

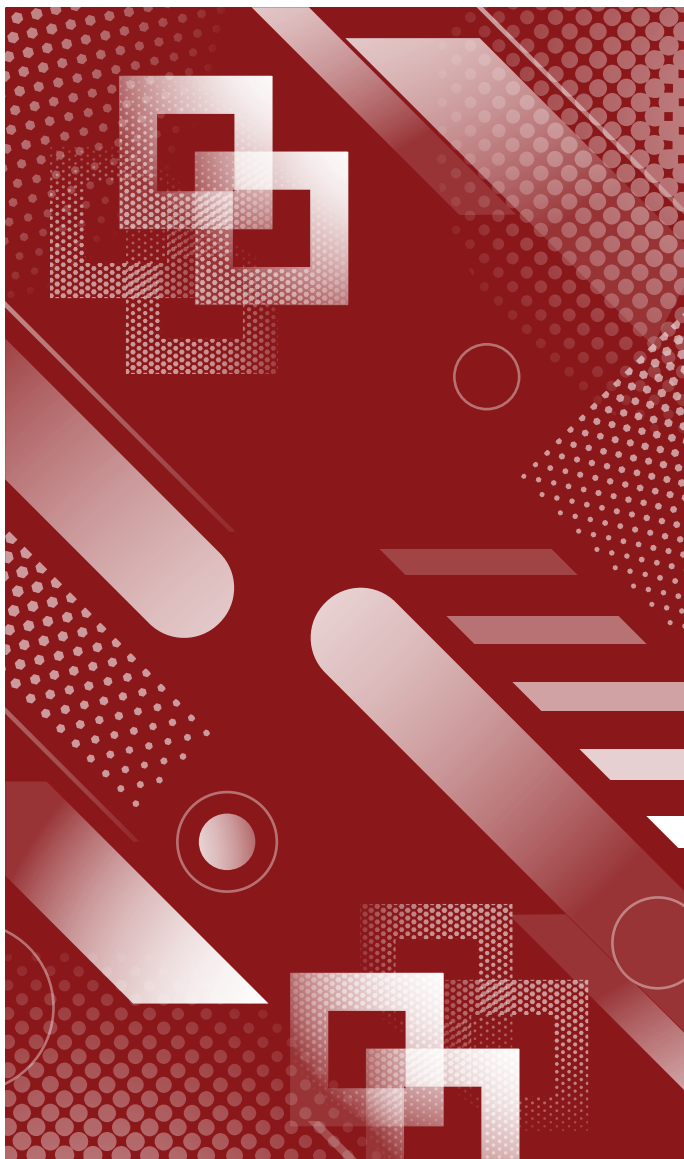
# Hong Leong Asia-Pacific Dividend Fund

**Semi-Annual Report**

Financial Period Ended 30 April 2023

**2022/2023**

Unaudited



# Hong Leong Asia-Pacific Dividend Fund

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# Manager's Review & Report

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## I. FUND INFORMATION

### **Fund Name**

Hong Leong Asia-Pacific Dividend Fund

### **Fund Category**

Equity

### **Fund Type**

Growth & Income

### **Investment Objective**

The Fund aims to provide investors with steady recurring income\* that is potentially higher than the average fixed deposit rates. At the same time, the Fund also attempts to attain Medium to Long-Term\*\* capital gains from investing in high quality dividend yielding equities\*\*\*.

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

Not Applicable

### **Benchmark**

MSCI AC Asia-Pacific ex Japan Index

### **Distribution Policy**

The Fund intends to provide regular income\* and potentially consistent Long-Term\*\*\*\* capital appreciation. Regular income returns will be declared annually on a best effort basis, 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 Unitholders.

Notes:

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

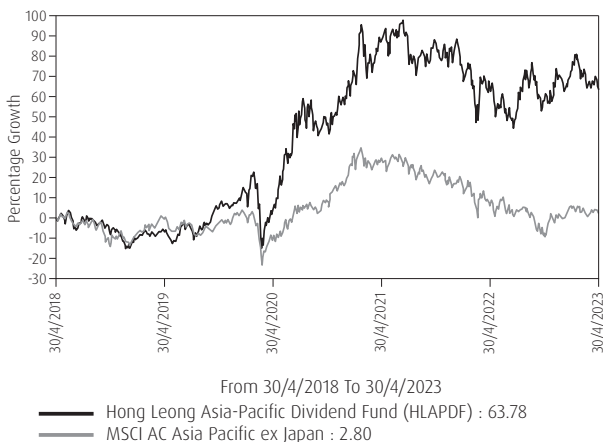
\*\* Medium-To-Long Term refers to a period of 3 to 5 years.

\*\*\* High quality dividend yielding equities refer to equity securities that have dividend yields at and/or above market average.

\*\*\*\* Long-Term refers to a period of above 5 years.

## II. FUND PERFORMANCE

**Chart 1: Performance of the Fund versus the benchmark covering the last five years financial period**



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 HLAPDF 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 November 2022 to 30 April 2023.

The Fund posted a return of 1.64% (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 MSCI AC Asia Pacific ex Japan Index registered a return of 11.97% (in Malaysian Ringgit terms). During the financial period under review, the Fund had distributed gross income distribution of 2.00 sen per unit (net income distribution of 1.9923 sen per unit) on 16 January 2023. Prior to the income distribution, the cum-distribution net asset values (NAV) per unit of the Fund was RM0.5963 while the ex-distribution NAV per unit was RM0.5764. Unitholders should note that income distributions have the effect of reducing the NAV per unit of the Fund after distributions.

For the five years financial period ended 30 April 2023, the Fund registered a return of 63.78% compared to the benchmark's return of 2.80% while distributing a total gross income of 17.40 sen per unit (net income of 17.3923 sen per unit).

**Table 1: Performance of the Fund for the following periods as at 30 April 2023 (Source: Lipper For Investment Management)**

	31/01/23- 30/04/23	31/10/22- 30/04/23	30/04/22- 30/04/23	30/04/20- 30/04/23	30/04/18- 30/04/23	28/02/06- 30/04/23	30/04/23 Since Launch
	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	
HLAPDF (%)	-6.61	1.64	-1.47	53.42	63.78	95.60	131.30
Benchmark (%)	-2.02	11.97	-5.80	11.45	2.80	55.80	88.92

**Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 October 2022 to 30 April 2023 (Source: Lipper For Investment Management)**

	30-Apr-23	31-Oct-22	Return (%)
NAV Per Unit	RM0.5569	RM0.5669	1.64#
Benchmark	2,295.25	2,049.93	11.97
<b>vs Benchmark (%)</b>	-	-	-10.33

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

**Table 3: Financial Highlights**

The Net Asset Value attributable to Unitholders is represented by:

	30-Apr-23 (RM)	31-Oct-22 (RM)	Change (%)
Unitholders' Capital	<b>104,286,369</b>	106,191,646	(1.79)
Retained Earnings	<b>2,848,920</b>	1,261,823	125.78
<b>Net Asset Value</b>	<b>107,135,289</b>	107,453,469	(0.30)
<b>Units in Circulation</b>	<b>192,394,197</b>	189,540,290	1.51

**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 31/10/22– 30/04/23	Financial Year 31/10/21– 31/10/22	Financial Year 31/10/20– 31/10/21	Financial Year 31/10/19– 31/10/20
Highest NAV Per Unit (RM)	0.6131	0.7086	0.7684	0.6628
Lowest NAV Per Unit (RM)	0.5492	0.5251	0.5700	0.3702
Capital Growth (%)	-1.76	-17.75	21.02	21.33
Income Distribution (%)	3.40	5.86	7.96	11.23
<b>Total Return (%)</b>	<b>1.64</b>	<b>-11.89</b>	<b>28.98</b>	<b>32.56</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 HLA PDF reinvested.

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

	30/04/22– 30/04/23 1 Year	30/04/20– 30/04/23 3 Years	30/04/18– 30/04/23 5 Years
Average Total Return (%)	-1.47	17.81	12.76

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 HLA PDF reinvested.

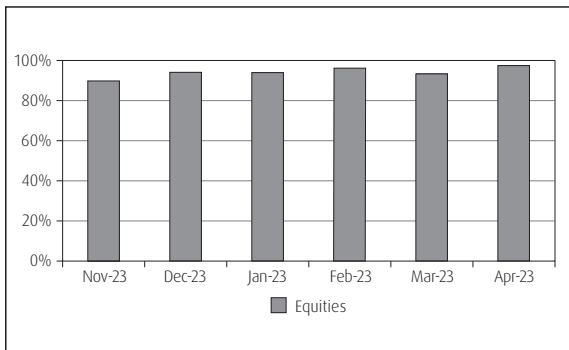
**Table 6: Annual Total Return of the Fund**

Financial Year	31/10/21– 31/10/22	31/10/20– 31/10/21	31/10/19– 31/10/20	31/10/18– 31/10/19	31/10/17– 31/10/18
Annual Total Return (%)	-11.89	28.98	32.56	13.82	-7.80

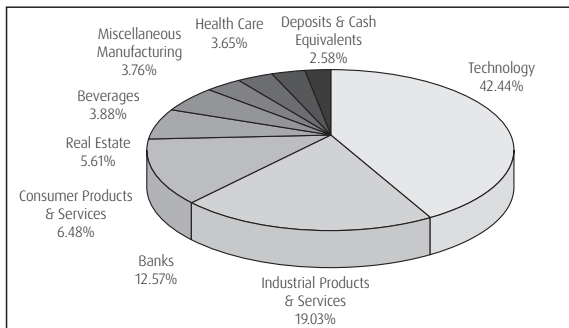
Source: Lipper For Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLA PDF reinvested.

### III. INVESTMENT PORTFOLIO

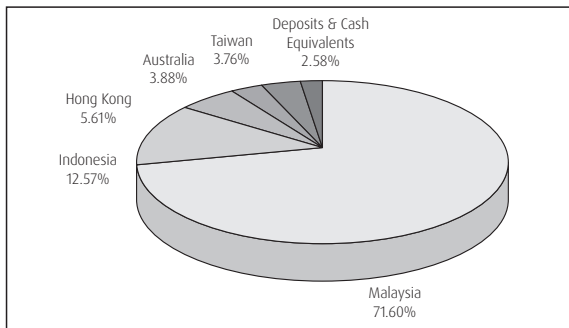
**Chart 2: Asset Allocation - November 2022 to April 2023**



**Chart 3: Sector Allocation as at 30 April 2023**



**Chart 4: Geographical Allocation as at 30 April 2023**



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

During the period in review, the Fund was fully invested in equities and benefited from the rally in equity markets as sentiment improved following the removal of COVID-19 restrictions and reopening of the economy in China. The Fund maintain its exposure to export stocks in Malaysia and banking stocks in Indonesia. The Fund is positioned in quality stocks across the region which are expected to weather the near-term economic downturn and benefit from the long term structural domestic demand growth in Asia.

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

During the period under review, more cash was deployed to take advantage of the prolonged market correction. The fund remained heavily invested in quality companies helmed by capable management with an established track record of navigating through such challenging macro conditions. By virtue of stock selection, most of such quality companies incidentally fall into the technology and industrial sector. The fund's exposure to Thailand was reduced due to heightened political risk.

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

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



#### **IV. MARKET REVIEW**

During the period in review, the MSCI AC Asia Pacific ex Japan Index rose. The best performing markets were Hong Kong and Taiwan while the laggards were Thailand and Malaysia. In the local market, the FTSE BM KLCI declined 3.0%. Small caps outperformed as the FTSE BM Small Cap Index rose 8.4%.

The equity markets recovered some lost ground in October as corporate earnings remained resilient in the face of tighter monetary policy and weakening economic data. The rally gathered more momentum following the release of United States inflation data that suggests that inflation might have finally turned the corner. Meanwhile, China's decision to ease COVID-19 restrictions by end of the year also boosted investors' sentiment on expectations that the economy will finally see a sustainable recovery as the country reopens.

Global equity markets started the year with much gusto and optimism as investors could not wait to put a harrowing 2022 behind them. However, volatility in the equity markets continued to prevail throughout the first quarter of 2023 as stubborn inflation data resulted in bond yields trending higher on the possibility of higher-than-expected rate hikes. March also saw the collapse of Silicon Valley Bank and the shock takeover of Credit Suisse, among other things keeping investors on the edge of their seats.

For the domestic market, the local equity market reversed its declining trend and rallied in the final quarter of 2022, in tandem with the global equity market as the sentiment was boosted by the formation of the Unity government.

As it often happens, the global equity market exuberance that was witnessed in the first quarter of 2023 appear to have lost its way in the local market. Not only was the FTSE BM KLCI one of the laggards but it was also in the red, going against the tide among the regional equity markets. The main local index was dragged down by the banking sector as investors took profit after the sector outperformance last year.

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

The global economy has clearly weakened substantially in the midst of central banks' fight against raging global inflation. A multitude of global macro shocks such as the Ukraine crisis, China lockdown and elevated inflation prove to be more than just a handful of economic inconveniences that the global economy had to deal with, ultimately leading to the inevitable slowdown. Nevertheless, there are encouraging signs that inflation has started to moderate. China's effort to reopen the economy is also expected to alleviate some downward pressure on the global economy.

On the local front, the formation of a Unity government is a positive step towards alleviating some of the political uncertainty plaguing the country in the past few years. Notwithstanding the deteriorating external economic environment, the local economy is expected to remain resilient due to its diversified structure.

We expect market volatility to persist due the uncertain outcomes of the various macro events happening around the world at the moment. Rather than trying to do the impossible and pre-empt the future, we opine that the best strategy to navigate through this challenging environment is staying invested in high quality companies with solid fundamentals.

## **VI. SOFT COMMISSIONS**

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

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

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

## **VIII. CROSS TRADE TRANSACTIONS**

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

## STATEMENT BY THE MANAGER

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I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 12 to 45 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 30 April 2023 and of its financial performance, changes in equity and cash flows for the financial period ended 30 April 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

16 June 2023

# TRUSTEE'S REPORT

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

We have acted as Trustee of the Fund for the financial period ended 30 April 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, the 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

**Jiva Munusamy**  
Head, Client Management

Kuala Lumpur  
16 June 2023

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2023

	Note	2023 RM	2022 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income from financial assets measured at amortised cost		51,711	17,958
Dividend income		1,257,828	1,067,986
Net gain/(loss) on financial assets at fair value through profit or loss ("FVTPL")	8	2,406,348	(10,340,702)
Net loss on derivatives	9	(97,974)	(604,697)
Net foreign currency exchange (loss)/gain		(353,737)	211,248
		<u>3,264,176</u>	<u>(9,648,207)</u>
<b>EXPENDITURE</b>			
Management fee	4	(1,098,320)	(1,201,499)
Trustee's fee	5	(38,441)	(42,052)
Auditors' remuneration		(4,811)	(4,811)
Tax agent's fee		(2,215)	(1,289)
Custodian fees		(5,279)	(8,543)
Transaction costs		(205,870)	(409,342)
Other expenses		(139,773)	(78,183)
		<u>(1,494,709)</u>	<u>(1,745,719)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		1,769,467	(11,393,926)
Taxation	6	(10,408)	-
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD</b>		<u>1,759,059</u>	<u>(11,393,926)</u>
Profit/(loss) after taxation is made up as follows:			
Realised amount		(1,862,291)	(8,227,321)
Unrealised amount		3,621,350	(3,166,605)
		<u>1,759,059</u>	<u>(11,393,926)</u>
Distribution for the financial period:			
Net distribution	7	<u>3,723,575</u>	<u>3,656,320</u>
Net distribution per unit (sen)	7	<u>1.9923</u>	<u>2.0000</u>
Gross distribution per unit (sen)	7	<u>2.0000</u>	<u>2.0000</u>

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

# CONDENSED STATEMENT OF FINANCIAL POSITION *(Unaudited)*

AS AT 30 APRIL 2023

	Note	30.04.2023 RM	31.10.2022 RM
<b>ASSETS</b>			
Cash and cash equivalents		2,812,625	5,545,206
Amount due from brokers/dealers		-	157,843
Amount due from the Manager			
-creation of units		204,139	9,810
Financial assets at fair value through profit or loss ("FVTPL")	8	104,373,470	102,144,698
Tax recoverable		2,373	-
<b>TOTAL ASSETS</b>		<u>107,392,607</u>	<u>107,857,557</u>
<b>LIABILITIES</b>			
Amount due to the Manager			
-cancellation of units		25,120	70,726
-management fee		178,544	179,669
Amount due to the Trustee		6,249	6,289
Derivatives	9	36,331	124,277
Other payables and accruals		11,074	18,829
Tax payable		-	4,298
<b>TOTAL LIABILITIES</b>		<u>257,318</u>	<u>404,088</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>107,135,289</u>	<u>107,453,469</u>
<b>EQUITY</b>			
Unit holders' capital		104,286,369	106,191,646
Retained earnings		2,848,920	1,261,823
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>107,135,289</u>	<u>107,453,469</u>
<b>UNITS IN CIRCULATION (UNITS)</b>	10	<u>192,394,197</u>	<u>189,540,290</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5569</u>	<u>0.5669</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 30 APRIL 2023

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 November 2022		106,191,646	1,261,823	107,453,469
Movement in net asset value:				
Creation of units from applications		3,641,598	-	3,641,598
Creation of units from distribution		2,849,304	-	2,849,304
Cancellation of units		(4,844,566)	-	(4,844,566)
Total comprehensive income for the financial period		-	1,759,059	1,759,059
Distribution for the financial period	7	(3,551,613)	(171,962)	(3,723,575)
Balance as at 30 April 2023		<u>104,286,369</u>	<u>2,848,920</u>	<u>107,135,289</u>
Balance as at 1 November 2021		114,950,894	17,418,312	132,369,206
Movement in net asset value:				
Creation of units from applications		8,059,597	-	8,059,597
Creation of units from distribution		2,805,211	-	2,805,211
Cancellation of units		(11,810,318)	-	(11,810,318)
Total comprehensive loss for the financial period		-	(11,393,926)	(11,393,926)
Distribution for the financial period	7	(2,678,997)	(977,323)	(3,656,320)
Balance as at 30 April 2022		<u>111,326,387</u>	<u>5,047,063</u>	<u>116,373,450</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 30 APRIL 2023

	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sales of financial assets at FVTPL	31,941,659	63,205,305
Purchase of financial assets at FVTPL	(31,758,625)	(65,539,842)
Realised loss on derivatives	(185,920)	(238,969)
Realised foreign exchange differences arising from operating activities	(353,288)	89,640
Interest income received from financial assets measured at amortised cost	51,711	17,958
Dividend income received	1,079,079	1,003,277
Management fee paid	(1,099,445)	(1,235,026)
Trustee's fee paid	(38,481)	(43,225)
Payment for other fees and expenses	(34,569)	(31,851)
Tax paid	(17,079)	-
Net cash used in operating activities	<u>(414,958)</u>	<u>(2,772,733)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	3,447,269	8,344,754
Payments for cancellation of units	(4,890,172)	(11,724,917)
Payment for distribution	(874,271)	(851,109)
Net cash used in financing activities	<u>(2,317,174)</u>	<u>(4,231,272)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,732,132)</u>	<u>(7,004,005)</u>
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	<u>(449)</u>	<u>121,608</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>5,545,206</u>	<u>15,791,394</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>2,812,625</u></u>	<u><u>8,908,997</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)*

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**FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2023**

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

Hong Leong Asia-Pacific Dividend Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 27 January 2006 and Supplemental Deed dated 30 April 2010 between the Manager, Hong Leong Asset Management Bhd and HSBC (Malaysia) Trustee Berhad for the unit holders of the Fund. HSBC (Malaysia) Trustee Berhad has been replaced with Deutsche Trustees Malaysia Berhad ("the Trustee") effective 1 November 2012 and Supplemental Master Deeds were entered into between the Manager and the Trustee for the unit holders of the Fund on 21 September 2012 and 25 March 2015 to effect the change ("the Deeds").

The Fund aims to provide investors with steady recurring income that is potentially higher than the average fixed deposit rates. At the same time, the Fund also attempts to attain Medium-To-Long Term capital gains from investing in high quality dividend yielding equities.

The Fund will invest a minimum 70% of its net asset value into equities and equity-related securities which include common stock and depository receipts of companies in the Asia-Pacific ex Japan region. The Fund may invest in ETFs and REITs. A maximum 30% of its net asset value may be invested into fixed income instruments which include fixed income securities, money market instruments and deposits. The Fund's investments may include derivatives which include futures, options, forward contracts and warrants to gain exposure to equities in the Asia-Pacific ex Japan region and in fixed income instruments. The Fund commenced operations on 28 February 2006 and will continue its operations until terminated as provided under Part 12 of the Deed.

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

The financial statements were authorised for issue by the Manager on 16 June 2023.

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

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

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

The 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 31 October 2022 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

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

### Classification

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

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

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

The Fund classifies cash and cash equivalents, amount due from brokers/dealers and amount due from the Manager as financial assets measured at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amounts due to the Manager, amount due to the Trustee and other payables and accruals as financial liabilities measured at amortised cost.

## Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. 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 including the effects of currency translation are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the 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.

Local 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.

Foreign quoted investments are valued at the last traded market prices quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

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 period.

## **(c) Foreign currency**

### Functional and presentation currency

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

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and

have determined the functional currency to be in RM primarily due to the following factors:

- The Fund's NAV per unit and the settlement of creation and cancellation are denominated in RM.
- The Fund's significant expenses are denominated in RM.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

## **(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.

Realised gain or loss on derivatives - unquoted forward currency contracts is measured by the net settlement as per the forward currency contracts.

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

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

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

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

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

### **(g) Taxation**

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial period. Withholding taxes on investment income from foreign investments are based on the tax regime of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. 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) Derivatives**

A derivative is any contract that gives rise to a financial asset/liability of the Fund and a financial liability/asset or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favorable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavorable.

The Fund's derivatives comprise unquoted forward currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and is subsequently re-measured at their fair value.

The fair value of forward foreign currency contracts is determined using forward exchange rates at the date of statements of financial position with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note 2(b).

## (I) 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/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<b>30.04.2023</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	2,812,625	2,812,625
Amount due from the Manager			
-creation of units	-	204,139	204,139
Financial assets at FVTPL			
(Note 8)	104,373,470	-	104,373,470
	<u>104,373,470</u>	<u>3,016,764</u>	<u>107,390,234</u>

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	25,120	25,120
-management fee	-	178,544	178,544
Amount due to the Trustee	-	6,249	6,249
Derivatives (Note 9)	36,331	-	36,331
Other payables and accruals	-	11,074	11,074
	<u>36,331</u>	<u>220,987</u>	<u>257,318</u>

### 31.10.2022

<u>Financial assets</u>			
Cash and cash equivalents	-	5,545,206	5,545,206
Amount due from brokers/ dealers	-	157,843	157,843
Amount due from the Manager			
-creation of units	-	9,810	9,810
Financial assets at FVTPL (Note 8)	102,144,698	-	102,144,698
	<u>102,144,698</u>	<u>5,712,859</u>	<u>107,857,557</u>

<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	70,726	70,726
-management fee	-	179,669	179,669
Amount due to the Trustee	-	6,289	6,289
Derivatives (Note 9)	124,277	-	124,277
Other payables and accruals	-	18,829	18,829
	<u>124,277</u>	<u>275,513</u>	<u>399,790</u>

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

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

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

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

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

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

## **3. FAIR VALUE ESTIMATION**

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

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

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

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

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. 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 and liabilities (by class) measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>30.04.2023</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- local	76,705,836	-	-	76,705,836
- Quoted equity securities				
- foreign	27,667,634	-	-	27,667,634
	<u>104,373,470</u>	-	-	<u>104,373,470</u>
<u>Financial liabilities:</u>				
- Derivatives	-	(36,331)	-	(36,331)
<b>31.10.2022</b>				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- local	72,829,716	-	-	72,829,716
- Quoted equity securities				
- foreign	29,314,982	-	-	29,314,982
	<u>102,144,698</u>	-	-	<u>102,144,698</u>
<u>Financial liabilities:</u>				
- Derivatives	-	(124,277)	-	(124,277)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. This include derivatives. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets and liabilities are stated in Note 2(b) and 2(k).

- (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 Deed, the Manager is entitled to a management fee of up to 2.00% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 30 April 2023, the management fee is recognised at a rate of 2.00% (2022: 2.00%) 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 Deed, the Trustee is entitled to a fee not exceeding 0.20% subject to a minimum of RM18,000 per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 30 April 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.

## 6. TAXATION

	2023 RM	2022 RM
Tax charge for the financial period:		
Current taxation	10,408	-

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

	2023 RM	2022 RM
Profit/(loss) before taxation	1,769,467	(11,393,926)
Taxation at Malaysian statutory rate of 24% (2022: 24%)	424,672	(2,734,542)
Tax effects of:		
(Investment income not subject to tax)/ investment loss disallowed from tax	(620,084)	2,315,570
Expenses not deductible for tax purposes	(29,563)	126,636
Restriction on tax deductible expenses for unit trust fund	235,383	292,336
Taxation	10,408	-

## 7. DISTRIBUTION

	2023 RM	2022 RM
Prior financial years' realised income	237,697	977,323
Interest income from financial assets measured at amortised cost	19,901	-
Dividend income	251,717	-
Realised foreign currency exchange gain	245,030	-
Distribution equalisation	3,551,613	2,678,997
Less: Expenses	(582,383)	-
Net distribution amount	3,723,575	3,656,320

### Date of Declaration

#### Distribution on 16/19 January

Net distributions per unit (sen)	1.9923	2.0000
Gross distributions per unit (sen)	2.0000	2.0000

Net distribution above is sourced from prior financial year's and current financial period's 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 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 distribution has been proposed before taking into account the unrealised gain of RM3,621,352 (2022: unrealised loss of RM3,166,605) which is carried forward to the next financial period.

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

	30.04.2023 RM	31.10.2022 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities - local	76,705,836	72,829,716
Quoted equity securities - foreign	27,667,634	29,314,982
	<u>104,373,470</u>	<u>102,144,698</u>
	2023 RM	2022 RM
<u>Net gain/(loss) on financial assets at FVTPL:</u>		
Realised loss on disposals	(1,127,505)	(7,418,217)
Changes in unrealised fair values	3,533,853	(2,922,485)
	<u>2,406,348</u>	<u>(10,340,702)</u>

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES - LOCAL</b>				
<u>Main Market</u>				
<u>Consumer Products &amp; Services</u>				
Focus Point Holdings Berhad^	8,624,000	2,822,345	6,942,320	6.48
<u>Industrial Products &amp; Services</u>				
Dufu Technology Corp. Berhad	1,935,700	4,905,150	4,026,256	3.76
Kobay Technology Bhd.	1,374,000	6,787,008	3,435,000	3.21
QES Group Berhad	9,700,000	4,693,030	5,626,000	5.25
SAM Engineering & Equipment (M) Berhad	750,000	3,846,025	3,390,000	3.16
	13,759,700	20,231,213	16,477,256	15.38
<u>Technology</u>				
D & O Green Technologies Berhad	1,600,000	1,650,720	6,560,000	6.12
Frontken Corporation Berhad	2,050,000	6,664,425	6,232,000	5.82
Inari Amertron Berhad	1,568,500	4,862,350	3,607,550	3.37
Pentamaster Corporation Berhad	972,900	3,462,959	4,767,210	4.45
	6,191,400	16,640,454	21,166,760	19.76
<u>ACE Market</u>				
<u>Health Care</u>				
Cengild Medical Berhad	8,800,000	4,559,170	3,916,000	3.65
<u>Industrial Products &amp; Services</u>				
Coraza Integrated Technology Berhad	4,650,000	3,733,440	3,906,000	3.65
<u>Technology</u>				
Cnnergz Berhad	5,000,000	3,606,140	4,800,000	4.48
ECA Integrated Solution Berhad	6,000,000	5,434,240	5,100,000	4.76
Genetec Technology Berhad	2,800,000	5,397,450	7,924,000	7.40
LGMS Berhad	5,350,000	3,822,960	6,473,500	6.04
	19,150,000	18,260,790	24,297,500	22.68
<b>TOTAL QUOTED EQUITY SECURITIES - LOCAL</b>	61,175,100	66,247,412	76,705,836	71.60

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES - FOREIGN</b>				
<b>Australia</b>				
<u>Beverages</u>				
Treasury Wine Estates Limited	101,391	4,453,728	4,161,003	3.88
<b>Total Australia</b>	<b>101,391</b>	<b>4,453,728</b>	<b>4,161,003</b>	<b>3.88</b>
<b>Hong Kong</b>				
<u>Real Estate</u>				
Onewo Inc-H*	300,000	9,005,047	6,008,715	5.61
<b>Total Hong Kong</b>	<b>300,000</b>	<b>9,005,047</b>	<b>6,008,715</b>	<b>5.61</b>
<b>Indonesia</b>				
<u>Banks</u>				
PT Bank Mandiri (Persero) Tbk	6,200,000	7,466,983	9,750,631	9.10
PT Bank Negara Indonesia (Persero) Tbk	1,300,000	3,629,226	3,723,535	3.47
<b>Total Indonesia</b>	<b>7,500,000</b>	<b>11,096,209</b>	<b>13,474,166</b>	<b>12.57</b>
<b>Taiwan</b>				
<u>Miscellaneous Manufacturing</u>				
AirTac International Group	25,000	4,467,804	4,023,750	3.76
<b>Total Taiwan</b>	<b>25,000</b>	<b>4,467,804</b>	<b>4,023,750</b>	<b>3.76</b>
<b>TOTAL QUOTED EQUITY SECURITIES - FOREIGN</b>	<b>7,926,391</b>	<b>29,022,788</b>	<b>27,667,634</b>	<b>25.82</b>
<b>TOTAL INVESTMENTS</b>	<b>69,101,491</b>	<b>95,270,200</b>	<b>104,373,470</b>	<b>97.42</b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>		<b>9,103,270</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>104,373,470</b>		

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES - LOCAL</b>				
<u>Main Market</u>				
<u>Consumer Products &amp; Services</u>				
Berjaya Food Berhad	5,025,000	4,376,381	4,723,500	4.40
Lee Swee Kiat Group Berhad	2,325,800	1,977,462	1,453,625	1.35
	7,350,800	6,353,843	6,177,125	5.75
<u>Energy</u>				
Wah Seong Corporation Berhad	3,250,000	2,664,275	1,868,750	1.74
<u>Industrial Products &amp; Services</u>				
Dufu Technology Corp. Berhad	1,435,700	4,051,910	3,402,609	3.17
Kelington Group Berhad	2,800,000	3,690,040	3,612,000	3.36
Kobay Technology Bhd.	1,374,000	6,787,008	3,984,600	3.71
SAM Engineering & Equipment (M) Berhad	750,000	3,846,025	3,975,000	3.70
	6,359,700	18,374,983	14,974,209	13.94
<u>Technology</u>				
D & O Green Technologies Berhad	1,600,000	1,650,720	6,208,000	5.78
Frontken Corporation Berhad	2,050,000	6,664,425	5,022,500	4.67
Inari Amertron Berhad	2,102,000	6,516,200	5,233,980	4.87
Pentamaster Corporation Berhad	972,900	3,462,959	3,774,852	3.51
	6,724,900	18,294,304	20,239,332	18.83
<u>ACE Market</u>				
<u>Consumer Products &amp; Services</u>				
Focus Point Holdings Berhad	6,160,000	2,822,345	4,496,800	4.19
<u>Industrial Products &amp; Services</u>				
Coraza Integrated Technology Berhad	4,650,000	3,733,440	3,162,000	2.94
QES Group Berhad	9,700,000	4,693,030	4,462,000	4.15
	14,350,000	8,426,470	7,624,000	7.09
<u>Technology</u>				
Cnnergz Berhad	5,000,000	3,606,140	4,375,000	4.07
Genetec Technology Berhad	2,800,000	5,397,450	5,852,000	5.45
LGMS Berhad	5,350,000	3,822,960	7,222,500	6.72
	13,150,000	12,826,550	17,449,500	16.24
<b>TOTAL QUOTED EQUITY SECURITIES - LOCAL</b>	<b>57,345,400</b>	<b>69,762,770</b>	<b>72,829,716</b>	<b>67.78</b>

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>QUOTED EQUITY SECURITIES - FOREIGN</b>				
<b>Australia</b>				
<u>Materials</u>				
IGO Limited	160,000	7,350,870	7,391,553	6.88
<b>Total Australia</b>	<b>160,000</b>	<b>7,350,870</b>	<b>7,391,553</b>	<b>6.88</b>
<b>Indonesia</b>				
<u>Financials</u>				
PT Bank Mandiri (Persero) Tbk	3,100,000	7,466,983	9,906,344	9.22
PT Bank Negara Indonesia Persero Tbk	1,300,000	3,629,226	3,701,438	3.44
<b>Total Indonesia</b>	<b>4,400,000</b>	<b>11,096,209</b>	<b>13,607,782</b>	<b>12.66</b>
<b>Thailand</b>				
<u>Consumer, Non-Cyclical</u>				
Bumrungrad Hospital Public Company Limited#	295,000	8,365,432	8,315,647	7.74
<b>Total Thailand</b>	<b>295,000</b>	<b>8,365,432</b>	<b>8,315,647</b>	<b>7.74</b>
<b>TOTAL QUOTED EQUITY SECURITIES - FOREIGN</b>	<b>4,855,000</b>	<b>26,812,511</b>	<b>29,314,982</b>	<b>27.28</b>
<b>TOTAL INVESTMENTS</b>	<b>62,200,400</b>	<b>96,575,281</b>	<b>102,144,698</b>	<b>95.06</b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>		<b>5,569,417</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>102,144,698</b>		

\* H Shares are shares of the companies incorporated in the Chinese mainland that is listed on the Hong Kong Stock Exchange. These shares are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock Exchange.

# NVDR, non-voting depository receipt, is a trading instrument issued by Thai NVDR Company Limited, a subsidiary wholly owned by the Stock Exchange of Thailand ("SET"). It is a valid security as specified by the United States Securities and Exchange Commission ("SEC") and is automatically regarded as a listed security by the SET. The underlying security is a listed security in the SET.

^ Focus Point Holdings Berhad had transfer of listing from ACE market to main market of Bursa Malaysia Securities Berhad on 5 January 2023.



## 9. DERIVATIVES

Derivatives comprise forward currency contracts. The negative fair value represents the unrealised loss on the revaluation of forward currency at the reporting date. The contract or underlying principal amount of the forward currency contracts and the corresponding gross negative fair value at the end of each reporting date is analysed below:

		30.04.2023 RM	31.10.2022 RM
<u>Derivative liabilities:</u>			
Forward currency contracts		36,331	124,277
		2023 RM	2022 RM
<u>Net loss on derivatives:</u>			
Realised loss on disposals		(185,920)	(238,969)
Changes in unrealised fair values		87,946	(365,728)
		(97,974)	(604,697)
	Maturity date	Contract or underlying principal amounts	*Fair value RM
<b>30.04.2023</b>			
Australian Dollar	within 1 month	668,000	(1,002)
Hong Kong Dollar	within 1 month	5,273,000	(35,329)
			(36,331)
<b>31.10.2022</b>			
Australian Dollar	within 1 month	493,000	(51,173)
Hong Kong Dollar	within 1 month	3,132,000	(36,331)
Thai Baht	within 1 month	32,745,000	(36,773)
			(124,277)

\* Being the difference between the contract price and the market forward price discounted at appropriate discount rates.

	Receivables RM	Payables RM	Fair value RM	Percentage of net asset value %
<b>30.04.2023</b>				
Hong Leong Bank Berhad	-	(35,329)	(35,329)	0.03
Hong Leong Investment Bank Berhad	-	(1,002)	(1,002)	-
	-	(35,329)	(35,329)	0.03
<b>31.10.2022</b>				
CIMB Bank Berhad	-	(36,773)	(36,773)	0.03
Hong Leong Bank Berhad	-	(36,331)	(36,331)	0.03
Hong Leong Investment Bank Berhad	-	(51,173)	(51,173)	0.05
	-	(124,277)	(124,277)	0.11

As the Fund does not adopt hedge accounting during the financial period, the change in the fair value of the forward currency contracts is recognised immediately in the statement of comprehensive income.

## 10. UNITS IN CIRCULATION

	01.11.2022 to 30.04.2023 No. of units	01.11.2021 to 31.10.2022 No. of units
At the beginning of the financial period/year	189,540,290	192,083,737
Add: Creation of units during the financial period/year		
- Arising from applications	6,252,794	15,672,971
- Arising from distribution	4,948,426	9,922,486
Less: Cancellation of units during the financial period/year	(8,347,313)	(28,138,904)
At the end of the financial period/year	192,394,197	189,540,290

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

	2023 %	2022 %
TER (annualised)	2.12	2.11

Total expense ratio includes management fee, Trustee's fee, auditors' remuneration, tax agent's fee, custodian fees 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:

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

Where;

- A = Management fee
- B = Trustee's fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Custodian fees
- F = Other expenses excluding Sales and Service Tax ("SST") on transaction costs and withholding tax
- G = 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 RM110,744,998 (2022: RM121,133,549).

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

	2023 Times	2022 Times
PTR	0.29	0.56

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  
= RM31,654,204 (2022: RM65,336,984)  
total disposals for the financial period  
= RM33,012,772 (2022: RM70,830,005)

## 13. 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 30 April 2023 and 31 October 2022.

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

	<b>30.04.2023</b>	<b>31.10.2022</b>
	<b>RM</b>	<b>RM</b>
<u>Related party balances</u>		
Cash at bank		
- Hong Leong Bank Berhad	2,168,030	5,524,417
Derivatives:		
- Hong Leong Bank Berhad	(35,329)	(36,331)
- Hong Leong Investment Bank Berhad	(1,002)	(51,173)
	<u>2,131,699</u>	<u>5,436,913</u>
<u>Related party transactions</u>		
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	49,004	16,431
Purchase of quoted equity securities:		
- Hong Leong Investment Bank Berhad	1,908,564	353,545
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	209,514	9,180,075

## 14. 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>2023</b>				
Maybank Investment Bank Berhad	10,999,959	17.31	28,716	18.89
Credit Suisse (Hong Kong) Limited	9,759,880	15.36	20,892	13.75
Nomura Securities Malaysia Sdn Bhd	9,090,162	14.31	22,645	14.90
Shenwan Hongyuan Securities (H.K.) Limited	6,773,238	10.66	13,501	8.88
JPMorgan Securities (Malaysia) Sdn Bhd	5,743,738	9.04	14,415	9.48
CLSA Securities Malaysia Sdn Bhd	5,328,003	8.38	13,375	8.80
CL Securities Taiwan Company Limited	4,478,974	7.05	11,170	7.35
RHB Investment Bank Berhad	3,822,257	6.02	9,543	6.28
Credit Suisse Securities (Malaysia) Sdn Bhd	2,973,640	4.68	7,465	4.91
Affin Hwang Investment Bank Berhad	2,263,196	3.56	4,509	2.97
Others*	2,309,491	3.63	5,759	3.79
	<b>63,542,538</b>	<b>100.00</b>	<b>151,990</b>	<b>100.00</b>

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
<b>2022</b>				
Affin Hwang Investment Bank Berhad	24,278,147	18.86	48,647	16.19
CIMB Investment Bank Berhad	24,012,281	18.65	59,987	19.97
Maybank Invesment Bank Berhad	19,801,893	15.38	49,480	16.47
PT. Mandiri Sekuritas	13,527,133	10.51	22,331	7.43
Shenwan Hongyuan Securities (H.K.) Limited	12,422,407	9.65	24,919	8.29
Hong Leong Investment Bank Berhad*	9,533,620	7.40	23,902	7.96
JPMorgan Securities (Malaysia) Sdn Bhd	5,901,719	4.58	14,709	4.90
RHB Investment Bank Berhad	5,692,977	4.42	26,844	8.93
Citigroup Global Markets Malaysia Sdn Bhd	4,792,179	3.72	10,771	3.59
DBS Vickers Securities (Singapore) Pte Ltd	2,645,891	2.06	3,976	1.32
Others	6,136,900	4.77	14,872	4.95
	<u>128,745,147</u>	<u>100.00</u>	<u>300,438</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:

### By Sector:

Bank

Beverages

Consumer Products & Services

Cosmetic/Personal Care

Electric

Energy

Financial Services

Health Care

Industrial Products & Services

Materials

Miscellaneous Manufacturing

Pharmaceuticals

Real Estate

Technology

Telecommunications & Media

Transportation & Logistics

Utilities

### Deposits & Cash Equivalents

### By Country:

Australia

Hong Kong

Indonesia

Malaysia

Singapore

Taiwan

Thailand

### 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                      | Highest NAV Per Unit |
| (ex-distribution)                                     | 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)  |                      |



Financial Period 31/10/22- 30/04/23 %	Financial Year 31/10/21- 31/10/22 %	Financial Year 31/10/20- 31/10/21 %	Financial Year 31/10/19- 31/10/20 %
12.57	-	-	-
3.88	-	-	-
6.48	17.68	10.44	28.94
-	-	5.80	-
-	-	6.10	-
-	1.74	3.30	4.40
-	12.66	-	-
3.65	-	5.66	13.87
19.03	21.03	12.32	25.08
-	6.88	4.58	-
3.76	-	-	-
-	-	3.67	-
5.61	-	6.33	-
42.44	35.07	20.00	9.31
-	-	3.49	7.53
-	-	6.22	-
-	-	-	5.82
2.58	4.94	12.09	5.05
3.88	6.88	-	-
5.61	-	29.97	35.99
12.57	12.66	-	-
71.60	67.78	55.24	51.07
-	-	2.70	-
3.76	-	-	7.89
-	7.74	-	-
2.58	4.94	12.09	5.05
RM107,135,289	RM107,453,469	RM132,369,206	RM34,443,161
RM0.5569	RM0.5669	RM0.6892	RM0.5695
192,394,197	189,540,290	192,083,737	60,483,297
RM0.6131	RM0.7086	RM0.7684	RM0.6628
RM0.5492	RM0.5251	RM0.5700	RM0.3702
1.64%	-11.89%	28.98%	32.56%
-1.76%	-17.75%	21.02%	21.33%
3.40%	5.86%	7.96%	11.23%
1.0000 sen/unit	4.0000 sen/unit	0.0000 sen/unit	0.0000 sen/unit
1.0000 sen/unit	0.0000 sen/unit	4.5000 sen/unit	5.5000 sen/unit
2.0000 sen/unit	4.0000 sen/unit	4.5000 sen/unit	5.5000 sen/unit
50%	100%	0%	0%
50%	0%	100%	100%

# Performance Data

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(vii) Distribution per unit

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

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

(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 30/04/2023)\***

- (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 0.80 times (73.39%) to 0.29 times for the financial period from 01 November 2022 to 30 April 2023 versus 1.09 times for the financial year ended 31 October 2022 and 0.27 times (48.21%) as compared to 0.56 times for the financial period from 01 November 2021 to 30 April 2022 mainly due to **lower level of rebalancing activities undertaken by the Fund.**

Financial Period 31/10/22- 30/04/23 %	Financial Year 31/10/21- 31/10/22 %	Financial Year 31/10/20- 31/10/21 %	Financial Year 31/10/19- 31/10/20 %
-	-	-	-
<b>2.0000 sen/unit</b>	2.0000 sen/unit	2.0000 sen/unit	0.5000 sen/unit
<b>1.9923 sen/unit</b>	2.0000 sen/unit	2.0000 sen/unit	0.5000 sen/unit
<b>16/01/2023</b>	19/01/2022	19/01/2021	21/01/2020
<b>RM0.5963</b>	RM0.6500	RM0.6827	RM0.4979
<b>RM0.5764</b>	RM0.6300	RM0.6627	RM0.4929
-	-	-	-
-	2.0000 sen/unit	2.5000 sen/unit	5.0000 sen/unit
-	2.0000 sen/unit	2.5000 sen/unit	5.0000 sen/unit
-	19/07/2022	19/07/2021	21/07/2020
-	RM0.5425	RM0.7479	RM0.6588
-	RM0.5225	RM0.7229	RM0.6088
<b>2.12%</b>	2.13%	2.01%	1.74%
<b>0.29#</b>	1.09	2.05	2.99
<b>-1.47%</b>			
<b>17.81%</b>			
<b>12.76%</b>			

# Corporate Information

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## Manager

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

## Registered Office

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

## Business Office

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

## Board of Directors

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

## Executive Director / Chief Executive Officer

Mr. Hoo See Kheng

## Trustee

Deutsche Trustees Malaysia Berhad

## Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

## Distributors

Hong Leong Bank Berhad  
Standard Chartered Bank Malaysia Berhad  
United Overseas Bank (Malaysia) Berhad  
Affin Bank Berhad  
HSBC Bank Malaysia Berhad  
CIMB Investment Bank Berhad  
Malayan Banking Berhad  
Areca Capital Sdn Bhd  
Registered Independent Tied Agents with FiMM

# Corporate Directory

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## **Head Office**

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