

# Hong Leong Dividend Fund

**Annual Report**

Financial Year Ended 31 August 2024

**2023/2024**

Audited



# HONG LEONG DIVIDEND FUND

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# Manager’s Review and Report

## I. FUND INFORMATION

**Fund Name**

Hong Leong Dividend Fund (“HLDF” or “the Fund”)

**Fund Category**

Equity

**Fund Type**

Income and Growth

**Investment Objective**

To provide investors with a steady recurring income\* that is potentially higher than prevailing fixed deposit rates. At the same time, the Fund also attempts to attain medium to long-term capital appreciation.

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

Not Applicable

**Benchmark**

FTSE Bursa Malaysia (FBM) KLCI

**Distribution Policy**

The Fund intends to provide regular income\*\* and potentially, consistent long-term capital appreciation. Regular income returns will be declared depending on interest rates, market conditions and performance of the Fund. As such, the Fund will strive to declare distributions annually, if any, in the form of either cash or additional Units to the Unit holders.

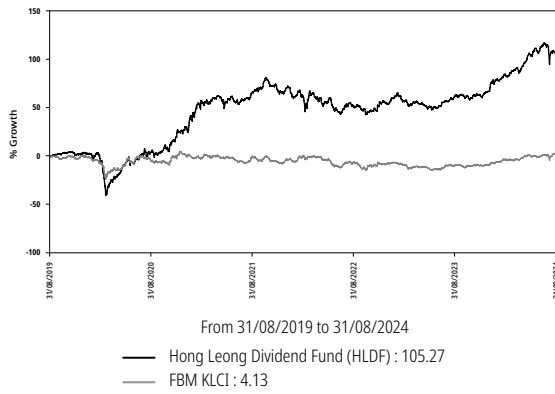
Notes:

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

\*\* 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 covering the last five financial years**



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 HLDF 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 September 2023 to 31 August 2024.

The Fund posted a return of 26.55% (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 FTSE Bursa Malaysia (FBM) KLCI registered a return of 15.62%. During the financial year under review, the Fund had distributed gross income distributions of 1.1000 sen per unit (net income distribution 1.1000 sen per unit) on 16 October 2023, 22 January 2024, 17 April 2024 and 22 July 2024. Prior to the income distributions, the cum-distribution Net Asset Value (NAV) per unit of the Fund were RM0.6885, RM0.7449, RM0.7742 and RM0.8744 while the ex-distribution NAV per unit were RM0.6775, RM0.7339, RM0.7632 and RM0.8634 respectively. Unit holders should note that income distributions have the effect of reducing the NAV per unit of the Fund after distributions.

For the five financial years ended 31 August 2024, the Fund registered a return of 105.27% compared to the benchmark's return of 4.13% while distributing a total gross income of 19.7500 sen per unit (net income of 19.6456 sen per unit).

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

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Launch
<b>HLDF Return (%)</b>	1.13	11.87	26.55	23.81	105.27	191.33	504.46
<b>Benchmark (%)</b>	5.14	8.21	15.62	4.83	4.13	-10.04	84.40

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

	31-Aug-24	31-Aug-23	Return (%)
NAV Per Unit	RM0.8256	RM0.6913*	26.55#
Benchmark	1,678.80	1,451.94	15.62
<b>vs Benchmark (%)</b>	-	-	10.93

\* Based on NAV Per Unit on 30 August 2023 as the above-mentioned reporting date fell on a non-business day.

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

**Table 3: Financial Highlights**

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

	31-Aug-24 (RM)	31-Aug-23 (RM)	Change (%)
Unit Holders' Capital	<b>553,174,780</b>	268,718,078	105.86
Retained Earnings	<b>119,560,750</b>	40,733,360	193.52
<b>Net Asset Value</b>	<b>672,735,530</b>	309,451,438	117.40
<b>Units in Circulation</b>	<b>814,856,695</b>	447,683,917	82.02

**Table 4: The Highest and Lowest NAV Per Unit, Total Return of the Fund and the breakdown into Capital Growth and Income Distribution for the financial years ended 31 August**

	Financial Year 2024	Financial Year 2023	Financial Year 2022
Highest NAV Per Unit (RM)	0.8842	0.7257	0.8694
Lowest NAV Per Unit (RM)	0.6621	0.6395	0.6612
Capital Growth (%)	19.43	0.41	-13.61
Income Distribution (%)	7.12	6.76	4.89
<b>Total Return (%)</b>	<b>26.55</b>	<b>7.17</b>	<b>-8.72</b>

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

**Table 5: Average Total Return of the Fund for the financial year ended 31 August 2024**

	1 Year	3 Years	5 Years
Average Total Return (%)	26.55	7.94	21.05

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 HLDF reinvested.

**Table 6: Annual Total Return of the Fund for the financial years ended 31 August**

Financial Year	2024	2023	2022	2021	2020
Annual Total Return (%)	26.55	7.17	-8.72	60.29	3.44

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 HLDF reinvested.

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

During the financial year under review, the Fund continued to outperform the benchmark, thanks to improving local market sentiment amid the peak of monetary tightening policy. The Fund's overweight positions in the quality big caps and yield stocks also somewhat helped the Fund weather through the spike in volatility towards the end of the financial year.

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

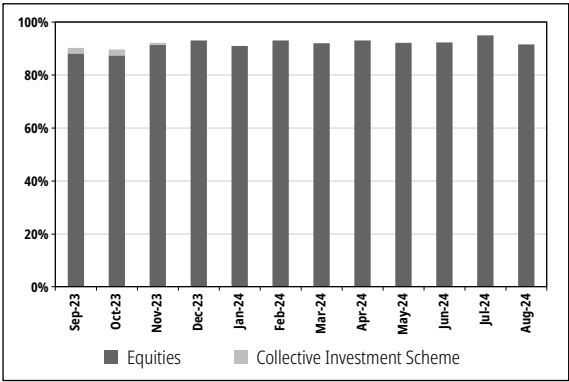
During the financial year under review, there was an increase in allocation to telecommunications and media, financial services and health care due to resilient earnings and dividend pay-out from these companies. The Fund also reduced exposure in the technology sector due to slower-than-expected earnings recovery and unattractive valuation.

**Operational review of the Fund**

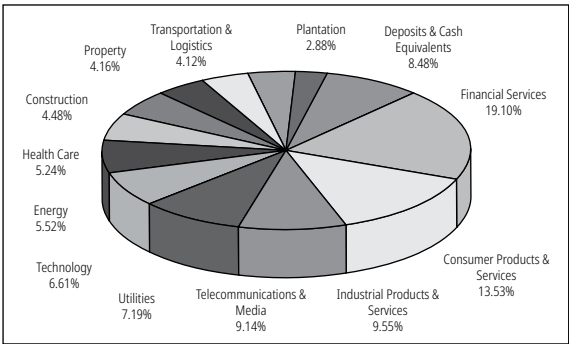
The 3rd Supplemental Hong Leong Master Prospectus dated 19 August 2024 was issued during the financial year under review to reflect various changes made to the Fund. Kindly refer to [www.hlam.com.my](http://www.hlam.com.my) for the full list of changes made to the Fund.

**III. INVESTMENT PORTFOLIO**

**Chart 2: Asset Allocation – September 2023 to August 2024**



**Chart 3: Sector Allocation as at 31 August 2024**



**IV. MARKET REVIEW**

During the financial year under review, the MSCI AC Asia Pacific ex Japan Index increased 13.5%. The best performing markets were Taiwan and India while the laggards were Hong Kong and China. In the local market, the FBM KLCI rose 14.7%. Small caps underperformed as the FBM Small Cap Index rose only 7.5%.

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 (DJIA) Index hit an all-time high in December.

In the first quarter of 2024, stronger-than-expected economic data out of US resulted in Fed rate cut expectations being dialled back. The global Artificial Intelligence (AI) optimism helped drive upside in tech and related proxies. The Chinese market saw some optimism during the quarter but lost momentum due to US-China tensions. Japan equities staged a strong resurgence as the country's exit from deflation attracted investors.

The second quarter of 2024 started strongly, even with US Inflation data surprising on the upside. Despite bond yields accelerating higher, AI optimism continue to dominate the market. ASEAN generally underperformed and their currencies too came under pressure as US Dollar (USD) surged. Hong Kong in particular saw weakness as the country reported underwhelming property data.

The third quarter of 2024 saw optimism in the market, as there was high conviction that the Fed would cut rates in September. However, in the first week of August, markets corrected sharply triggered by a Japanese Yen (JPY) carry trade unwind and fears of a US recession. While markets quickly rebounded in the following weeks, tech stocks were well below the pre-August levels as investors re-assessed the outlook of AI capex monetisation.

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 FBM 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.

In the first quarter of 2024, Malaysia started strongly, leading the ASEAN market with AI related names performing well. This was further reinforced by the signing of a memorandum of understanding between Malaysia and Singapore to form the Johor-Singapore Special Economic Zone (JS-SEZ). While foreign interest was evident, it did not translate into real flows as Malaysia recorded a net foreign outflow during the quarter.

Trading value in Malaysia was elevated in the second quarter of 2024, reaching values not seen since May 2021 during the COVID-19 lockdown. AI continued to drive the markets, spilling over to the construction sector, which is seen to benefit from the data-centre driven boom. The Malaysian Index was one of the best performers year-to-date (YTD) in ASEAN.

The third quarter started strongly for the Malaysian market as the construction sector remained in favour due to the data-centred driven jobs. August saw global markets correct sharply due to the JPY carry trade unwind, and Malaysia was not spared. The markets broadly rebounded over the month with financials leading as better-than-expected Gross Domestic Product (GDP) data saw fund flows into banks.

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

We expect investor sentiment to be cautious leading up to the US presidential elections. The Fed has started cutting rates by 50 bps in September 2024 and is expected to continue doing so in the foreseeable future. Economic data will be monitored closely for any sustained weakness. Over in China, it appears that long awaited stimulus measures by the government have started to take place, although it remains unclear whether it will be enough to kickstart the Chinese economy again. 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. Prevailing themes such as the AI and data-centre driven capex investments and the JS-SEZ continue to put the spotlight on Malaysia. However, the recent sharp appreciation of the Ringgit warrants some caution on export related stocks.

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 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 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, Chue Kwok Yan, 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 17 to 50 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 31 August 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))**

**CHUE KWOK YAN**  
Chief Executive Officer/Executive Director

Kuala Lumpur  
21 October 2024

# TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial year ended 31 August 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 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

Kuala Lumpur  
21 October 2024

**Sylvia Beh**  
Chief Executive Officer



# INDEPENDENT AUDITORS' REPORT

## TO THE UNIT HOLDERS OF HONG LEONG DIVIDEND FUND

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Our Opinion

In our opinion, the financial statements of Hong Leong Dividend Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 August 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 31 August 2024, and the statement of comprehensive income, statement of changes in equity 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 17 to 50.

#### 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 judgement 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 holders 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  
21 October 2024

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Interest income from financial assets measured at amortised cost		907,849	834,548
Dividend income		13,957,403	6,947,257
Net gain on financial assets at fair value through profit or loss ("FVTPL")	8	97,017,587	18,133,188
		<u>111,882,839</u>	<u>25,914,993</u>
<b>EXPENDITURE</b>			
Management fee	4	(8,508,502)	(5,072,364)
Trustee's fee	5	(317,290)	(177,533)
Auditors' remuneration		(8,700)	(7,500)
Tax agent's fee		(3,350)	(4,100)
Transaction costs		(2,622,166)	(1,050,502)
Other expenses		(66,011)	(61,681)
		<u>(11,526,019)</u>	<u>(6,373,680)</u>
<b>PROFIT BEFORE TAXATION</b>		100,356,820	19,541,313
Taxation	6	-	-
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<u>100,356,820</u>	<u>19,541,313</u>
Profit after taxation is made up as follows:			
Realised amount		51,462,842	1,250,076
Unrealised amount		48,893,978	18,291,237
		<u>100,356,820</u>	<u>19,541,313</u>
Distributions for the financial year:			
Net distributions	7	25,729,425	16,467,174
Net distributions per unit (sen)	7	4.4000	4.4000
Gross distributions per unit (sen)	7	4.4000	4.4000

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

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

	Note	2024 RM	2023 RM
<b>ASSETS</b>			
Cash and cash equivalents		54,252,013	26,933,483
Amount due from brokers/dealers		5,350,680	5,806,410
Amount due from the Manager			
-creation of units		7,934,222	1,101,661
Dividends receivable		380,120	46,716
Financial assets at FVTPL	8	615,667,496	277,081,422
<b>TOTAL ASSETS</b>		<u>683,584,531</u>	<u>310,969,692</u>
<b>LIABILITIES</b>			
Amount due to brokers/dealers		9,781,029	979,629
Amount due to the Manager			
-cancellation of units		17,232	-
-management fee		999,244	509,657
Amount due to the Trustee		38,860	17,838
Other payables and accruals		12,636	11,130
<b>TOTAL LIABILITIES</b>		<u>10,849,001</u>	<u>1,518,254</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>672,735,530</u>	<u>309,451,438</u>
<b>EQUITY</b>			
Unit holders' capital		553,174,780	268,718,078
Retained earnings		119,560,750	40,733,360
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>672,735,530</u>	<u>309,451,438</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	9	814,856,695	447,683,917
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.8256</u>	<u>0.6912</u>

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

## STATEMENT OF CHANGES IN EQUITY

### FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 September 2023	268,718,078	40,733,360	309,451,438
Movement in net asset value:			
Creation of units from applications	290,286,876	-	290,286,876
Creation of units from distributions	11,634,328	-	11,634,328
Cancellation of units	(13,264,507)	-	(13,264,507)
Total comprehensive income for the financial year	-	100,356,820	100,356,820
Distributions for the financial year	7 (4,199,995)	(21,529,430)	(25,729,425)
Balance as at 31 August 2024	<u>553,174,780</u>	<u>119,560,750</u>	<u>672,735,530</u>
Balance as at 1 September 2022	169,159,447	37,659,221	206,818,668
Movement in net asset value:			
Creation of units from applications	97,418,258	-	97,418,258
Creation of units from distributions	8,711,393	-	8,711,393
Cancellation of units	(6,571,020)	-	(6,571,020)
Total comprehensive income for the financial year	-	19,541,313	19,541,313
Distributions for the financial year	7 -	(16,467,174)	(16,467,174)
Balance as at 31 August 2023	<u>268,718,078</u>	<u>40,733,360</u>	<u>309,451,438</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 31 AUGUST 2024

	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sales of financial assets at FVTPL	272,694,593	95,639,847
Purchase of financial assets at FVTPL	(507,253,172)	(184,785,461)
Interest income received from financial assets measured at amortised cost	907,849	834,548
Dividend income received	13,249,055	6,804,811
Management fee paid	(8,018,915)	(4,912,477)
Trustee's fee paid	(296,268)	(171,937)
Payment for other fees and expenses	(76,555)	(70,649)
Net cash used in operating activities	<u>(228,793,413)</u>	<u>(86,661,318)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	283,454,315	98,534,478
Payments for cancellation of units	(13,247,275)	(6,571,020)
Payments for distributions	(14,095,097)	(7,755,900)
Net cash generated from financing activities	<u>256,111,943</u>	<u>84,207,558</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	27,318,530	(2,453,760)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	26,933,483	29,387,243
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<u>54,252,013</u>	<u>26,933,483</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 31 AUGUST 2024

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

Hong Leong Dividend Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 22 December 2004 and Supplemental Deeds dated 11 December 2007 and 30 April 2010 between Hong Leong Asset Management Bhd ("the Manager") 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, 23 October 2023 and 13 February 2024 to effect the change ("the Deeds").

The Fund aims to provide investors with a steady recurring income that is potentially higher than prevailing fixed deposit rates. At the same time, the Fund also attempts to attain medium to long-term capital appreciation.

The Fund will invest primarily in equity securities of growth companies operating in Malaysia. Generally, the Fund invests in stocks which have good dividend payout policies and reasonable medium to long-term capital appreciation opportunities. Stocks with good dividend payout policies are those that have been consistently paying high dividends (i.e. dividend yields at and/or above market average) over the last three to five years, and are able to sustain the dividend payments at least over the next one year. The Fund will invest primarily in equity securities that will generate good income yields, i.e. having paid dividends three out of the last five years, historical track record of awarding good dividends, or potential to provide high dividends within the next 12 months. At the same time, the Fund also invests in fixed income securities with good credit quality and yield enhancement opportunities. Fixed income securities with good credit quality generally are investment-grade securities that have relatively low risk of a default. The Fund commenced operations on 6 January 2005 and will continue its operations until terminated as provided under Part 12 of the Deeds.

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

The financial statements were authorised for issue by the Manager on 21 October 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 at fair value through profit or loss.

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

The areas involving a higher degree of judgement 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 September 2023.

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

- (ii) New standards, amendment and interpretations effective after 1 September 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 September 2023. 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 September 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 securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from brokers/dealers, amounts 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.

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. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss 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.

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 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 equity security is 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 investments, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

### Impairment

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

### Significant increase in credit risk

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

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

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

#### Write-off

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

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

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

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

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

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

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

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

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

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

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

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

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

### **(g) Taxation**

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



#### **(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 year 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) Critical accounting estimates and judgements in applying accounting policies**

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

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

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

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

### **3. 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 and capital 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/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<b>2024</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	54,252,013	54,252,013
Amount due from brokers/dealers	-	5,350,680	5,350,680
Amount due from the Manager			
-creation of units	-	7,934,222	7,934,222
Dividends receivable	-	380,120	380,120
Financial assets at FVTPL (Note 8)	615,667,496	-	615,667,496
	615,667,496	67,917,035	683,584,531
<u>Financial liabilities</u>			
Amount due to brokers/dealers	-	9,781,029	9,781,029
Amount due to the Manager			
-cancellation of units	-	17,232	17,232
-management fee	-	999,244	999,244
Amount due to the Trustee	-	38,860	38,860
Other payables and accruals	-	12,636	12,636
	-	10,849,001	10,849,001
<b>2023</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	26,933,483	26,933,483
Amount due from brokers/dealers	-	5,806,410	5,806,410
Amount due from the Manager			
-creation of units	-	1,101,661	1,101,661
Dividends receivable	-	46,716	46,716
Financial assets at FVTPL (Note 8)	277,081,422	-	277,081,422
	277,081,422	33,888,270	310,969,692

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<u>Financial liabilities</u>			
Amount due to brokers/dealers	-	979,629	979,629
Amount due to the Manager			
-management fee	-	509,657	509,657
Amount due to the Trustee	-	17,838	17,838
Other payables and accruals	-	11,130	11,130
	-	1,518,254	1,518,254

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 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 investment portfolio.

The price risk is managed through diversification and selection of 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
<u>Financial assets at FVTPL:</u>		
- Quoted equity securities	606,410,996	270,168,170
- Unquoted equity security	9,256,500	-
- Quoted collective investment scheme	-	6,913,252
	615,667,496	277,081,422

The table below summarises the sensitivity of the Fund's net asset value and profit after taxation to movements in prices of quoted equity securities, unquoted equity security and quoted collective investment scheme at the end of each reporting year. The analysis is based on the assumptions that the market price of the quoted equity securities, unquoted equity security and quoted collective investment scheme fluctuated by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted equity securities, unquoted equity security and quoted collective investment scheme having regard to the historical volatility of the prices.

% Change in price of financial assets at FVTPL	Market value RM	Impact on profit after taxation/net asset value RM
<b>2024</b>		
-5%	584,884,121	(30,783,375)
0%	615,667,496	-
5%	646,450,871	30,783,375
<b>2023</b>		
-5%	263,227,351	(13,854,071)
0%	277,081,422	-
5%	290,935,493	13,854,071

## (ii) Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments and its return will fluctuate because of changes in market interest rates.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. The Fund's exposure to the interest rate risk is mainly confined to short term placements with licensed financial institutions. The Manager overcomes the exposure by way of maintaining deposits on a short term basis.

As at end of each reporting year, the Fund does not hold any deposits and is not exposed to a material level of interest rate risk.

## (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.

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission Malaysia's Guidelines on Unit Trust Funds.

For amount due from brokers/dealers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities. The credit/default risk is minimal as all transactions in quoted investments and unquoted investments are settled/paid upon delivery using approved brokers/dealers.

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

	Cash and cash equivalents RM	Amount due from brokers/dealers RM	Amount due from the Manager -creation of units RM	Dividends receivable RM	Total RM
<b>2024</b>					
- AAA	54,252,013	5,350,680	-	-	59,602,693
- NR	-	-	7,934,222	380,120	8,314,342
	54,252,013	5,350,680	7,934,222	380,120	67,917,035
<b>2023</b>					
- AAA	26,880,089	2,992,893	-	-	29,872,982
- AA1	53,394	-	-	-	53,394
- NR	-	2,813,517	1,101,661	46,716	3,961,894
	26,933,483	5,806,410	1,101,661	46,716	33,888,270

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

### (c) Liquidity risk

Liquidity risk is the risk that 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 liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise cash at banks, 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
<b>2024</b>			
<u>Financial liabilities</u>			
Amount due to brokers/dealers	9,781,029	-	9,781,029
Amount due to the Manager			
-cancellation of units	17,232	-	17,232
-management fee	999,244	-	999,244
Amount due to the Trustee	38,860	-	38,860
Other payables and accruals	-	12,636	12,636
Contractual cash out flows	10,836,365	12,636	10,849,001
<b>2023</b>			
<u>Financial liabilities</u>			
Amount due to brokers/dealers	979,629	-	979,629
Amount due to the Manager			
-management fee	509,657	-	509,657
Amount due to the Trustee	17,838	-	17,838
Other payables and accruals	-	11,130	11,130
Contractual cash out flows	1,507,124	11,130	1,518,254

### (d) Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. The amount of equity 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 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 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 options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which market were or have been inactive during the financial 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 judgement, considering factors specific to the asset or liability.

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>2024</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities	606,410,996	-	-	606,410,996
- Unquoted equity security	-	-	9,256,500	9,256,500
	<u>606,410,996</u>	<u>-</u>	<u>9,256,500</u>	<u>615,667,496</u>
<b>2023</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities	270,168,170	-	-	270,168,170
- Quoted collective investment scheme	6,913,252	-	-	6,913,252
	<u>277,081,422</u>	<u>-</u>	<u>-</u>	<u>277,081,422</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and collective investment scheme. The Fund does not adjust the quoted prices for these instruments. Unquoted equity security is 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. MANAGEMENT FEE

In accordance with Division 13.1 of the Deeds, the Manager is entitled to a management fee of up to 2.50% per annum calculated daily based on the net asset value of the Fund.

For the financial period from 1 September 2023 to 29 February 2024, the management fee is recognised at a rate of 2.00% (2023: 2.00%) per annum. With effective from 1 March 2024, the management fee is recognised at a rate of 1.80% per annum.

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

#### 5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deeds, the Trustee is entitled to a fee not exceeding 1.00% per annum subject to a minimum of RM18,000 per annum calculated daily based on the net asset value of the Fund.

For the financial year ended 31 August 2024, the Trustee's fee is recognised at a rate of 0.07% (2023: 0.07%) per annum.

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

#### 6. TAXATION

	2024 RM	2023 RM
Tax charge for the financial year:		
Current taxation	-	-

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	100,356,820	19,541,313
Taxation at Malaysian statutory rate of 24% (2023: 24%)	24,085,637	4,689,915
Tax effects of:		
Investment income not subject to tax	(26,851,881)	(6,219,598)
Expenses not deductible for tax purposes	708,632	297,836
Restriction on tax deductible expenses for unit trust fund	2,057,612	1,231,847
Taxation	-	-

## 7. DISTRIBUTIONS

Distributions to unit holders are derived from the following sources:

	2024 RM	2023 RM
Prior financial years' realised income	-	14,557,356
Interest income	800,355	737,626
Dividend income	13,576,859	6,620,577
Net realised gain on disposal	16,758,181	-
Less: Expenses	(9,605,965)	(5,448,385)
Dividend equalisation	4,199,995	-
Net distribution amount	25,729,425	16,467,174
Gross/net distribution per unit (sen)	4.4000	4.4000
<b>Date of Declaration</b>		
<b>16 October 2023 / 17 October 2022</b>		
Gross/net distribution per unit (sen)	1.1000	1.1000
<b>22 January 2024 / 13 January 2023</b>		
Gross/net distribution per unit (sen)	1.1000	1.1000
<b>17 April 2024 / 17 April 2023</b>		
Gross/net distribution per unit (sen)	1.1000	1.1000
<b>22 July 2024 / 17 July 2023</b>		
Gross/net distribution per unit (sen)	1.1000	1.1000

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

	Income RM	%	Capital RM	%
2024	25,729,425	100.00	-	-
2023	16,467,174	100.00	-	-

Net distributions above are sourced from prior and current financial year's realised income. Gross distributions are derived using total income less total expenses.

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

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation 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.

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

	2024 RM	2023 RM
<b>Financial assets at FVTPL:</b>		
Quoted equity securities	606,410,996	270,168,170
Unquoted equity security	9,256,500	-
Quoted collective investment scheme	-	6,913,252
	615,667,496	277,081,422
<b>Net gain on financial assets at FVTPL:</b>		
Realised gain/(loss) on disposals	48,123,609	(158,049)
Changes in unrealised fair values	48,893,978	18,291,237
	97,017,587	18,133,188

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES</b>				
<u>Main Market</u>				
<u>Construction</u>				
Gamuda Berhad	2,635,000	19,490,209	19,762,500	2.94
IJM Corporation Berhad	3,600,000	8,102,354	10,332,000	1.54
	6,235,000	27,592,563	30,094,500	4.48
<u>Consumer Products &amp; Services</u>				
Carlsberg Brewery Malaysia Berhad	970,000	20,502,165	18,624,000	2.77
Focus Point Holdings Berhad	9,520,000	2,610,050	7,425,600	1.10
Heineken Malaysia Berhad	600,000	15,086,351	13,800,000	2.05
MR D.I.Y. Group (M) Berhad	9,500,000	18,104,902	19,570,000	2.91
Sime Darby Berhad	9,000,000	23,658,066	22,320,000	3.32
	29,590,000	79,961,534	81,739,600	12.15
<u>Energy</u>				
Bumi Armada Berhad	38,000,000	18,803,360	20,330,000	3.02
Velesto Energy Berhad	80,000,000	18,565,600	16,800,000	2.50
	118,000,000	37,368,960	37,130,000	5.52
<u>Financial Services</u>				
Aeon Credit Service (M) Berhad	1,850,000	12,095,672	13,135,000	1.95
Alliance Bank Malaysia Berhad	4,950,000	17,654,043	21,334,500	3.17
AMMB Holdings Berhad	6,500,000	24,384,439	33,800,000	5.02
CIMB Group Holdings Berhad	4,200,000	26,640,965	34,440,000	5.12
Syarikat Takaful Malaysia Keluarga Berhad	2,500,000	9,287,505	9,675,000	1.44
Well Chip Group Berhad	10,500,000	17,379,935	16,170,000	2.40
	30,500,000	107,442,559	128,554,500	19.10
<u>Health Care</u>				
IHH Healthcare Berhad	3,300,000	20,878,070	20,691,000	3.08
Kossan Rubber Industries Berhad	8,000,000	17,037,250	14,560,000	2.16
	11,300,000	37,915,320	35,251,000	5.24
<u>Industrial Products &amp; Services</u>				
Kelington Group Berhad	3,000,000	4,245,798	9,060,000	1.35
Press Metal Aluminium Holdings Berhad	3,695,800	19,484,484	18,368,126	2.73
SAM Engineering & Equipment (M) Berhad	2,350,000	10,993,560	12,572,500	1.87
Sunway Berhad	5,069,700	9,629,283	20,785,770	3.09
Thong Guan Industries Berhad	2,050,000	4,562,356	3,403,000	0.51
	16,165,500	48,915,481	64,189,396	9.55

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Plantation</u>				
Johor Plantations Group Berhad	20,000,000	18,349,280	19,400,000	2.88
<u>Property</u>				
Sime Darby Property Berhad	20,000,000	19,501,100	28,000,000	4.16
<u>Technology</u>				
CTOS Digital Berhad	10,000,000	13,777,850	13,000,000	1.93
Genetec Technology Berhad*	8,500,000	18,940,409	8,500,000	1.26
Malaysian Pacific Industries Berhad	365,000	11,307,055	10,804,000	1.61
Pentamaster Corporation Berhad	3,080,000	13,038,392	12,166,000	1.81
	21,945,000	57,063,706	44,470,000	6.61
<u>Telecommunications &amp; Media</u>				
Axiata Group Berhad	7,000,000	18,941,900	17,850,000	2.65
Telekom Malaysia Berhad	3,780,000	21,514,620	25,552,800	3.80
Time dotCom Berhad	3,600,000	18,345,854	18,072,000	2.69
	14,380,000	58,802,374	61,474,800	9.14
<u>Transportation &amp; Logistics</u>				
Malaysia Airports Holdings Berhad	2,640,000	22,075,825	27,720,000	4.12
<u>Utilities</u>				
Tenaga Nasional Berhad	1,980,000	19,407,044	28,987,200	4.31
YTL Power International Berhad	5,000,000	6,520,870	19,400,000	2.88
	6,980,000	25,927,914	48,387,200	7.19
<b>TOTAL QUOTED EQUITY SECURITIES</b>	<b>297,735,500</b>	<b>540,916,616</b>	<b>606,410,996</b>	<b>90.14</b>
<b>UNQUOTED EQUITY SECURITY</b>				
<u>Consumer Products &amp; Services</u>				
99 Speed Mart Retail Holdings Berhad#	5,610,000	9,256,500	9,256,500	1.38
<b>TOTAL UNQUOTED EQUITY SECURITY</b>	<b>5,610,000</b>	<b>9,256,500</b>	<b>9,256,500</b>	<b>1.38</b>
<b>TOTAL INVESTMENTS</b>	<b>303,345,500</b>	<b>550,173,116</b>	<b>615,667,496</b>	<b>91.52</b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>				
		<b>65,494,380</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>				
		<b>615,667,496</b>		



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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES</b>				
<u>Main Market</u>				
<u>Construction</u>				
Ekovest Berhad	18,823,000	7,657,064	10,164,420	3.28
<u>Consumer Products &amp; Services</u>				
Berjaya Food Berhad	10,400,000	9,088,697	7,072,000	2.28
Bermaz Auto Berhad	2,500,000	4,347,714	5,600,000	1.81
Carlsberg Brewery Malaysia Berhad	555,000	12,635,023	11,211,000	3.62
Focus Point Holdings Berhad	9,520,000	2,610,050	7,330,400	2.37
Genting Berhad	2,000,000	8,883,440	8,740,000	2.82
Genting Malaysia Berhad	3,800,000	10,931,995	9,766,000	3.16
Heineken Malaysia Berhad	500,000	12,651,857	11,900,000	3.84
	29,275,000	61,148,776	61,619,400	19.90
<u>Energy</u>				
Bumi Armada Berhad	18,000,000	7,357,560	9,180,000	2.97
Dayang Enterprise Holdings Berhad	7,850,000	9,406,273	13,659,000	4.41
	25,850,000	16,763,833	22,839,000	7.38
<u>Financial Services</u>				
Aeon Credit Service (M) Berhad	710,000	9,269,590	7,810,000	2.52
Alliance Bank Malaysia Berhad	4,100,000	14,687,629	14,145,000	4.57
AMMB Holdings Berhad	3,100,000	10,687,884	11,563,000	3.74
Hong Leong Financial Group Berhad	500,000	9,653,661	9,110,000	2.94
	8,410,000	44,298,764	42,628,000	13.77
<u>Industrial Products &amp; Services</u>				
Kelington Group Berhad	6,400,000	9,048,430	9,600,000	3.10
Samchem Holdings Berhad	6,400,000	6,161,130	3,360,000	1.09
Sam Engineering & Equipment (M) Berhad	2,000,000	9,000,000	9,400,000	3.04
Thong Guan Industries Berhad	3,000,000	6,845,028	6,030,000	1.95
	17,800,000	31,054,588	28,390,000	9.18
<u>Technology</u>				
Inari Amertron Berhad	3,300,000	9,947,561	10,395,000	3.36
Malaysian Pacific Industries Berhad	350,000	10,884,102	10,080,000	3.26
Pentamaster Corporation Berhad	2,100,000	8,549,157	11,109,000	3.59
UWC Berhad	1,800,000	6,634,735	6,300,000	2.04
	7,550,000	36,015,555	37,884,000	12.25

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Transportation &amp; Logistics</u>				
Malaysia Airports Holdings Berhad	1,600,000	11,115,620	11,792,000	3.81
<u>Utilities</u>				
Tenaga Nasional Berhad	2,100,000	19,650,935	20,664,000	6.68
YTL Power International Berhad	9,552,500	11,371,039	20,442,350	6.61
	11,652,500	31,021,974	41,106,350	13.29
<u>ACE Market</u>				
<u>Industrial Products &amp; Services</u>				
Econframe Berhad	5,000,000	5,000,000	4,225,000	1.37
<u>Technology</u>				
Genetec Technology Berhad*	4,000,000	9,491,594	9,520,000	3.08
<b>TOTAL QUOTED EQUITY SECURITIES</b>	<b>129,960,500</b>	<b>253,567,768</b>	<b>270,168,170</b>	<b>87.31</b>
<b>QUOTED COLLECTIVE INVESTMENT SCHEME</b>				
Pavilion Real Estate Investment Trust	5,666,600	6,913,252	6,913,252	2.23
<b>TOTAL QUOTED COLLECTIVE INVESTMENT SCHEME</b>	<b>5,666,600</b>	<b>6,913,252</b>	<b>6,913,252</b>	<b>2.23</b>
<b>TOTAL INVESTMENTS</b>	<b>135,627,100</b>	<b>260,481,020</b>	<b>277,081,422</b>	<b>89.54</b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>		<b>16,600,402</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>277,081,422</b>		

# During the financial year, a total of 8,400,000,000 shares for 99 Speed Mart Retail Holdings Berhad were made available for Initial Public Offering ("IPO") at a cost of RM1.65 per share by way of bookbuilding.

Subsequent to the financial year ended 31 August 2024, 99 Speed Mart Retail Holdings Berhad began trading on the main market on 9 September 2024 at a price of RM1.88 per share.

\* On 27 October 2023, Genetec Technology Berhad transferred from ACE Market to Main Market of Bursa Malaysia.

9. UNITS IN CIRCULATION

	2024 No. of units	2023 No. of units
At the beginning of the financial year	447,683,917	300,397,696
Add: Creation of units during the financial year		
- Arising from applications	368,227,042	144,238,024
- Arising from distributions	15,195,276	12,967,255
Less: Cancellation of units during the financial year	(16,249,540)	(9,919,058)
At the end of the financial year	814,856,695	447,683,917

10. TOTAL EXPENSE RATIO (“TER”)

	2024 %	2023 %
TER	1.96	2.09

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:

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

Where;

- A = Management fee
- B = Trustee’s fee
- C = Auditors’ remuneration
- D = Tax agent’s fee
- E = Other expenses excluding withholding tax and Sales and Service Tax (“SST”) on transaction costs
- 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 RM454,035,659 (2023: RM253,876,773).

11. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024 Times	2023 Times
PTR	0.81	0.57

PTR is derived from the following calculation:

$$\frac{\text{(Total acquisitions for the financial year + total disposals for the financial year)}}{2}$$

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

Where;

- total acquisitions for the financial year  
= RM514,338,104 (2023: RM185,082,559)
- total disposals for the financial year  
= RM225,020,951 (2023: RM101,972,278)

12. UNITS HELD BY THE MANAGER AND RELATED PARTIES TRANSACTIONS AND BALANCES

The related parties and their relationships with the Fund are as follows:

Related parties	Relationships
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 August 2024 and 31 August 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 RM	2023 RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	54,169,957	26,880,088
Amount due from brokers/dealers		
- Hong Leong Investment Bank Berhad	5,350,680	2,992,894
Amount due to brokers/dealers		
- Hong Leong Investment Bank Berhad	-	(251,954)
	<u>59,520,637</u>	<u>29,621,028</u>
<u>Related party transactions</u>		
Dividend income from quoted equity security:		
- Hong Leong Financial Group Berhad	309,108	211,500
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	896,474	829,533
Purchase of quoted equities securities:		
- Hong Leong Investment Bank Berhad	219,362,141	72,451,571
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	136,959,592	41,710,750

### 13. 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 %
<b>2024</b>				
Hong Leong Investment Bank Berhad*	356,321,733	45.20	882,489	43.34
Nomura Securities Malaysia Sdn Bhd	76,237,006	9.67	190,166	9.34
Public Investment Bank Berhad	75,113,285	9.53	187,493	9.21
JPMorgan Securities (Malaysia) Sdn Bhd	73,894,450	9.37	184,768	9.08
RHB Investment Bank Berhad	52,844,302	6.70	147,035	7.22
Maybank Investment Bank Berhad	35,762,376	4.54	89,201	4.38

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
CLSA Securities Malaysia Sdn Bhd	35,420,722	4.49	88,458	4.34
Phillip Capital Sdn Bhd	21,634,883	2.75	54,127	2.66
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	17,568,682	2.23	44,014	2.16
Affin Hwang Investment Bank Berhad	10,792,635	1.37	26,908	1.32
Others	32,703,362	4.15	141,461	6.95
	<u>788,293,436</u>	<u>100.00</u>	<u>2,036,120</u>	<u>100.00</u>
<b>2023</b>				
Hong Leong Investment Bank Berhad*	114,162,321	39.75	280,346	37.98
CLSA Securities Malaysia Sdn Bhd	24,833,591	8.65	62,132	8.42
Nomura Securities Malaysia Sdn Bhd	22,863,481	7.96	57,021	7.72
Public Investment Bank Berhad	21,837,090	7.60	54,635	7.40
JPMorgan Securities (Malaysia) Sdn Bhd	21,598,937	7.52	53,877	7.30
Maybank Investment Bank Berhad	19,543,238	6.80	72,330	9.80
CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd)	12,005,836	4.18	29,974	4.06
RHB Investment Bank Berhad	11,559,604	4.02	33,077	4.48
Kenanga Investment Bank Berhad	10,679,234	3.72	26,609	3.60
Affin Hwang Investment Bank Berhad	9,262,507	3.23	23,154	3.14
Others	18,865,509	6.57	45,033	6.10
	<u>287,211,348</u>	<u>100.00</u>	<u>738,188</u>	<u>100.00</u>

\* Transactions with brokers/dealers related to the Manager.

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

# Performance Data

for the Financial Years Ended 31 August

		Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
<b>A. (i) Portfolio Compositions:</b>				
Construction		4.48	3.28	–
Consumer Products & Services		13.53	19.90	26.21
Energy		5.52	7.38	–
Financial Services		19.10	13.77	25.34
Health Care		5.24	–	–
Industrial Products & Services		9.55	10.55	7.63
Plantation		2.88	–	–
Property		4.16	–	–
Technology		6.61	15.33	25.68
Telecommunications & Media		9.14	–	–
Transportation & Logistics		4.12	3.81	–
Utilities		7.19	13.29	–
<b>Collective Investment Scheme</b>		–	2.23	–
<b>Deposits &amp; Cash Equivalents</b>		8.48	10.46	15.14
<b>(ii) Total Net Asset Value</b>	(ex-distribution)	<b>RM672,735,530</b>	RM309,451,438	RM206,818,668
<b>(iii) Net Asset Value Per Unit</b>	(ex-distribution)	<b>RM0.8256</b>	RM0.6912	RM0.6885
<b>Units in Circulation</b>	(ex-distribution)	<b>814,856,695</b>	447,683,917	300,397,696
<b>(iv) Highest/Lowest NAV Per Unit</b>	Highest NAV Per Unit	<b>RM0.8842</b>	RM0.7257	RM0.8694
(ex-distribution)	Lowest NAV Per Unit	<b>RM0.6621</b>	RM0.6395	RM0.6612
<b>(v) Total Return of the Fund*</b>		<b>26.55%</b>	7.17%	-8.72%
- Capital Growth		<b>19.43%</b>	0.41%	-13.61%
- Income Distribution		<b>7.12%</b>	6.76%	4.89%
<b>(vi) The distribution (gross) is made out of:-</b>				
- The Fund's Capital		<b>0.0000 sen/unit</b>	0.0000 sen/unit	4.1500 sen/unit
- The Fund's Income		<b>4.4000 sen/unit</b>	4.4000 sen/unit	0.0000 sen/unit
- Total Distribution Amount		<b>4.4000sen/unit</b>	4.4000 sen/unit	4.1500 sen/unit
- The Fund's Capital (% of Total Distribution Amount)		<b>0%</b>	0%	100%
- The Fund's Income (% of Total Distribution Amount)		<b>100%</b>	100%	0%
<b>(vii) Distribution Per Unit</b>	Additional Units	–	–	–
	Distribution (Gross)	<b>1.1000 sen/unit</b>	1.1000 sen/unit	0.8500 sen/unit
	Distribution (Net)	<b>1.1000 sen/unit</b>	1.1000 sen/unit	0.8500 sen/unit
	Distribution Date	<b>16/10/2023</b>	17/10/2022	21/10/2021
	Cum-Distribution NAV/Unit	<b>RM0.6885</b>	RM0.6506	RM0.8609
	Ex-Distribution NAV/Unit	<b>RM0.6775</b>	RM0.6396	RM0.8524
	Additional Units	–	–	–
	Distribution (Gross)	<b>1.1000 sen/unit</b>	1.1000 sen/unit	1.1000 sen/unit
	Distribution (Net)	<b>1.1000 sen/unit</b>	1.1000 sen/unit	1.1000 sen/unit
	Distribution Date	<b>22/01/2024</b>	13/01/2023	20/01/2022
	Cum-Distribution NAV/Unit	<b>RM0.7449</b>	RM0.7139	RM0.7754
	Ex-Distribution NAV/Unit	<b>RM0.7339</b>	RM0.7029	RM0.7644
	Additional Units	–	–	–
	Distribution (Gross)	<b>1.1000 sen/unit</b>	1.1000 sen/unit	1.1000 sen/unit
	Distribution (Net)	<b>1.1000 sen/unit</b>	1.1000 sen/unit	1.1000 sen/unit
	Distribution Date	<b>17/04/2024</b>	17/04/2023	21/04/2022
	Cum-Distribution NAV/Unit	<b>RM0.7742</b>	RM0.6873	RM0.7554
	Ex-Distribution NAV/Unit	<b>RM0.7632</b>	RM0.6763	RM0.7444

# Performance Data

## for the Financial Years Ended 31 August

	Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
Additional Units	–	–	–
Distribution (Gross)	1.1000 sen/unit	1.1000 sen/unit	1.1000 sen/unit
Distribution (Net)	1.1000 sen/unit	1.1000 sen/unit	1.1000 sen/unit
Distribution Date	22/07/2024	17/07/2023	21/07/2022
Cum-Distribution NAV/Unit	RM0.8744	RM0.6729	RM0.6822
Ex-Distribution NAV/Unit	RM0.8634	RM0.6619	RM0.6712
(viii) Total Expense Ratio (TER)	1.96%	2.09%	2.10%
(ix) Portfolio Turnover Ratio (PTR) (times)	0.81#	0.57	0.63
B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 31/08/2024)*			
(i) One year	26.55%		
(ii) Three years	7.94%		
(iii) Five years	21.05%		

\*

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

#

The PTR increased by 0.24 times (42.11%) to 0.81 times for the financial year ended 31 August 2024 versus 0.57 times for the financial year ended 31 August 2023 mainly due to higher level of rebalancing activities undertaken by the Fund.

# Corporate Information

## Manager

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

## Registered Office

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

## Business Office

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

## Board of Directors

Ms. Lee Jim Leng  
Mr. Chue Kwok Yan  
YBhg Dato' Abdul Majit bin Ahmad Khan  
YM Tunku Dato' Mahmood Fawzy bin Tunku Muhiyiddin

## Executive Director / Chief Executive Officer

Mr. Chue Kwok Yan

## Trustee

Deutsche Trustees Malaysia Berhad

## Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

## Distributors

Hong Leong Bank Berhad  
Affin Bank Berhad  
Areca Capital Sdn Bhd  
CIMB Investment Bank Berhad  
HSBC Bank Malaysia Berhad  
OCBC Bank (Malaysia) Berhad  
United Overseas Bank (Malaysia) Berhad  
Registered Independent Tied Agents with FIMM

# Corporate Directory

## Head Office

Level 18, Block B, Plaza Zurich  
No. 12, Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
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E-mail: [inquiry@hlam.hongleong.com.my](mailto:inquiry@hlam.hongleong.com.my)

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