

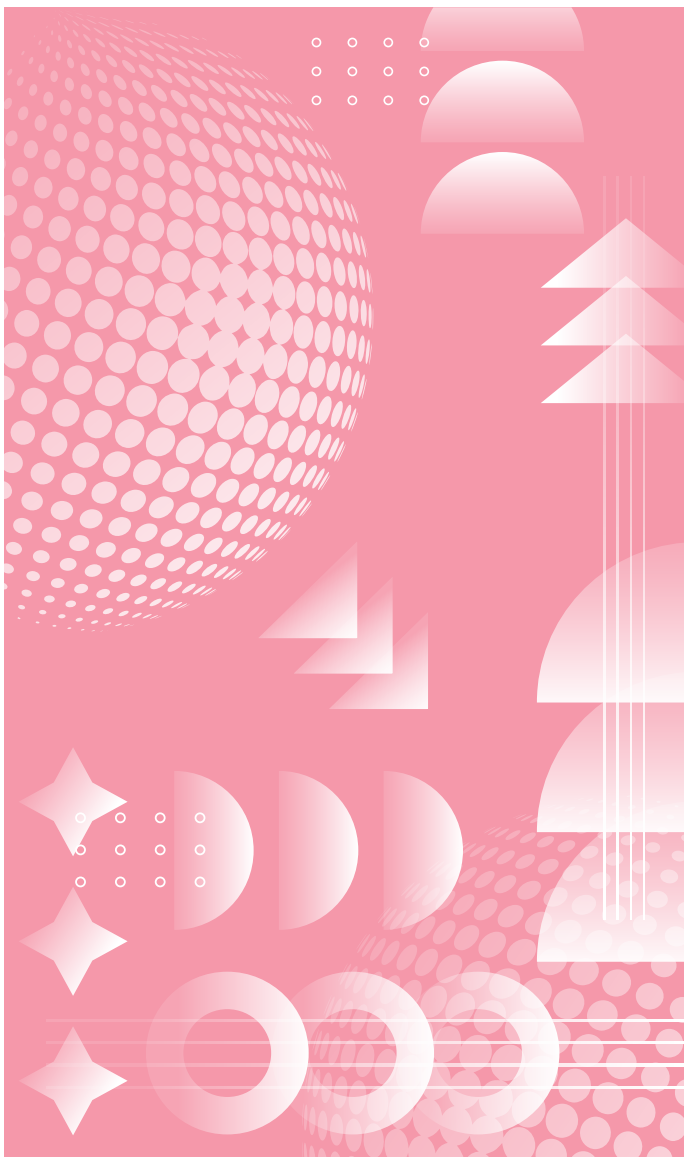
Hong Leong Hong Kong Equity Optimizer Fund

Semi-Annual Report

Financial Period Ended 30 September 2023

2023

Unaudited



Hong Leong Hong Kong Equity Optimizer Fund

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Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Hong Kong Equity Optimizer Fund

Fund Category

Equity

Fund Type

Growth & Income

Investment Objective

The Fund seeks to achieve medium to long-term capital growth and income* by investing in a portfolio of investments comprising equities, equity-related securities and fixed income instruments primarily in the Hong Kong market.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

Hang Seng Index

Distribution Policy

Depending on the availability of distributable income** and performance of the Fund, distribution (if any) will be on annual basis.

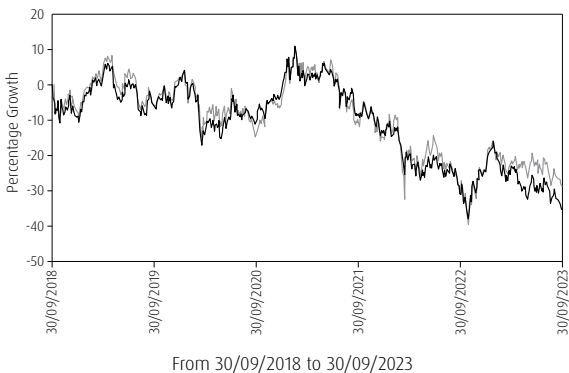
Notes:

* The Fund's main focus is on capital growth and to a lesser extent, income.

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

II. FUND PERFORMANCE

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



— Hong Leong Hong Kong Equity Optimizer Fund (HLHKEOF) : -34.74
— Hang Seng : -27.35

Source: Lipper for Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLHKEOF 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 April 2023 to 30 September 2023.

The Fund posted a return of -14.80% (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 Hang Seng Index (HSI) registered a return of -6.89% (in Malaysian Ringgit terms).

For the five-year financial periods ended 30 September 2023, the Fund registered a return of -34.74% compared to the benchmark's return of -27.35% while distributing a total gross income of 12.876 sen per unit (net income of 12.876 sen per unit).

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

	30/06/23-31/03/23- 30/09/23	30/09/22-30/09/20- 30/09/23	30/09/18-30/09/13- 30/09/23	30/09/13-20/09/11- 30/09/23	Since Launch		
	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	
HLHKEOF Return (%)	-5.96	-14.80	-5.12	-26.83	-34.74	-24.66	-9.90
Benchmark (%)	-5.23	-6.89	4.95	-15.12	-27.35	11.13	40.27

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

	30-Sep-23	31-Mar-23	Return (%)
NAV Per Unit	RM0.2021	RM0.2372	-14.80
Benchmark	10,677.00	11,466.96	-6.89
vs Benchmark (%)	-	-	-7.91

Table 3: Financial Highlights

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

	30-Sep-23 (RM)	31-Mar-23 (RM)	Change (%)
Unit Holders' Capital	10,422,939	10,611,803	(1.78)
(Accumulated Loss)/Retained Earnings	(1,406,537)	159,702	(980.73)
Net Asset Value	9,016,402	10,771,505	(16.29)
Units in Circulation	44,612,784	45,416,442	(1.77)

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 31/03/23- 30/09/23	Financial Year 31/03/22- 31/03/23	Financial Year 31/03/21- 31/03/22	Financial Year 31/03/20- 31/03/21
Highest NAV Per Unit (RM)	0.2386	0.2697	0.3861	0.4023
Lowest NAV Per Unit (RM)	0.1996	0.1912	0.2486	0.3224
Capital Growth (%)	-14.80	-10.86	-27.77	4.63
Income Distribution (%)	-	7.52	6.13	12.40
Total Return (%)	-14.80	-3.34	-21.64	17.03

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 HLHKEOF reinvested.

Table 5: Average Total Return of the Fund

	30/09/22- 30/09/23 1 Year	30/09/20- 30/09/23 3 Years	30/09/18- 30/09/23 5 Years
Average Total Return (%)	-5.12	-8.94	-6.95

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 HLHKEOF reinvested.

Table 6: Annual Total Return of the Fund

Financial Year	31/03/22- 31/03/23	31/03/21- 31/03/22	31/03/20- 31/03/21	31/03/19- 31/03/20	31/03/18- 31/03/19
Annual Total Return (%)	-3.34	-21.64	17.03	-14.05	-1.52

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 HLHKEOF reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – April 2023 to September 2023

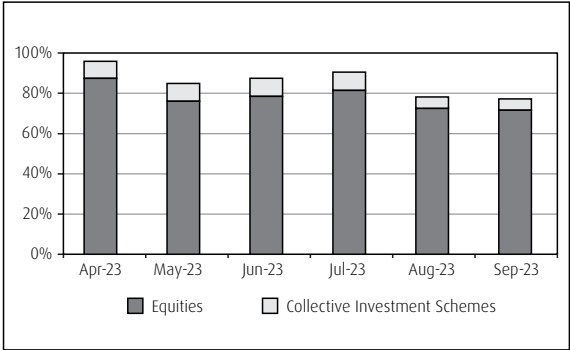


Chart 3: Sector Allocation as at 30 September 2023

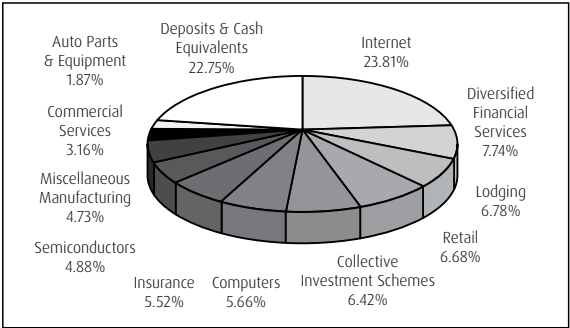
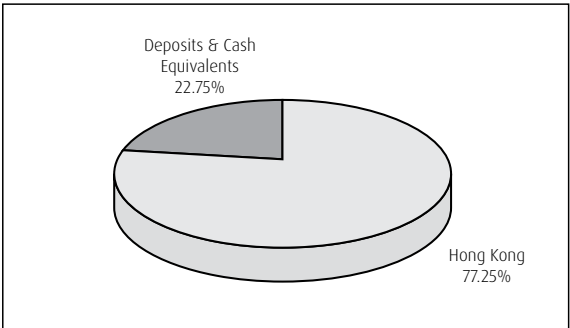


Chart 4: Geographical Allocation as at 30 September 2023



Strategies employed by the Fund during the period under review

During the financial period under review, the Fund was mainly invested in sectors such as internet, financial and consumers related sectors while keeping an underweight in real estate and commodities sectors.

An explanation on the differences in portfolio composition

The Fund exited the position in selected consumer stocks after a strong rally in the second quarter of 2023 and raised the cash position in the month of August 2023 to defend against the volatile market conditions.

Operational review of the Fund

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

IV. MARKET REVIEW

During the period of our analysis, the Hang Seng Index continued its downward trajectory, influenced by a multitude of economic challenges, primarily centered around China's fragile economic performance in the second quarter of the year. The weakening demand, both domestically and abroad, served as a significant contributor to this downward trend. Additionally, the struggles of Chinese real estate companies in repaying their offshore debts added further complications to the already challenging market conditions.

In the second quarter, China's Gross Domestic Product (GDP) grew by 6.3% on a year-on-year basis, a figure that fell short of the earlier forecast of 7.3%. Slower domestic consumption and shrinking private fixed-asset investments emerged as the primary culprits behind this deceleration in economic growth.

The impact of China's economic challenges was particularly evident in its import and export figures for July 2023. Official data revealed that exports had fallen by 14.5% in July compared to the previous year, while imports experienced a 12.4% drop. These declines represented the most significant contraction since February 2020, during the height of the pandemic. Notably, exports to major trading partners like the United States saw a year-on-year decrease of 23.1%, and the European Union reduced its imports from China by 20.6%.

Further exacerbating the economic situation, China found itself in a state of deflation in July, with consumer prices declining for the first time in over two years. The official consumer price index, a key measure of inflation, recorded a 0.3% drop compared to the same period in the previous year.

Of particular concern was the state of China's property sector, which constitutes roughly a quarter of the nation's economy. The sector continued to be on a downtrend, with new home prices stagnating in June. Property investment witnessed a significant 20.6% decline in June compared to the previous year, following a 21.5% drop in May.

In August, the beleaguered Country Garden reported an unprecedented \$6.7 billion loss for the first six months of the year. This development raised heightened concerns about the company's ability to repay its substantial offshore debt, which amounted to \$11 billion. Foreign debt holders responded by selling off the company's bonds, causing a negative ripple effect on investor sentiment throughout the markets.

These economic challenges, encompassing weaker-than-expected GDP growth, declining trade figures, deflation, and the ongoing property sector struggles, have collectively contributed to the Hang Seng Index's sustained decline, making it a period of significant concern for investors and market participants.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

Given the weak outlook for China's economy and the absence of a major fiscal stimulus plan, we've adopted a cautious stance towards Hong Kong's markets. We've increased our cash holdings to stay flexible and maintain positions in resilient companies to navigate economic uncertainties effectively. This strategy aims to protect and enhance our clients' investments in a challenging economic environment.

We continue to overweight consumer and financial sectors.

VI. SOFT COMMISSIONS

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

STATEMENT BY THE MANAGER

I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 12 to 43 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2023 and of its financial performance, changes in equity and cash flows for the financial period ended 30 September 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
17 November 2023

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG HONG KONG EQUITY OPTIMIZER FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 30 September 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Bhd has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
17 November 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Note	2023 RM	2022 RM
INVESTMENT LOSS			
Interest income from financial assets measured at amortised cost		1,056	31,337
Dividend income		130,065	231,242
Net loss on derivative	8	(359,651)	(408,320)
Net loss on financial assets at fair value through profit or loss ("FVTPL")	9	(1,213,261)	(1,356,274)
Net foreign currency exchange gain		37,549	17,725
		<u>(1,404,242)</u>	<u>(1,484,290)</u>
EXPENDITURE			
Management fee	4	(97,384)	(122,194)
Trustee's fee	5	(3,895)	(4,888)
Auditors' remuneration		(3,750)	(3,761)
Tax agent's fee		(2,251)	(2,003)
Custodian fees		(2,885)	(3,336)
Transaction costs		(17,860)	(17,103)
Other expenses		(6,291)	(16,389)
		<u>(134,316)</u>	<u>(169,674)</u>
LOSS BEFORE TAXATION		(1,538,558)	(1,653,964)
Taxation	6	(27,681)	(22,838)
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u>(1,566,239)</u>	<u>(1,676,802)</u>
Loss after taxation is made up as follows:			
Realised amount		(694,957)	(427,735)
Unrealised amount		(871,282)	(1,249,067)
		<u>(1,566,239)</u>	<u>(1,676,802)</u>
Distribution for the financial period:			
Net distribution	7	-	959,499
Net distribution per unit (sen)	7	-	2.0000
Gross distribution per unit (sen)	7	-	2.0000

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 SEPTEMBER 2023

	Note	30.09.2023 RM	31.03.2023 RM
ASSETS			
Cash and cash equivalents		2,115,572	329,014
Amount due from the Manager			
-creation of units		2,264	21,424
Derivative	8	-	110,908
Dividends receivable		1,511	-
Financial assets at fair value through profit or loss ("FVTPL")	9	6,965,514	10,347,667
Tax recoverable		-	3,383
TOTAL ASSETS		<u>9,084,861</u>	<u>10,812,396</u>
LIABILITIES			
Amount due to the Manager			
-management fee		15,165	17,769
Amount due to the Trustee		607	9,688
Derivative	8	32,500	-
Other payables and accruals		18,844	13,434
Tax payable		1,343	-
TOTAL LIABILITIES		<u>68,459</u>	<u>40,891</u>
NET ASSET VALUE OF THE FUND		<u>9,016,402</u>	<u>10,771,505</u>
EQUITY			
Unit holders' capital		10,422,939	10,611,803
(Accumulated loss)/retained earnings		(1,406,537)	159,702
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>9,016,402</u>	<u>10,771,505</u>
UNITS IN CIRCULATION (UNITS)	10	<u>44,612,784</u>	<u>45,416,442</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.2021</u>	<u>0.2372</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 SEPTEMBER 2023

	Note	Unit holders' capital RM	Accumulated loss RM	Total RM
Balance as at 1 April 2023		10,611,803	159,702	10,771,505
Movement in net asset value:				
Creation of units from applications		153,179	-	153,179
Cancellation of units		(342,043)	-	(342,043)
Total comprehensive loss for the financial period		-	(1,566,239)	(1,566,239)
Balance as at 30 September 2023		<u>10,422,939</u>	<u>(1,406,537)</u>	<u>9,016,402</u>
Balance as at 1 April 2022		11,032,581	1,736,631	12,769,212
Movement in net asset value:				
Creation of units from applications		94,501	-	94,501
Creation of units from distribution		959,242	-	959,242
Cancellation of units		(286,275)	-	(286,275)
Total comprehensive loss for the financial period		-	(1,676,802)	(1,676,802)
Distribution for the financial period	7	-	(959,499)	(959,499)
Balance as at 30 September 2022		<u>11,800,049</u>	<u>(899,670)</u>	<u>10,900,379</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 SEPTEMBER 2023

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of financial assets at FVTPL	3,601,313	1,593,962
Purchase of financial assets at FVTPL	(1,442,502)	(2,909,377)
Realised loss on derivative	(216,243)	(286,802)
Realised foreign exchange differences arising from operating activities	8,360	6,970
Interest income received from financial assets measured at amortised cost	1,056	31,337
Dividend income received	120,487	207,302
Management fee paid	(99,988)	(123,373)
Trustee's fee paid	(12,976)	(14,937)
Payment for other fees and expenses	(9,479)	(15,904)
Tax paid	(22,955)	-
Net cash generated from/(used in) operating activities	<u>1,927,073</u>	<u>(1,510,822)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	172,339	95,786
Payments for cancellation of units	(342,043)	(280,047)
Payments for distribution	-	(257)
Net cash used in financing activities	<u>(169,704)</u>	<u>(184,518)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,757,369	(1,695,340)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	29,189	9,940
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>329,014</u>	<u>4,427,961</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>2,115,572</u></u>	<u><u>2,742,561</u></u>

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Hong Kong Equity Optimizer Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 21 July 2011 between the Manager, Hong Leong Asset Management Bhd, Maybank Trustees Berhad for the unit holders of the Fund. Maybank Trustees 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 and 23 March 2023 to effect the change (“the Deeds”).

The Fund seeks to achieve medium to long-term capital growth and income by investing in a portfolio of investments comprising equities, equity-related securities and fixed income instruments primarily in the Hong Kong market.

The Fund will invest primarily in equities and equity-related securities which include common stock and depositary receipts of companies that are listed in the Hong Kong market. The Fund may also invest up to 30% of its net asset value into fixed income instruments in Malaysia and Hong Kong, which include fixed income securities, money market instruments and deposits. The Fund commenced operations on 20 September 2011 and will continue its operations until terminated as provided under Part 12 of the Deed.

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

The financial statements were authorised for issue by the Manager on 17 November 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 March 2023 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash 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 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 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.

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 judgment 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, exchange traded funds and collective investment scheme 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 derivative - unquoted forward currency contract is measured by the net settlement as per the forward currency contract.

(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) Derivative

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 derivative comprise unquoted forward currency contracts. Derivative 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/ liability at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
30.09.2023			
<u>Financial assets</u>			
Cash and cash equivalents	-	2,115,572	2,115,572
Amount due from the Manager			
-creation of units	-	2,264	2,264
Dividends receivable	-	1,511	1,511
Financial assets at FVTPL (Note 9)	6,965,514	-	6,965,514
	<u>6,965,514</u>	<u>2,119,347</u>	<u>9,084,861</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	15,165	15,165
Amount due to the Trustee	-	607	607
Derivative (Note 8)	32,500	-	32,500
Other payables and accruals	-	18,844	18,844
	<u>32,500</u>	<u>34,616</u>	<u>67,116</u>

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
31.03.2023			
<u>Financial assets</u>			
Cash and cash equivalents	-	329,014	329,014
Amount due from the Manager			
-creation of units	-	21,424	21,424
Derivative (Note 8)	110,908	-	110,908
Financial assets at FVTPL (Note 9)	10,347,667	-	10,347,667
	<u>10,458,575</u>	<u>350,438</u>	<u>10,809,013</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	17,769	17,769
Amount due to the Trustee	-	9,688	9,688
Other payables and accruals	-	13,434	13,434
	<u>-</u>	<u>40,891</u>	<u>40,891</u>

All liabilities except derivative 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 Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

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

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

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

3. FAIR VALUE ESTIMATION

The fair value of financial assets traded in active markets (such as 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 the Fund's financial assets and liability (by class) measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.09.2023				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- foreign	6,385,872	-	-	6,385,872
- Quoted exchange traded funds - foreign	579,642	-	-	579,642
	<u>6,965,514</u>	<u>-</u>	<u>-</u>	<u>6,965,514</u>
<u>Financial liability:</u>				
- Derivative	-	(32,500)	-	(32,500)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.03.2023				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- foreign	9,418,150	-	-	9,418,150
- Quoted exchange traded funds - foreign	609,265	-	-	609,265
- Quoted collective investment scheme				
- foreign	320,252	-	-	320,252
<u>Financial asset:</u>				
- Derivative	-	110,908	-	110,908
	10,347,667	110,908	-	10,458,575

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities, listed exchange traded funds and listed collective investment scheme. 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 derivative. 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 liabilities are stated in Note 2(b) and 2(k).

- (ii) The carrying values of financial assets (other than financial assets at FVTPL and derivative) and financial liabilities (other than derivative) 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 September 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 1.00% subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges) calculated daily based on the net asset value of the Fund.

For the financial period ended 30 September 2023, the Trustee's fee is recognised at a rate of 0.08% (2022: 0.08%) 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	2022
	RM	RM
Tax charge for the financial period:		
Current taxation	27,681	22,838

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

	2023	2022
	RM	RM
Loss before taxation	<u>(1,538,558)</u>	<u>(1,653,964)</u>
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(369,254)	(396,951)
Tax effects of:		
Investment loss disallowed from tax	367,169	379,068
Expenses not deductible for tax purposes	6,551	8,570
Restriction on tax deductible expenses for unit trust fund	<u>23,215</u>	<u>32,151</u>
Taxation	<u><u>27,681</u></u>	<u><u>22,838</u></u>

7. DISTRIBUTION

	2023	2022
	RM	RM
Prior financial years' realised income	-	959,499
Net distribution amount	<u>-</u>	<u>959,499</u>

Date of Declaration

Distribution on 19 July

Gross/net distribution per unit (sen)	<u>-</u>	<u>2.0000</u>
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Net distribution above is sourced from prior financial years' realised income. Gross distribution is derived using total income less total expenses.

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

For the financial period ended 30 September 2022, the above distribution has been proposed before taking into account the unrealised loss of RM1,249,067 which is carried forward to the next financial period.

8. DERIVATIVE

Derivative comprises forward currency contract. The (negative)/positive fair value represents the unrealised (loss)/gain on the revaluation of forward currency at the reporting date. The contract or underlying principal amount of the forward currency contract and the corresponding gross (negative)/positive fair value at the end of each reporting date is analysed below:

	30.09.2023	31.03.2023
	RM	RM
<u>Derivative asset:</u>		
Forward currency contract	-	110,908
<u>Derivative liability:</u>		
Forward currency contract	32,500	-
	2023	2022
	RM	RM
<u>Net loss on derivative:</u>		
Realised loss on disposals	(216,243)	(286,802)
Changes in unrealised fair values	(143,408)	(121,518)
	<u>(359,651)</u>	<u>(408,320)</u>
	Contract or	*Fair value
	Maturity	RM
	date	
	principal	
	amounts	
30.09.2023		
Hong Kong Dollar	within 1 month	8,125,000
		<u>(32,500)</u>
31.03.2023		
Hong Kong Dollar	within 1 month	9,320,000
		<u>110,908</u>

* 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 %
30.09.2023				
Hong Leong Bank Berhad	-	(32,500)	(32,500)	0.36
31.03.2023				
Hong Leong Bank Berhad	110,908	-	110,908	1.03

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.

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

	30.09.2023 RM	31.03.2023 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities - foreign	6,385,872	9,418,150
Quoted exchange traded funds - foreign	579,642	609,265
Quoted collective investment scheme - foreign	-	320,252
	<u>6,965,514</u>	<u>10,347,667</u>

	2023 RM	2022 RM
<u>Net loss on financial assets at FVTPL:</u>		
Realised loss on disposals	(456,198)	(217,969)
Changes in unrealised fair values	(757,063)	(1,138,305)
	<u>(1,213,261)</u>	<u>(1,356,274)</u>

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES				
- FOREIGN				
Hong Kong				
<u>Auto Parts and Equipment</u>				
Minth Group Limited	14,000	160,252	169,062	1.87
<u>Commercial Services</u>				
TravelSky Technology Limited*	35,000	308,709	284,847	3.16
<u>Computers</u>				
PAX Global Technology Limited	154,000	567,144	510,376	5.66
<u>Diversified Financial Services</u>				
BOC Aviation Limited	9,000	315,012	294,766	3.27
Hong Kong Exchanges and Clearing Limited	2,300	415,405	403,317	4.47
	11,300	730,417	698,083	7.74
<u>Insurance</u>				
AIA Group Limited	13,000	552,960	497,449	5.52
<u>Internet</u>				
Alibaba Group Holding Limited	15,000	1,008,575	769,501	8.53
Meituan Inc. - Class B	2,370	200,820	162,771	1.81
Tencent Holdings Limited	3,700	767,145	678,971	7.53
Trip.com Group Limited	3,200	531,706	535,439	5.94
	24,270	2,508,246	2,146,682	23.81
<u>Lodging</u>				
Galaxy Entertainment Group Limited	14,000	379,047	395,598	4.39
Sands China Limited	15,000	237,645	215,748	2.39
	29,000	616,692	611,346	6.78
<u>Miscellaneous Manufacturing</u>				
Sunny Optical Technology (Group) Company Limited	13,000	627,772	426,162	4.73
<u>Retail</u>				
Anta Sports Products Limited	11,400	652,538	602,243	6.68
<u>Semiconductors</u>				
ASMPT Limited	3,600	136,401	151,239	1.68
Semiconductor Manufacturing International Corporation	24,000	292,663	288,383	3.20
	27,600	429,064	439,622	4.88
TOTAL QUOTED EQUITY SECURITIES				
- FOREIGN				
	332,570	7,153,794	6,385,872	70.83

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EXCHANGE TRADED FUNDS - FOREIGN				
Hong Kong				
CSOP CSI 500 ETF	20,400	188,779	201,358	2.23
CSOP FTSE China A50 ETF	3,400	32,117	25,450	0.28
CSOP Hang Seng TECH Index ETF	153,000	467,836	352,834	3.91
TOTAL QUOTED EXCHANGE TRADED FUNDS - FOREIGN	176,800	688,732	579,642	6.42
TOTAL INVESTMENTS	509,370	7,842,526	6,965,514	77.25
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		(877,012)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		6,965,514		

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES - FOREIGN				
Hong Kong				
<u>Apparel</u> Samsonite International S.A.	53,000	538,674	722,568	6.71
<u>Auto Parts and Equipment</u> Minth Group Ltd	26,000	297,610	346,428	3.22
<u>Commercial Services</u> TravelSky Technology Limited*	35,000	308,709	288,465	2.68
<u>Computers</u> PAX Global Technology Limited	154,000	567,144	570,554	5.30
<u>Diversified Financial Services</u> BOC Aviation Limited	9,000	315,012	306,877	2.85
Hong Kong Exchanges and Clearing Limited	2,300	415,405	450,243	4.18
	11,300	730,417	757,120	7.03
<u>Engineering and Construction</u> Beijing Capital International Airport Co., Ltd.*	92,000	309,057	298,955	2.77
<u>Food</u> China Mengniu Dairy Company Limited	20,000	386,832	362,057	3.36

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Hand/Machine Tools</u>				
Technronic Industries Company Limited	6,000	343,821	286,216	2.66
<u>Insurance</u>				
AIA Group Limited	13,000	552,960	604,056	5.61
<u>Internet</u>				
Alibaba Group Holding Limited	15,000	1,008,575	846,673	7.86
JD.com, Inc - Class A	5,095	664,832	492,678	4.57
Meituan Inc. - Class B	370	36,560	29,850	0.28
Tencent Holdings Limited	3,700	767,145	802,518	7.45
	24,165	2,477,112	2,171,719	20.16
<u>Lodging</u>				
Galaxy Entertainment Group Limited	21,000	568,571	619,235	5.75
Sands China Limited	15,000	237,644	230,221	2.14
	36,000	806,215	849,456	7.89
<u>Miscellaneous Manufacturing</u>				
Sunny Optical Technology (Group) Company Limited	6,000	321,957	320,285	2.97
<u>Pharmaceuticals</u>				
CSPC Pharmaceutical Group Limited	68,400	372,926	296,869	2.76
<u>Real estate</u>				
CK Asset Holdings Limited	8,000	234,870	214,311	1.99
<u>Retail</u>				
Anta Sports Products Limited	11,400	652,538	730,635	6.78
<u>Semiconductors</u>				
ASMPT Limited	13,700	519,084	598,456	5.55
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	577,965	9,419,926	9,418,150	87.44
QUOTED EXCHANGE TRADED FUNDS - FOREIGN				
Hong Kong				
CSOP CSI 500 ETF	20,400	188,779	219,400	2.04
CSOP FTSE China A50 ETF	3,400	32,117	26,531	0.25
CSOP Hang Seng TECH Index ETF	153,000	467,836	363,334	3.37
TOTAL QUOTED EXCHANGE TRADED FUNDS - FOREIGN	176,800	688,732	609,265	5.66

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN				
Hong Kong				
<i>Real Estate Investment Trust</i>				
Link Real Estate Investment Trust	11,280	358,958	320,252	2.97
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN	11,280	358,958	320,252	2.97
TOTAL INVESTMENTS	<u>766,045</u>	<u>10,467,616</u>	<u>10,347,667</u>	<u>96.07</u>
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		<u>(119,949)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		<u>10,347,667</u>		

* 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.

10. UNITS IN CIRCULATION

	30.09.2023 No. of units	31.03.2023 No. of units
At the beginning of the financial period/year	45,416,442	47,995,144
Add: Creation of units during the financial period/year		
- Arising from applications	706,033	2,505,523
- Arising from distributions	-	3,996,842
Less: Cancellation of units during the financial period/year	<u>(1,509,691)</u>	<u>(9,081,067)</u>
At the end of the financial period/year	<u>44,612,784</u>	<u>45,416,442</u>

11. TOTAL EXPENSE RATIO (“TER”)

	2023 %	2022 %
TER (annualised)	2.38	2.36

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 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 RM9,736,800 (2022: RM12,189,486).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023 Times	2022 Times
PTR	0.28	0.19

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
= RM1,437,024 (2022: RM2,898,072)
total disposals for the financial period
= RM4,069,893 (2022: RM1,817,729)

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 September 2023 and 31 March 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.

	30.09.2023	31.03.2023
	RM	RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	3,910	140,952
Derivative:		
- Hong Leong Bank Berhad	(32,500)	110,908
	<u>(28,590)</u>	<u>251,860</u>
	2023	2022
	RM	RM
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	751	30,640
	<u>751</u>	<u>30,640</u>

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 %
2023				
Shenwan Hongyuan Securities (H.K.) Limited	1,525,077	30.24	3,061	30.79
DBS Vickers Securities (Singapore) Pte Ltd	1,395,267	27.66	2,096	21.09
CLSA Limited	1,073,471	21.28	2,688	27.04
Affin Hwang Investment Bank Berhad	714,868	14.17	1,427	14.36
Credit Suisse (Hong Kong) Limited	335,132	6.65	668	6.72
	<u>5,043,815</u>	<u>100.00</u>	<u>9,940</u>	<u>100.00</u>
2022				
Affin Hwang Investment Bank Berhad	1,516,382	33.67	3,028	35.12
Shenwan Hongyuan Securities (H.K.) Limited	1,126,382	25.01	2,247	26.07
DBS Vickers Securities (Singapore) Pte Ltd	1,105,495	24.55	1,660	19.26
Credit Suisse (Hong Kong) Limited	396,302	8.80	793	9.20
CLSA Limited	358,778	7.97	893	10.35
	<u>4,503,339</u>	<u>100.00</u>	<u>8,621</u>	<u>100.00</u>

Performance Data

A (i) Portfolio Compositions:

Apparel
Auto Parts & Equipment
Banks
Commercial Services
Computers
Consumer Products & Services
Diversified Financial Services
Energy
Engineering & Construction
Financial Services
Food
Hand/Machine Tools
Industrial Products & Services
Information Technology
Insurance
Internet
Lodging
Materials
Mining
Miscellaneous Manufacturing
Oil & Gas
Pharmaceuticals
Real Estate
Retail
Semiconductors
Telecommunications & Media

Collective Investment Schemes

Deposits & Cash Equivalents

- (ii) Total Net Asset Value (ex-distribution)
- (iii) Net Asset Value Per Unit (ex-distribution)
Units in Circulation (ex-distribution)
- (iv) Highest / Lowest NAV Per Unit (ex-distribution) Highest NAV Per Unit
Lowest NAV Per Unit
- (v) Total Return of the Fund*
- Capital Growth
- Income Distribution
- (vi) The distribution (gross) is made out of:-
- The Fund's Capital
- The Fund's Income
- Total Distribution Amount
- The Fund's Capital (% of Total Distribution Amount)
- The Fund's Income (% of Total Distribution Amount)

Financial Period 31/03/2023- 30/09/2023 %	Financial Year 31/03/2022- 31/03/2023 %	Financial Year 31/03/2021- 31/03/2022 %	Financial Year 31/03/2020- 31/03/2021 %
-	6.71	-	-
1.87	3.22	-	-
-	-	2.25	-
3.16	2.68	-	-
5.66	5.30	1.22	-
-	-	4.90	15.91
7.74	7.03	2.81	-
-	-	-	2.47
-	2.77	-	-
-	-	-	36.70
-	3.36	0.89	-
-	2.66	2.93	-
-	-	-	6.86
-	-	-	7.64
5.52	5.61	8.32	-
23.81	20.16	13.13	-
6.78	7.89	2.57	-
-	-	-	1.01
-	-	3.38	-
4.73	2.97	1.85	-
-	-	2.39	-
-	2.76	1.38	-
-	1.99	-	2.36
6.68	6.78	3.72	-
4.88	5.55	3.01	-
-	-	4.54	8.70
6.42	8.63	6.42	6.49
22.75	3.93	34.29	11.86
RM9,016,402	RM10,771,505	RM12,769,212	RM10,642,387
RM0.2021	RM0.2372	RM0.2661	RM0.3684
44,612,784	45,416,442	47,995,144	28,885,380
RM0.2386	RM0.2697	RM0.3861	RM0.4023
RM0.1996	RM0.1912	RM0.2486	RM0.3224
-14.80%	-3.34%	-21.64%	17.03%
-14.80%	-10.86%	-27.77%	4.63%
-	7.52%	6.13%	12.40%
-	2.0000 sen/unit	2.8760 sen/unit	0.0000 sen/unit
-	0.0000 sen/unit	0.0000 sen/unit	4.0000 sen/unit
-	2.0000 sen/unit	2.8760 sen/unit	4.0000 sen/unit
-	100%	100%	0%
-	0%	0%	100%

Performance Data

(vii) Distribution Per 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 30/09/2023)***

- (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 0.23 times (45.10%) to 0.28 times for the financial period from 01 April 2023 to 30 September 2023 versus 0.51 times for the financial year ended 31 March 2023 mainly due to lower level of rebalancing activities undertaken by the Fund and increased by 0.09 times (47.37%) as compared to 0.19 times for the financial period from 01 April 2022 to 30 September 2022 mainly due to higher level of rebalancing activities undertaken by the Fund.

Financial Period 31/03/2023– 30/09/2023 %	Financial Year 31/03/2022– 31/03/2023 %	Financial Year 31/03/2021– 31/03/2022 %	Financial Year 31/03/2020– 31/03/2021 %
-	-	-	-
-	2.0000 sen/unit	2.8760 sen/unit	4.0000 sen/unit
-	2.0000 sen/unit	2.8760 sen/unit	4.0000 sen/unit
-	19/07/2022	22/07/2021	22/07/2020
-	RM0.2572	RM0.3679	RM0.3774
-	RM0.2372	RM0.3391	RM0.3374
2.38%	2.49%	2.52%	2.18%
0.28#	0.51	0.88	2.06
-5.12%			
-8.94%			
-6.95%			

Corporate Information

Manager

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

Registered Office

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

Business Office

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50490 Kuala Lumpur

Board of Directors

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

Executive Director / Chief Executive Officer

Mr. Hoo See Kheng

Trustee

Deutsche Trustees Malaysia Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Distributors

Hong Leong Bank Berhad
Registered Independent Tied Agents with FiMM

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