unit holders on 20 July 2023. Prior to the income distribution, the cum-distribution Net

Asset Value (NAV) per unit of the Fund was RM0.6978 while the ex-distribution NAV per unit was RM0.6628. Unit holders should note that income distribution has the effect of reducing the NAV per unit of the Fund after distribution.

For the five-year financial periods ended 31 December 2023, the Fund registered a return of 109.19% compared to the benchmark's return of -4.48% while distributing a total gross income of 20.3040 sen per unit (net income of 20.2495 sen per unit).

Table 1: Performance of the Fund for the following periods as at 31 December 2023 (Source: Lipper for Investment Management)

	30/09/23- 31/12/23 3 Months	30/06/23- 31/12/23 6 Months	31/12/22- 31/12/23 1 Year	31/12/20- 31/12/23 3 Years	31/12/18- 31/12/23 5 Years	31/12/13- 31/12/23 10 Years	12/11/01- 31/12/23 Since Launch
HLDM Return (%)	-6.27	-4.15	-5.57	10.08	109.19	125.59	477.37
Benchmark (%)	1.05	5.51	0.46	-16.49	-4.48	-15.81	144.10

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

	31-Dec-23	30-Jun-23	Return (%)
NAV Per Unit	RM0.6142*	RM0.6746	-4.15#
Benchmark	10,988.71	10,414.87	5.51
vs Benchmark (%)	-	-	-9.66

* Based on the NAV Per Unit on 29 December 2023 as the above mentioned reporting date fell on a non-business day.

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

Table 3: Financial Highlights

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

	31-Dec-23 (RM)	30-Jun-23 (RM)	Change (%)
Unit Holders' Capital	223,094,572	131,555,278	69.58
(Accumulated Loss)/Retained Earnings	(5,822,023)	3,683,132	(258.07)
Net Asset Value	217,272,549	135,238,410	60.66
Units in Circulation	353,796,894	200,466,497	76.49

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 Period 30/06/23- 31/12/23	Financial Year 30/06/22- 30/06/23	Financial Year 30/06/21- 30/06/22	Financial Year 30/06/20- 30/06/21
Highest NAV Per Unit (RM)	0.7049	0.7711	0.8984	0.8504
Lowest NAV Per Unit (RM)	0.6002	0.6158	0.6507	0.4607
Capital Growth (%)	-8.95	1.17	-13.50	60.97
Income Distribution (%)	4.80	6.99	4.42	14.19
Total Return (%)	-4.15	8.16	-9.08	75.16

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 HLDM reinvested.

Table 5: Average Total Return of the Fund

	31/12/22- 31/12/23 1 Year	31/12/20- 31/12/23 3 Years	31/12/18- 31/12/23 5 Years
Average Total Return (%)	-5.57	3.36	21.84

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 HLDM reinvested.

Table 6: Annual Total Return of the Fund

Financial Year	30/06/22- 30/06/23	30/06/21- 30/06/22	30/06/20- 30/06/21	30/06/19- 30/06/20	30/06/18- 30/06/19
Annual Total Return (%)	8.16	-9.08	75.16	9.10	4.36

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 HLDM reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation - July 2023 to December 2023

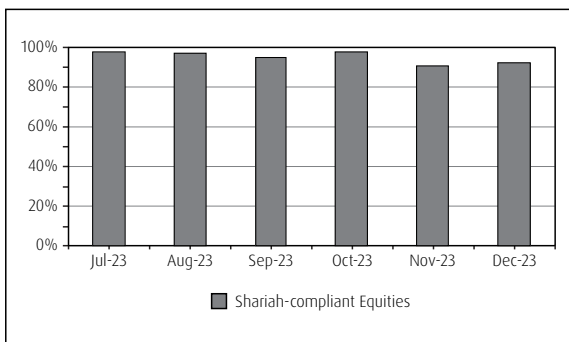
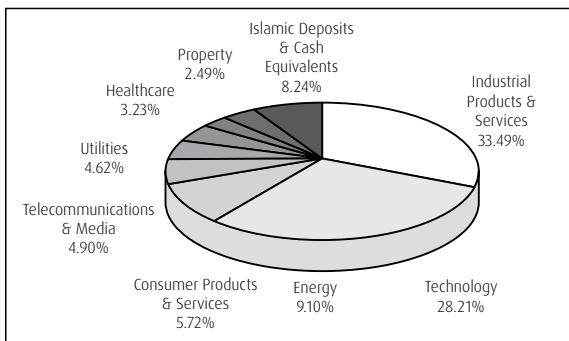


Chart 3: Sector Allocation as at 31 December 2023



Strategies employed by the Fund during the period under review

During the financial period under review, the Fund took some profit in the export, technology and energy sectors and increase its exposure to high quality index Shariah-compliant stocks in view of the weak economic outlook. We also expect these Shariah-compliant stocks to benefit from possible increase in foreign fund inflow into the Malaysia market.

An explanation on the differences in portfolio composition

There was an increase in allocation to utilities due to improving outlook and attractive valuations.

Operational review of the Fund

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

IV. MARKET REVIEW

During the financial period under review, the MSCI AC Asia Pacific ex Japan Index rose 2.9%. The best performing markets were India and Indonesia while the laggards were Hong Kong and China. In the local market, the FTSE Bursa Malaysia KLCI rose 5.7%. Small caps outperformed as the FTSE Bursa Malaysia Small Cap Index rose 10.1%.

The third quarter of 2023 started strongly. Despite the United States (US) Federal Reserve (Fed) raising the policy rate by another 25 basis points (bps), expectations that the interest hike cycle is nearing the end buoyed investor sentiment. However, the market euphoria was short-lived as bond yields accelerated higher. With the China economy not exactly in the pink of health and the US economy starting to show conspicuous signs of weakening, bonds look increasingly attractive compared to equities.

The final quarter of 2023 started on a tentative note as investors maintained a high cash level in their portfolios in view of the weak economic outlook and heightened geopolitical risk. However, global equity markets rallied strongly in the last two months of the year as statements by the US Fed left very little doubt that the current rate hike cycle is at an end. US indices led the global equity rally as the Dow Jones Industrial Average Index hit an all-time high in December.

The Malaysia market outperformed peers in the third quarter of 2023 as investors seek shelter in defensive equity markets during the prevailing risk-off sentiment. The conclusion of the state elections also removed some degree of political uncertainty while the launch of the Madani economy by the Prime Minister also provided a boost to investor sentiment in the local market.

Although the FTSE Bursa Malaysia KLCI posted a positive return, it was a quiet fourth quarter for the Malaysia market in comparison to other global peers as investors, particularly foreign investors, appeared to find more urgency to cover their underweight in developed markets before deploying cash in emerging markets.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

We expect investor sentiment to improve considerably given the significant shift in interest rate outlook by the US Fed in their recent communications with the media and investors. With inflation expected to be at benign levels for the year, it is encouraging to know that global central banks will have the flexibility to ease monetary policy to support the economy should the need arises.

We expect the local market to also gain some interest among foreign investors who are looking to have exposure in the emerging market space as the 'risk-on' sentiment prevails. Other external factors that might support interest in the local market includes the expected correction in the US Dollar (USD) and the high valuation of the US market.

However, as the economic outlook is still fraught with uncertainty, we expect investors to remain cautious. We opine the best strategy to navigate through this challenging environment is through bottom-up Shariah-compliant stock picking and remain invested in high quality companies.

VI. SOFT COMMISSIONS

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

STATEMENT BY THE MANAGER

I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 13 to 43 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance, changes in equity and cash flows for the financial period ended 31 December 2023 in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") 34 "Interim Financial Reporting".

For and on behalf of the Manager,

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

HOO SEE KHENG

Chief Executive Officer/Executive Director

Kuala Lumpur
20 February 2024

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG DANA MAKMUR ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 December 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 period 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 distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
20 February 2024

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG DANA MAKMUR ("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 semi-annual period ended 31 December 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; 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
20 February 2024

CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
INVESTMENT (LOSS)/INCOME			
Profit income from financial assets measured at amortised cost	4	133,834	68,563
Dividend income		1,086,252	404,808
Net (loss)/gain on financial assets at fair value through profit or loss ("FVTPL")	10	<u>(8,586,610)</u>	<u>8,172,247</u>
		<u>(7,366,524)</u>	<u>8,645,618</u>
EXPENDITURE			
Management fee	5	(1,384,356)	(640,719)
Trustee's fee	6	(64,603)	(29,900)
Auditors' remuneration		(3,365)	(3,226)
Tax agent's fee		(1,509)	(1,310)
Transaction costs		(646,747)	(169,989)
Other expenses		(38,051)	(31,183)
		<u>(2,138,631)</u>	<u>(876,327)</u>
(LOSS)/PROFIT BEFORE TAXATION		(9,505,155)	7,769,291
Taxation	7	-	-
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL PERIOD		<u>(9,505,155)</u>	<u>7,769,291</u>
(Loss)/profit after taxation is made up as follows:			
Realised amount		(2,313,699)	(3,741,021)
Unrealised amount		<u>(7,191,456)</u>	<u>11,510,312</u>
		<u>(9,505,155)</u>	<u>7,769,291</u>
Distribution for the financial period:			
Net distribution	8	7,689,426	5,101,589
Net distribution per unit (sen)	8	<u>3.5000</u>	<u>4.3000</u>
Gross distribution per unit (sen)	8	<u>3.5000</u>	<u>4.3000</u>

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

CONDENSED STATEMENT OF FINANCIAL POSITION

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Note	31.12.2023 RM	30.06.2023 RM
ASSETS			
Cash and cash equivalents	9	15,115,893	5,520,954
Amount due from brokers/dealers		1,462,620	-
Amount due from the Manager			
- creation of units		1,713,816	4,540,701
Dividends receivable		207,400	222,580
Financial assets at fair value through profit or loss ("FVTPL")	10	199,367,041	127,390,997
Prepayment		-	1,096
TOTAL ASSETS		<u>217,866,770</u>	<u>137,676,328</u>
LIABILITIES			
Amount due to brokers/dealers		-	2,071,377
Amount due to the Manager			
- cancellation of units		303,095	193,229
- management fee		270,178	156,065
Amount due to the Trustee		12,608	7,283
Other payables and accruals		8,340	9,964
TOTAL LIABILITIES		<u>594,221</u>	<u>2,437,918</u>
NET ASSET VALUE OF THE FUND		<u>217,272,549</u>	<u>135,238,410</u>
EQUITY			
Unit holders' capital		223,094,572	131,555,278
(Accumulated loss)/retained earnings		(5,822,023)	3,683,132
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>217,272,549</u>	<u>135,238,410</u>
UNITS IN CIRCULATION (UNITS)	12	<u>353,796,894</u>	<u>200,466,497</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.6141</u>	<u>0.6746</u>

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Note	Unit holders' capital RM	(Accumulated loss)/ retained earnings RM	Total RM
Balance as at 1 July 2023		131,555,278	3,683,132	135,238,410
Movement in net asset value:				
Creation of units from applications		112,116,225	-	112,116,225
Creation of units from distribution		7,609,826	-	7,609,826
Cancellation of units		(20,497,331)	-	(20,497,331)
Total comprehensive loss for the financial period		-	(9,505,155)	(9,505,155)
Distribution for the financial period	8	(7,689,426)	-	(7,689,426)
Balance as at 31 December 2023		<u>223,094,572</u>	<u>(5,822,023)</u>	<u>217,272,549</u>
Balance as at 1 July 2022		79,196,515	654,240	79,850,755
Movement in net asset value:				
Creation of units from applications		8,430,699	-	8,430,699
Creation of units from distribution		5,026,825	-	5,026,825
Cancellation of units		(9,104,337)	-	(9,104,337)
Total comprehensive income for the financial period		-	7,769,291	7,769,291
Distribution for the financial period	8	(3,280,002)	(1,821,587)	(5,101,589)
Balance as at 31 December 2022		<u>80,269,700</u>	<u>6,601,944</u>	<u>86,871,644</u>

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

CONDENSED STATEMENT OF CASH FLOWS

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of financial assets at FVTPL	50,917,937	19,493,466
Purchase of financial assets at FVTPL	(135,661,335)	(22,171,200)
Profit income received from financial assets measured at amortised cost	133,834	68,563
Dividend income received	1,101,432	380,753
Management fee paid	(1,270,243)	(629,231)
Trustee's fee paid	(59,278)	(29,364)
Payment for other fees and expenses	(43,453)	(36,454)
Net cash used in operating activities	<u>(84,881,106)</u>	<u>(2,923,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	114,943,110	8,443,484
Payments for cancellation of units	(20,387,465)	(9,204,099)
Payments for distribution	(79,600)	(74,764)
Net cash generated from/(used in) financing activities	<u>94,476,045</u>	<u>(835,379)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,594,939	(3,758,846)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>5,520,954</u>	<u>6,142,846</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>15,115,893</u></u>	<u><u>2,384,000</u></u>

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Dana Makmur ("the Fund") was constituted pursuant to the execution of a Deed dated 2 October 2001 and Supplemental Deed dated 30 April 2010 between the Manager, Hong Leong Asset Management Bhd and AmTrustee Berhad for the unit holders of the Fund. AmTrustee Berhad has been replaced with Deutsche Trustees Malaysia Berhad ("the Trustee") effective 1 September 2012 and Supplemental Master Deeds were entered into between the Manager and the Trustee for the unit holders of the Fund on 27 July 2012, 25 March 2015, 28 November 2019, 7 February 2020, 21 December 2021, 28 April 2022, 23 March 2023 and 23 October 2023 to effect the change ("the Deeds").

The Fund aims to achieve consistent capital growth over the medium to long-term by investing strictly in accordance with the Shariah requirements.

The Fund follows a strict selection process to ensure only appropriate Shariah-compliant securities are invested. Generally, the Fund selects undervalued companies that have the potential to offer good medium to long-term capital growth. Undervalued companies refer to companies with stock price selling at a price lower than what is believed to be its intrinsic value and can be measured by its price to earnings ratio (PER), price to book ratio (P/B), dividend yield or any other appropriate method as determined by the Manager. The Fund commenced operations on 12 November 2001 and will continue its operations until terminated as provided under Part 12 of the Deeds.

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

Hong Leong Islamic Asset Management Sdn Bhd (HLISAM) is the external fund manager appointed for Hong Leong Dana Makmur. The effective date for the appointment is on 17 April 2020. HLISAM is a wholly own subsidiary of the Manager. On November 2019, HLISAM was issued with an Islamic fund management license by the Securities Commission Malaysia ("SC") to undertake the regulated activity of Islamic fund management.

The financial statements were authorised for issue by the Manager on 20 February 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

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

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow 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, amount due from brokers/dealers, amount due from the Manager and dividends receivable as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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.

The Fund classifies amount due to brokers/dealers, 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. Transaction costs are expensed in the statement of comprehensive income.

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

Financial assets are derecognised when the rights to receive cash flows from the 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.

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

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

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

Unquoted Shariah-compliant equity securities are valued at the initial public offering ("IPO") issue price as announced in the Bursa Securities.

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

Islamic deposits with licensed financial institutions 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, which is a close estimate of their fair value due to the short term nature of the Islamic deposits. 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 period.

(c) Functional and presentation currency

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

(d) Income recognition

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

Profit income from cash at bank and Islamic deposits with licensed financial institutions 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 quoted Shariah-compliant investments is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted Shariah-compliant investments, determined on a weighted average cost basis.

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks 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 period. Withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS137. They are presented within other expenses line in the statement of comprehensive income.

(h) Distributions

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Board of Directors of the Manager.

(i) Transaction costs

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

(j) Unit holders' capital

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the unit holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss and change in the net asset value of the Fund.

The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if unit holder exercises the right to put the unit back to the Fund.

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

(k) Fair value of financial instruments

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

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

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

	Financial assets at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
31.12.2023			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	15,115,893	15,115,893
Amount due from brokers/dealers	-	1,462,620	1,462,620
Amount due from the Manager -creation of units	-	1,713,816	1,713,816
Dividends receivable	-	207,400	207,400
Financial assets at FVTPL (Note 10)	199,367,041	-	199,367,041
	<u>199,367,041</u>	<u>18,499,729</u>	<u>217,866,770</u>
<u>Financial liabilities</u>			
Amount due to the Manager -cancellation of units	-	303,095	303,095
-management fee	-	270,178	270,178
Amount due to the Trustee	-	12,608	12,608
Other payables and accruals	-	8,340	8,340
	-	<u>594,221</u>	<u>594,221</u>
30.06.2023			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	5,520,954	5,520,954
Amount due from the Manager -creation of units	-	4,540,701	4,540,701
Dividends receivables	-	222,580	222,580
Financial assets at FVTPL (Note 10)	127,390,997	-	127,390,997
	<u>127,390,997</u>	<u>10,284,235</u>	<u>137,675,232</u>
<u>Financial liabilities</u>			
Amount due to brokers/dealers	-	2,071,377	2,071,377
Amount due to the Manager -cancellation of units	-	193,229	193,229
-management fee	-	156,065	156,065
Amount due to the Trustee	-	7,283	7,283
Other payables and accruals	-	9,964	9,964
	-	<u>2,437,918</u>	<u>2,437,918</u>

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

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

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

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

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

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

3. FAIR VALUE ESTIMATION

The fair value of financial assets traded in active markets (such as trading 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 period 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 period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.12.2023				
<u>Financial assets at FVTPL:</u>				
- Quoted Shariah-compliant equity securities	199,367,041	-	-	199,367,041
30.06.2023				
<u>Financial assets at FVTPL:</u>				
- Quoted Shariah-compliant equity securities	122,590,997	-	-	122,590,997
- Unquoted Shariah-compliant equity securities	-	-	4,800,000	4,800,000
	<u>122,590,997</u>	<u>-</u>	<u>4,800,000</u>	<u>127,390,997</u>

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant equities. The Fund does not adjust the quoted prices for this instrument. Unquoted Shariah-compliant equity securities are valued at the Initial Public Offering ("IPO") issue price and classified at Level 3. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

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

4. PROFIT INCOME FROM FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2023	2022
	RM	RM
Profit income from:		
- Islamic deposits with licensed financial institutions	133,238	68,322
- Cash at bank	596	241
	<u>133,834</u>	<u>68,563</u>

5. MANAGEMENT FEE

In accordance with Division 13.1 of the Deeds, the Manager is entitled to a management fee of up to 1.50% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 December 2023, the management fee is recognised at a rate of 1.50% (2022: 1.50%) per annum.

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

6. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deeds, the Trustee is entitled to a fee not exceeding 0.10% subject to a minimum of RM35,000 per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 December 2023, the Trustee's fee is recognised at a rate of 0.07% (2022: 0.07%) per annum.

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

7. TAXATION

	2023 RM	2022 RM
Tax charge for the financial period:		
Current taxation	-	-

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

	2023 RM	2022 RM
(Loss)/profit before taxation	(9,505,155)	7,769,291
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(2,281,237)	1,864,630
Tax effects of:		
Investment loss disallowed from tax/ (Investment income not subject to tax)	1,767,966	(2,074,949)
Expenses not deductible for tax purposes	171,727	49,090
Restriction on tax deductible expenses for unit trust fund	341,544	161,229
Taxation	-	-

8. DISTRIBUTION

	2023 RM	2022 RM
Distribution to unit holders is derived from the following sources:		
Prior financial years' realised income	-	1,821,587
Dividend equalisation	7,689,426	3,280,002
Net distribution amount	<u>7,689,426</u>	<u>5,101,589</u>

Date of Declaration

Distribution on 20/21 July

Gross/net distribution per unit (sen)	<u>3.5000</u>	<u>4.3000</u>
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The composition of distribution payments sourced from income and capital are disclosed in below:

	Income		Capital	
	RM	%	RM	%
2023	<u>7,689,426</u>	100.00	-	-
2022	<u>5,101,589</u>	100.00	-	-

Net distribution above is sourced from prior financial years' realised income. Gross distribution is derived using total income less total expenses.

Gross distribution per unit is derived from net realised income less expenses divided by units in circulation, while net distribution per unit is derived from net realised income less expenses and taxation divided by units in circulation.

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

The above distributions have been proposed before taking into account the unrealised loss of RM7,191,456 (2022: unrealised gain of RM11,510,312) which is carried forward to the next financial period.

9. CASH AND CASH EQUIVALENTS

	31.12.2023 RM	30.06.2023 RM
Islamic deposits with licensed financial institutions	14,940,622	5,397,436
Cash at banks	175,271	123,518
	<u>15,115,893</u>	<u>5,520,954</u>

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

	31.12.2023 %	30.06.2023 %
Islamic deposits with licensed financial institutions	<u>2.95</u>	<u>2.95</u>

Islamic deposits with licensed financial institutions have an average remaining maturity of 2 days (30.06.2023: 3 days).

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

	31.12.2023 RM	30.06.2023 RM
<u>Financial assets at FVTPL:</u>		
Quoted Shariah-compliant equity securities	199,367,041	122,590,997
Unquoted Shariah-compliant equity securities	-	4,800,000
	<u>199,367,041</u>	<u>127,390,997</u>

	2023 RM	2022 RM
<u>Net (loss)/gain on financial assets at FVTPL:</u>		
Realised loss on disposals	(1,395,154)	(3,338,065)
Changes in unrealised fair values	(7,191,456)	11,510,312
	<u>(8,586,610)</u>	<u>8,172,247</u>

Financial assets at FVTPL as at 31 December 2023 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES				
<u>Main Market</u>				
<u>Consumer Products & Services</u>				
DXN Holdings Bhd.	7,996,000	5,483,750	5,077,460	2.34
Focus Point Holdings Berhad	10,331,340	5,714,716	7,335,251	3.38
	<u>18,327,340</u>	<u>11,198,466</u>	<u>12,412,711</u>	<u>5.72</u>
<u>Energy</u>				
Dayang Enterprise Holdings Bhd.	4,700,000	6,685,360	7,520,000	3.46
Deleum Berhad	4,500,000	4,239,055	4,297,500	1.98
Perdana Petroleum Berhad	18,000,000	3,835,800	3,600,000	1.66
Uzma Berhad	5,800,000	3,716,680	4,350,000	2.00
	<u>33,000,000</u>	<u>18,476,895</u>	<u>19,767,500</u>	<u>9.10</u>
<u>Healthcare</u>				
Hartalega Holdings Berhad	2,600,000	5,642,060	7,020,000	3.23
<u>Industrial Products & Services</u>				
Aurelius Technologies Bhd	2,000,000	5,447,300	5,200,000	2.39
Dufu Technology Corp. Berhad	4,532,200	8,839,864	8,611,180	3.96
EG Industries Berhad	2,407,600	3,840,953	3,611,400	1.66
EG Industries Berhad - Warrants D	1,203,800	-	-	-
Hiap Teck Venture Berhad	18,512,200	6,464,953	7,867,685	3.62
Kobay Technology Bhd.	4,030,000	10,237,194	5,359,900	2.47
Malayan Cement Berhad	400,000	1,667,970	1,692,000	0.78
P.I.E. Industrial Berhad	2,550,000	7,550,157	8,287,500	3.81
SAM Engineering & Equipment (M) Berhad	1,493,600	6,901,831	6,064,016	2.79
Seng Fong Holdings Berhad	7,620,000	5,620,280	5,753,100	2.65
SKP Resources Bhd.	6,500,000	6,891,080	5,135,000	2.36
	<u>51,249,400</u>	<u>63,461,582</u>	<u>57,581,781</u>	<u>26.49</u>
<u>Property</u>				
Eastern & Oriental Berhad	9,400,000	5,200,260	5,405,000	2.49
<u>Technology</u>				
D & O Green Technologies Berhad	2,080,000	5,003,889	7,529,600	3.47
Dagang Nexchange Berhad	14,000,000	5,945,800	5,600,000	2.58
Frontken Corporation Berhad	2,870,000	10,286,997	9,298,800	4.28
Genetec Technology Berhad*	2,458,000	4,671,446	5,800,880	2.67
Inari Amertron Berhad	2,300,000	7,220,850	6,923,000	3.19
Malaysian Pacific Industries Bhd	208,000	6,219,095	5,865,600	2.70
Pentamaster Corporation Berhad	1,790,000	7,931,038	8,234,000	3.79
UWC Berhad	2,255,000	8,115,064	7,937,600	3.65
	<u>27,961,000</u>	<u>55,394,179</u>	<u>57,189,480</u>	<u>26.33</u>

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Telecommunications & Media</u>				
Telekom Malaysia Berhad	1,920,000	10,627,872	10,656,000	4.90
<u>Utilities</u>				
Tenaga Nasional Berhad	1,000,000	9,992,400	10,040,000	4.62
<u>ACE Market</u>				
<u>Industrial Products & Services</u>				
Coraza Integrated Technology Berhad	10,200,000	7,250,120	4,437,000	2.04
Minox International Group Berhad	11,000,000	3,936,965	3,025,000	1.39
YBS International Berhad	11,154,200	6,622,809	7,752,169	3.57
	32,354,200	17,809,894	15,214,169	7.00
<u>Technology</u>				
ECA Integrated Solution Berhad	8,080,000	6,165,211	4,080,400	1.88
TOTAL QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES	185,891,940	203,968,819	199,367,041	91.76
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		(4,601,778)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL			199,367,041	

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES				
<u>Main Market</u>				
<u>Consumer Products & Services</u>				
DXN Holdings Bhd.	5,496,000	3,816,750	4,012,080	2.97
Focus Point Holdings Berhad	6,906,340	2,993,461	5,490,540	4.06
	<u>12,402,340</u>	<u>6,810,211</u>	<u>9,502,620</u>	<u>7.03</u>
<u>Energy</u>				
Deleum Berhad	3,100,000	2,812,185	2,790,000	2.06
Uzma Berhad	5,800,000	3,716,680	3,596,000	2.66
Velesto Energy Berhad	23,500,000	5,095,600	5,170,000	3.82
	<u>32,400,000</u>	<u>11,624,465</u>	<u>11,556,000</u>	<u>8.54</u>
<u>Healthcare</u>				
Top Glove Corporation Bhd.	6,000,000	4,856,540	4,860,000	3.59
<u>Industrial Products & Services</u>				
Dufu Technology Corp. Berhad	2,340,000	4,941,586	4,446,000	3.29
Hiap Teck Venture Berhad	9,600,000	3,370,240	2,880,000	2.13
Kobay Technology Bhd	2,630,000	7,627,014	4,997,000	3.69
MCE Holdings Berhad	1,200,000	1,860,000	2,328,000	1.72
QES Group Berhad	6,700,000	4,049,970	3,785,500	2.80
SAM Engineering & Equipment (M) Berhad	1,030,000	4,671,805	4,727,700	3.50
Seng Fong Holdings Berhad	4,800,000	3,553,580	3,456,000	2.56
SKP Resources Bhd.	4,200,000	4,649,330	4,578,000	3.39
	<u>32,500,000</u>	<u>34,723,525</u>	<u>31,198,200</u>	<u>23.08</u>
<u>Plantation</u>				
Ta Ann Holdings Berhad	1,499,600	4,997,826	5,008,664	3.70
<u>Technology</u>				
D & O Green Technologies Berhad	1,380,000	2,512,919	5,078,400	3.76
Frontken Corporation Berhad	1,870,000	6,872,772	5,890,500	4.36
Malaysian Pacific Industries Bhd	208,000	6,219,094	5,786,560	4.28
Pentamaster Corporation Berhad	1,290,000	5,197,948	6,346,800	4.69
UWC Berhad	2,055,000	7,369,524	6,123,900	4.53
	<u>6,803,000</u>	<u>28,172,257</u>	<u>29,226,160</u>	<u>21.62</u>
<u>Telecommunications & Media</u>				
REDtone Digital Berhad	1,000,000	716,300	710,000	0.52
<u>ACE Market</u>				
<u>Healthcare</u>				
Cengild Medical Berhad	9,978,100	4,836,974	3,941,350	2.91
<u>Industrial Products & Services</u>				
Coraza Integrated Technology Berhad	6,000,000	4,592,900	4,500,000	3.33
YBS International Berhad	10,154,200	6,023,109	6,752,543	4.99
	<u>16,154,200</u>	<u>10,616,009</u>	<u>11,252,543</u>	<u>8.32</u>

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<i>Technology</i>				
Cnenergiz Berhad	4,900,000	2,939,020	4,238,500	3.13
ECA Integrated Solution Berhad	6,130,000	5,036,746	5,394,400	3.99
Genetec Technology Berhad	2,458,000	4,671,446	5,702,560	4.22
	<u>13,488,000</u>	<u>12,647,212</u>	<u>15,335,460</u>	<u>11.34</u>
TOTAL QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES	<u>132,225,240</u>	<u>120,001,319</u>	<u>122,590,997</u>	<u>90.65</u>
UNQUOTED SHARIAH-COMPLIANT EQUITY SECURITIES				
<i>Initial Public Offering ("IPO")</i>				
Skyworld Development Berhad #	6,000,000	4,800,000	4,800,000	3.55
	<u>6,000,000</u>	<u>4,800,000</u>	<u>4,800,000</u>	<u>3.55</u>
TOTAL UNQUOTED SHARIAH-COMPLIANT EQUITY SECURITIES	<u>6,000,000</u>	<u>4,800,000</u>	<u>4,800,000</u>	<u>3.55</u>
TOTAL SHARIAH-COMPLIANT INVESTMENTS	<u>138,225,240</u>	<u>124,801,319</u>	<u>127,390,997</u>	<u>94.20</u>
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		<u>2,589,678</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		<u>127,390,997</u>		

* Genetec Technology Berhad had transfer of listing from ACE market to main market of Bursa Malaysia Securities Berhad on 27 October 2023.

During the financial year ended 30 June 2023, a total of 1,000,000,000 shares for Skyworld Development Berhad were made available for Initial Public Offering ("IPO") at a cost of RM0.80 per share by way of private placement.

Subsequent to the financial year ended 30 June 2023, Skyworld Development Berhad began trading on the main market on 10 July 2023 at a price of RM0.74 per share.

11. SHARIAH INFORMATION OF THE FUND

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

- (a) Equity securities listed on Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission; and
- (b) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

12. UNITS IN CIRCULATION

	01.07.2023 to 31.12.2023	01.07.2022 to 30.06.2023
	No. of units	No. of units
At the beginning of the financial period/year	200,466,497	119,751,920
Add: Creation of units during the financial period/year		
- Arising from applications	173,540,127	89,789,623
- Arising from distribution	11,614,508	7,953,715
Less: Cancellation of units during the financial period/year	<u>(31,824,238)</u>	<u>(17,028,761)</u>
At the end of the financial period/year	<u>353,796,894</u>	<u>200,466,497</u>

13. TOTAL EXPENSE RATIO (“TER”)

	2023 %	2022 %
TER (annualised)	1.61	1.65

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

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

Where;

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM184,109,220 (2022: RM84,761,491).

14. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023 Times	2022 Times
PTR	0.51	0.27

PTR is derived from the following calculation:

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

- Where; total acquisitions for the financial period
= RM133,131,407 (2022: RM22,084,631)
total disposals for the financial period
= RM53,963,907 (2022: RM22,935,173)

15. 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

No units were held by the Manager and parties related to the Manager as at 31 December 2023 and 30 June 2023.

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

	31.12.2023	30.06.2023
	RM	RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Islamic Bank Berhad	3,390	90
Amount due from brokers/dealers		
- Hong Leong Investment Bank Berhad	597,720	-
Amount due to brokers/dealers		
- Hong Leong Investment Bank Berhad	-	(1,352,072)
	<u>601,110</u>	<u>(1,351,982)</u>
	2023	2022
	RM	RM
<u>Related party transactions</u>		
Profit income from cash at bank:		
- Hong Leong Islamic Bank Berhad	194	-
Purchase of quoted Shariah-compliant equity securities:		
- Hong Leong Investment Bank Berhad	<u>71,329,732</u>	<u>8,019,450</u>
Disposal of quoted Shariah-compliant equity securities:		
- Hong Leong Investment Bank Berhad	<u>42,428,255</u>	<u>15,575,803</u>

16. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2023				
Hong Leong Investment Bank Berhad*	113,757,987	61.17	284,157	60.47
Nomura Securities Malaysia Sdn. Bhd.	31,763,783	17.08	79,220	16.86
J.P. Morgan Securities (Malaysia) Sdn. Bhd.	17,101,761	9.20	42,678	9.08
CLSA Securities Malaysia Sdn. Bhd.	11,499,776	6.18	28,697	6.11
Phillip Capital Sdn. Bhd.	7,493,300	4.03	18,662	3.97
Public Investment Bank Berhad	2,279,340	1.23	11,340	2.41
MIDF Amanah Investment Bank Berhad	2,074,568	1.11	5,169	1.10
	<u>185,970,515</u>	<u>100.00</u>	<u>469,923</u>	<u>100.00</u>
2022				
Hong Leong Investment Bank Berhad*	23,595,253	56.61	59,083	56.70
Nomura Securities Malaysia Sdn. Bhd.	11,051,210	26.51	27,514	26.40
CLSA Securities Malaysia Sdn. Bhd.	3,894,237	9.34	9,740	9.35
J.P. Morgan Securities (Malaysia) Sdn. Bhd.	2,610,201	6.26	6,527	6.26
Credit Suisse Securities (Malaysia) Sdn. Bhd.	533,988	1.28	1,341	1.29
	<u>41,684,888</u>	<u>100.00</u>	<u>104,205</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:

Consumer Products & Services
 Energy
 Healthcare
 Industrial Products & Services
 Plantation
 Property
 Technology
 Telecommunications & Media
 Transportation & Logistics
 Utilities

Islamic Deposits & Cash Equivalents

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

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

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

(v) **Total Return of the Fund***

- Capital Growth
- Income Distribution

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

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

(vii) **Distribution Per Unit**

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

(viii) **Total Expense Ratio (TER)**

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

B Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 31/12/2023)*

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

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

The PTR decreased by 0.22 times (30.14%) to 0.51 times for the financial period from 1 July 2022 to 31 December 2023 versus 0.73 times for the financial year ended 30 June 2023 mainly due to lower level of rebalancing activities undertaken by the Fund and increased by 88.89% percentage point higher as compared to 0.27% for the financial period from 1 July 2022 to 31 December 2022 mainly due to higher level of rebalancing activities undertaken by the Fund.

Financial Period 30/06/2023– 31/12/2023 %	Financial Year 30/06/2022– 30/06/2023 %	Financial Year 30/06/2021– 30/06/2022 %	Financial Year 30/06/2020– 30/06/2021 %
5.72	7.03	14.68	17.40
9.10	8.54	2.23	10.65
3.23	6.50	-	-
33.49	31.40	29.93	25.45
-	3.70	-	-
2.49	3.55	-	4.30
28.21	32.96	43.22	26.55
4.90	0.52	-	3.99
-	-	1.85	5.02
4.62	-	-	-
8.24	5.80	8.09	6.64
RM217,272,549	RM135,238,410	RM79,850,755	RM45,628,897
RM0.6142	RM0.6746	RM0.6668	RM0.7709
353,796,894	200,466,497	119,751,920	59,190,996
RM0.7049	RM0.7711	RM0.8984	RM0.8504
RM0.6002	RM0.6158	RM0.6507	RM0.4607
-4.15%	8.16%	-9.08%	75.16%
-8.95%	1.17%	-13.50%	60.97%
4.80%	6.99%	4.42%	14.19%
3.5000 sen/unit	0.0000 sen/unit	3.9040 sen/unit	0.0000 sen/unit
0.0000 sen/unit	4.3000 sen/unit	0.0000 sen/unit	4.3000 sen/unit
3.5000 sen/unit	4.3000 sen/unit	3.9040 sen/unit	4.3000 sen/unit
100%	0%	100%	0%
0%	100%	0%	100%
-	-	-	-
3.5000 sen/unit	4.3000 sen/unit	3.9040 sen/unit	4.3000 sen/unit
3.5000 sen/unit	4.3000 sen/unit	3.8983 sen/unit	4.2926 sen/unit
20/07/2023	21/07/2022	26/07/2021	23/07/2020
RM0.6978	RM0.6655	RM0.8025	RM0.5309
RM0.6628	RM0.6225	RM0.7635	RM0.4879
1.61%	1.63%	1.64%	1.71%
0.51#	0.73	1.18	2.23
-5.57%			
3.36%			
21.84%			

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

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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

Deutsche Trustees Malaysia Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Shariah Adviser

BIMB Securities Sdn Bhd

Distributors

Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Affin Bank Berhad
Areca Capital Sdn Bhd
CIMB Investment Bank Berhad
Kenanga Investors Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
Phillip Mutual Berhad
Standard Chartered Bank Malaysia Berhad
TA Investment Management Berhad
United Overseas Bank (Malaysia) Berhad
UOB Kay Hian Securities (M) Sdn Bhd
Registered Independent Tied Agents with FiMM

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