

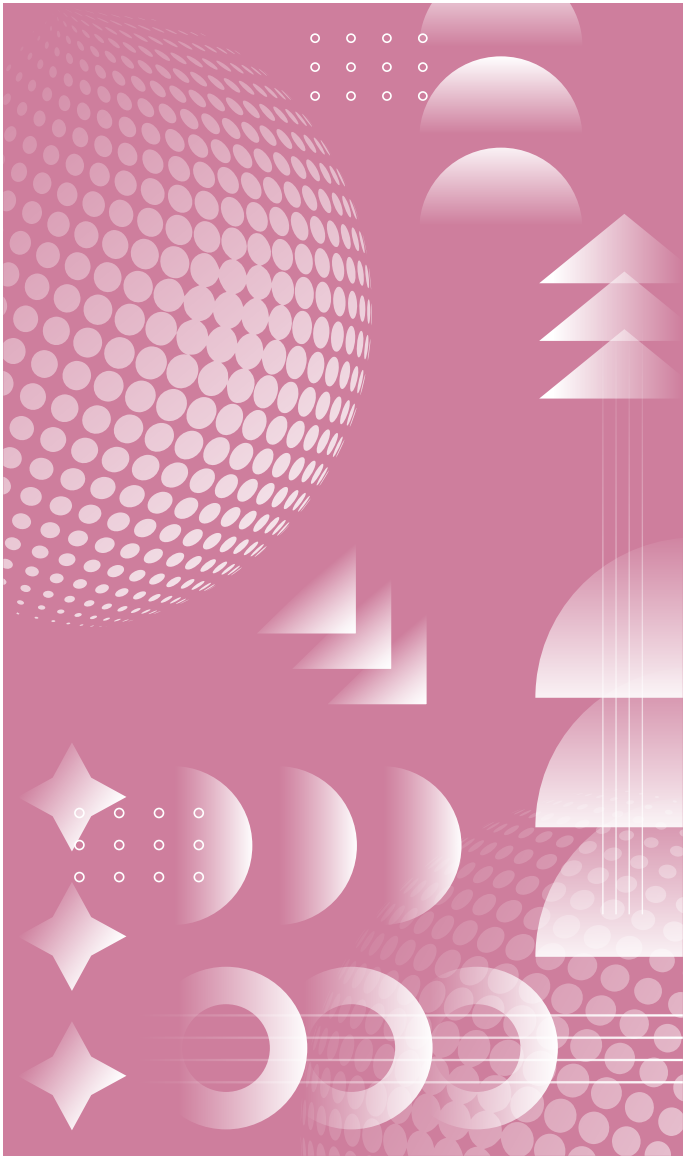
Hong Leong Global Multi Strategies Fund

Annual Report

Financial Year Ended 30 November 2024

2023/2024

Audited



HONG LEONG GLOBAL MULTI STRATEGIES FUND

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Manager’s Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Global Multi Strategies Fund (“HLGMSF” or “the Fund”)

Fund Category

Mixed Assets (Fund-of-Funds/Wholesale)

Fund Type

Growth and Income

Investment Objective

The Fund aims to provide capital growth and regular income* over the medium to long-term by investing primarily in a portfolio of collective investment schemes.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

MSCI All Country World Index+Bloomberg Global Aggregate Total Return Index Hedged USD (50:50)

Distribution Policy

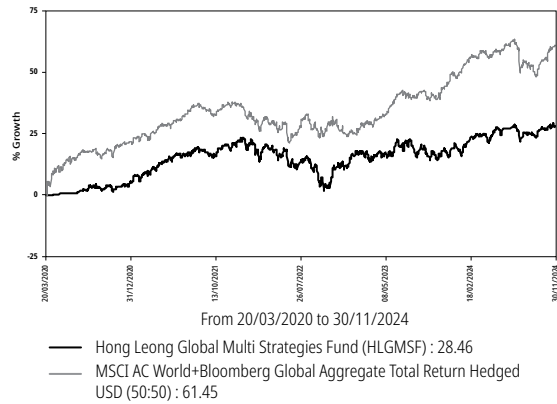
The Fund intends to provide regular income. As such, income distribution will be declared on a monthly basis, subject to availability of income. Income distributed will be reinvested into additional Units unless Unit holders opt for the distribution to be paid out.

Note:

* Income distributed (if any) will be reinvested into additional Units unless Unit holders opt for the distribution to be paid out.

II. FUND PERFORMANCE

Chart 1: Performance of the Fund versus the benchmark since launch



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 HLGMSF reinvested.

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

Performance Review

This Annual Report covers the twelve-month financial year from 1 December 2023 to 30 November 2024.

The Fund registered a return of 9.04% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the MSCI All Country World Index+Bloomberg Global Aggregate Total Return Index Hedged USD (50:50) registered a return of 11.49% (in Malaysian Ringgit terms). During the financial year under review, the Fund had distributed a gross income distribution of 0.25 sen per unit (net income distribution of 0.25 sen per unit) to its Unit holders on 22 July 2024, 20 August 2024, 20 September 2024, 21 October 2024 and 20 November 2024. Prior to the income distributions, the cum-distribution Net Asset Value (NAV) per unit of the Fund were RM1.1672, RM1.1401, RM1.1288, RM1.1522 and RM1.1540 while the ex-distribution NAV per unit were RM1.1647, RM1.1376, RM1.1263, RM1.1497 and RM1.1515. Unit holders should note that income distribution has the effect of reducing the NAV per unit of the Fund after distribution.

Since launch, the Fund has registered a return of 28.46% compared to the benchmark's return of 61.45% while distributing a total gross income of 11.3504 sen per unit (net income of 11.1794 sen per unit).

Key Risk Factors

The potential risks associated with investing in the Fund are including but not limited to the followings:

- Market risk;
- Fund management risk;
- Inflation/Purchasing power risk;
- Loan financing risk;
- Non-compliance risk;
- Third party managers' risk;
- Collective Investment Scheme risk;
- Counterparty risk;
- Currency risk;
- Liquidity risk;
- Country risk;
- Hedging risk; and
- Concentration risk.

Table 1: Performance of the Fund for the following periods as at 30 November 2024 (Source: Lipper for Investment Management)

	3 Months	6 Months	1 Year	3 Years	Since Launch
HLGMSF Return (%)	2.66	3.07	9.04	8.80	28.46
Benchmark (%)	5.35	1.90	11.49	18.91	61.45

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 30 November 2023 to 30 November 2024 (Source: Lipper for Investment Management)

	30-Nov-24	30-Nov-23	Return (%)
NAV Per Unit	RM1.1575*	RM1.0732	9.04#
Benchmark	161.45	144.81	11.49
vs Benchmark (%)	-	-	-2.45

* Based on the NAV Per Unit on 29 November 2024 as the above-mentioned reporting date fell on a non-business day.

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

Table 3: Financial Highlights

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

	30-Nov-24 (RM)	30-Nov-23 (RM)	Change (%)
Unit Holders' Capital	2,624,440	6,683,730	(60.73)
Accumulated Loss	(369,937)	(751,433)	50.77
Net Asset Value	2,254,503	5,932,297	(62.00)
Units in Circulation	1,947,834	5,527,490	(64.76)

Table 4: The Highest and Lowest NAV Per Unit, Total Return of the Fund and the breakdown into Capital Growth and Income Distribution for the financial years ended 30 November

	Financial Year 2024	Financial Year 2023	Financial Year 2022
Highest NAV Per Unit (RM)	1.1725	1.1208	1.1611
Lowest NAV Per Unit (RM)	1.0503	1.0091	0.9276
Capital Growth (%)	7.86	4.86	-8.46
Income Distribution (%)	1.18	-	3.62
Total Return (%)	9.04	4.86	-4.84

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

Table 5: Average Total Return of the Fund for the financial year ended 30 November 2024

	1 Year	3 Years
Average Total Return (%)	9.04	2.93

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 HLGMSF reinvested.

Table 6: Annual Total Return of the Fund for the financial period and years ended 30 November

Financial Year/Period	2024	2023	2022	2021	2020
Annual Total Return (%)	9.04	4.86	-4.84	14.35	3.25*

* The figure shown is for the period since Fund launch (20 March 2020 to 30 November 2020).

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 HLGMSF reinvested.

Table 7: Volatility of the Fund for the financial year ended 30 November 2024

	1 Year	3 Years
Annualised Standard Deviation (%)	5.31	10.10

Source: Lipper for Investment Management.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – December 2023 to November 2024

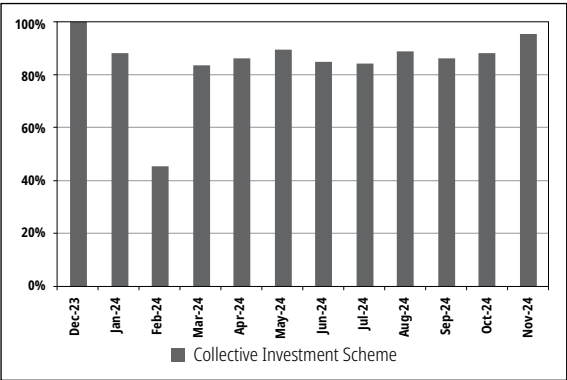
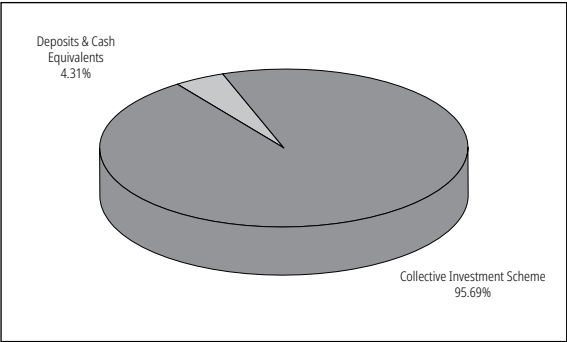


Chart 3: Sector Allocation as at 30 November 2024



Strategies employed by the Fund during the period under review

During the financial year under review, the Fund maintained its position in JPMorgan Multi Income C (Mth)–USD.

An explanation on the differences in portfolio composition

During the financial year under review, we maintained our position in JPMorgan Multi Income C (Mth)–USD as it provides higher distribution yield.

Operational review of the Fund

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

IV. MARKET REVIEW

During the financial year under review, United States (US) equity markets sustained their upward momentum, with the Dow Jones Industrial Average (DJIA) Index and the S&P 500 Index reaching record intraday highs in the month of November. However, the US economic data painted a mixed picture. Personal income rose by 0.6% in October—double the consensus estimate—while personal spending increased by 0.4%, slightly above expectations. Pending home sales defied forecasts for a decline, rising 2.0 marking the strongest gain in nearly two years. On the other hand, the manufacturing sector showed signs of weakness, as durable goods orders rose just 0.2%, falling short of expectations.

Inflation in the eurozone accelerated for the second consecutive month, reaching 2.3% in November, up from 2.0% in October. While services inflation eased slightly to 3.9%, core inflation remained steady at 2.7%. Market participants continue to anticipate that the European Central Bank (ECB) will lower borrowing costs, though the magnitude of the rate reduction remains uncertain.

The Japanese Yen (JPY) appreciated to JPY150 against the US Dollar (USD), recovering from the upper JPY154 range, supported by its safe-haven appeal and higher-than-expected domestic inflation. The Tokyo-area core Consumer Price Index (CPI), a key indicator for nationwide trends, rose by 2.2% year-over-year (YoY) in November, exceeding consensus estimates and up from October's 1.8% increase. This has intensified speculation that the Bank of Japan (BOJ) could raise interest rates further in the coming months.

The People's Bank of China (PBoC) injected RMB900 billion into the banking system via its Medium-term Lending Facility (MLF) while keeping the lending rate unchanged at 2%. Despite this injection, net liquidity tightened as RMB1.45 trillion in loans matured. Local government bond issuance is expected to add further strain to banking system liquidity as the year-end approaches. Profits at China's industrial firms fell 10% in October compared to a year earlier, improving from the sharper 27.1% decline in September. This moderation was attributed to government support measures and profit growth in high-tech and equipment manufacturing sectors.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

Overall, US remains a key driver of global growth, buoyed by an expanding business cycle, a resilient labour market, increasing Artificial Intelligence (AI)-related capital investments, and robust capital market activity. In contrast, Europe continues to grapple with structural challenges, while emerging markets face headwinds from higher-for-longer interest rates, a strong USD, and unfavourable trade policies. On the strategy front, we maintained our position in JPMorgan Multi Income C (Mth)–USD as it provides higher distribution yield and may see potential higher capital returns if the Federal Reserve continue to deliver multiple rates cuts interest rates in 2025.

VI. SOFT COMMISSIONS

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

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

I, Chue Kwok Yan, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 16 to 48 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 November 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 30 November 2024 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf of the Manager,
Hong Leong Asset Management Bhd
(Company No.: 199401033034 (318717-M))

CHUE KWOK YAN

Chief Executive Officer/Executive Director

Kuala Lumpur
22 January 2025

TRUSTEE’S REPORT

TO THE UNIT HOLDERS OF HONG LEONG GLOBAL MULTI STRATEGIES FUND (“Fund”)

We have acted as Trustee of the Fund for the financial year ended 30 November 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Bhd has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

- 1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework;
- 2. Valuation and pricing is carried out in accordance with the deed; and
- 3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
22 January 2025

INDEPENDENT AUDITORS’ REPORT

TO THE UNIT HOLDERS OF HONG LEONG GLOBAL MULTI STRATEGIES FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Hong Leong Global Multi Strategies Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 November 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 November 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 16 to 48.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Review and Report, but does not include the financial statements of the Fund and our auditors' report thereon.

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the unit holders of the Fund, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
22 January 2025

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Interest income from financial assets measured at amortised cost	4	15,470	19,997
Dividend income		188,468	376,454
Net gain/(loss) on derivative	10	57,543	(274,671)
Net gain on financial assets at fair value through profit or loss ("FVTPL")	11	284,341	792,337
Net foreign currency exchange (loss)/gain		(11,283)	29,647
		<u>534,539</u>	<u>943,764</u>
EXPENDITURE			
Management fee	5	(76,080)	(180,435)
Trustee's fee	6	(12,000)	(12,000)
Auditors' remuneration		(10,200)	(9,400)
Tax agent's fee		(5,200)	(6,750)
Other expenses		(10,679)	(16,541)
		<u>(114,159)</u>	<u>(225,126)</u>
PROFIT BEFORE TAXATION		420,380	718,638
Taxation	7	(4,818)	(81,128)
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>415,562</u>	<u>637,510</u>
Profit after taxation is made up as follows:			
Realised amount		372,644	(85,652)
Unrealised amount		42,918	723,162
		<u>415,562</u>	<u>637,510</u>
Distributions for the financial year			
Net distributions	8	34,066	-
Net distributions per unit (sen)	8	1.2500	-
Gross distributions per unit (sen)	8	1.2500	-

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2024

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	9	29,395	177,114
Amount due from the Manager of collective investment scheme			
-management fee rebates		2,898	7,594
Dividend receivable		12,144	20,928
Financial assets at FVTPL	11	2,157,256	5,756,659
Tax recoverable		83,075	9,225
TOTAL ASSETS		2,284,768	5,971,520
LIABILITIES			
Amount due to the Manager			
-management fee		3,345	8,947
Amount due to the Trustee		10,384	8,190
Derivative	10	660	7,352
Other payables and accruals		15,876	14,734
TOTAL LIABILITIES		30,265	39,223
NET ASSET VALUE OF THE FUND		2,254,503	5,932,297
EQUITY			
Unit holders' capital		2,624,440	6,683,730
Accumulated loss		(369,937)	(751,433)
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		2,254,503	5,932,297
UNITS IN CIRCULATION (UNITS)	12	1,947,834	5,527,490
NET ASSET VALUE PER UNIT (RM)		1.1574	1.0732

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	Note	Unit holders' capital RM	Accumulated loss RM	Total RM
Balance as at 1 December 2023		6,683,730	(751,433)	5,932,297
Movement in net asset value:				
Creation of units from applications		9,709	-	9,709
Creation of units from distributions		11,584	-	11,584
Cancellation of units		(4,080,583)	-	(4,080,583)
Total comprehensive income for the financial year		-	415,562	415,562
Distributions for the financial year	8	-	(34,066)	(34,066)
Balance as at 30 November 2024		2,624,440	(369,937)	2,254,503
Balance as at 1 December 2022		17,800,098	(1,388,943)	16,411,155
Movement in net asset value:				
Creation of units from applications		248,176	-	248,176
Cancellation of units		(11,364,544)	-	(11,364,544)
Total comprehensive income for the financial year		-	637,510	637,510
Balance as at 30 November 2023		6,683,730	(751,433)	5,932,297

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of financial assets at FVTPL		7,625,936	10,194,046
Purchase of financial assets at FVTPL		(3,768,320)	-
Realised gain/(loss) on derivative		50,852	(114,213)
Realised foreign exchange differences arising from operating activities		(15,594)	34,442
Interest income received from financial assets measured at amortised cost		15,470	19,997
Dividend income received		197,252	399,768
Management fee rebate received		30,823	94,192
Management fee paid		(81,682)	(195,569)
Trustee's fee paid		(9,806)	(9,117)
Payment for other fees and expenses		(24,937)	(29,935)
Tax paid		(78,668)	(129,892)
Net cash generated from operating activities		<u>3,941,326</u>	<u>10,263,719</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		9,709	248,176
Payments for cancellation of units		(4,080,583)	(11,364,544)
Payment for distributions		(22,482)	-
Net cash used in financing activities		<u>(4,093,356)</u>	<u>(11,116,368)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(152,030)	(852,649)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		4,311	(4,796)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>177,114</u>	<u>1,034,559</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u>29,395</u>	<u>177,114</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Global Multi Strategies Fund ("the Fund") was constituted pursuant to the execution of a Deed dated 7 February 2020 and Supplemental Deed dated 15 August 2023 between Hong Leong Asset Management Bhd ("the Manager") and Deutsche Trustees Malaysia Berhad ("the Trustee") for the unit holders of the Fund ("the Deeds").

The Fund aims to provide capital growth and regular income over the medium to long-term by investing primarily in a portfolio of collective investment schemes.

The investment strategy of the Fund is to invest in listed and/or unlisted collective investment schemes that provide capital growth and regular income through exposure into globally focused strategies across multiples assets classes. The Fund commenced operations on 20 March 2020 and will continue its operations until terminated as provided under Part 11 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 22 January 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

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

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

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

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

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 December 2023. None of these are expected to have a material effect on the financial statements of the Fund, except the following set out below:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendment is effective for the annual financial reporting period beginning on or after 1 December 2024.

The amendment shall be applied retrospectively.

(b) Financial assets and financial liabilities

Classification

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

- those to be measured subsequently at fair value 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.

Investment in unquoted collective investment scheme has contractual cash flows that do not represent solely payment of principal and interest, and therefore is classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from the Manager of collective investment scheme and dividend 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.

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 year which they arise.

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

Unquoted collective investment schemes are valued at the last published net asset value per unit at the date of the statement of financial position.

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

Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities such as collective investment schemes held at fair value through profit or loss are recognised in statement of comprehensive income as part of the net gain on financial assets at fair value through profit 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 unquoted investments is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted 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 with licensed financial institutions 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 of amount due from brokers/dealers. A provision for impairment of amount due from a broker/dealer is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker/dealer. Significant financial difficulties of the broker/dealer, probability that the broker/dealer will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers/dealers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial year. 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 year in which it is approved by the Board of Directors of the Manager.

(i) 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.

(j) 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 favourable, 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 unfavourable.

The Fund's derivative comprises unquoted forward currency contract. Derivative is 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 contract is determined using forward exchange rates at the date of statement 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. Derivative 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).

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

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

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

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

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

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the Information Memorandum.

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 at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
2024			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	29,395	29,395
Amount due from the Manager of collective investment scheme			
-management fee rebates	-	2,898	2,898
Dividend receivable	-	12,144	12,144
Financial assets at FVTPL (Note 11)	2,157,256	-	2,157,256
	2,157,256	44,437	2,201,693
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	3,345	3,345
Amount due to the Trustee	-	10,384	10,384
Derivative (Note 10)	660	-	660
Other payables and accruals	-	15,876	15,876
	660	29,605	30,265

	Financial assets/ liabilities at at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
2023			
<u>Financial assets</u>			
Cash and cash equivalents (Note 9)	-	177,114	177,114
Amount due from the Manager of collective investment scheme			
-management fee rebates	-	7,594	7,594
Dividend receivable	-	20,928	20,928
Financial assets at FVTPL (Note 11)	5,756,659	-	5,756,659
	5,756,659	205,636	5,962,295
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	8,947	8,947
Amount due to the Trustee	-	8,190	8,190
Derivative (Note 10)	7,352	-	7,352
Other payables and accruals	-	14,734	14,734
	7,352	31,871	39,223

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

(a) Market risk

(i) Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The price risk is managed through diversification and selection of securities and other financial instruments within specified limits according to the Deed.

The Fund's overall exposure to price risk is as follows:

	2024 RM	2023 RM
Financial assets at FVTPL:		
- Unquoted collective investment schemes - foreign	2,157,256	5,756,659

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

% Change in price of financial assets at FVTPL	Market value RM	Impact on profit after taxation/net asset value RM
2024		
-5%	2,049,393	(107,863)
0%	2,157,256	-
5%	2,265,119	107,863
2023		
-5%	5,468,826	(287,833)
0%	5,756,659	-
5%	6,044,492	287,833

(ii) Interest rate risk

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

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

As at end of the reporting year, the Fund is not exposed to a material level of interest rate risk as the deposits with licensed financial institutions are placed on a short term basis.

(iii) Currency risk

Currency risk is associated with investments that are quoted and/or priced in foreign currency denomination. Malaysian based investors should be aware that if the Malaysian Ringgit appreciates against the currencies in which the financial assets are denominated, this will have an adverse effect on the net asset value of the Fund and vice versa. Investors should also note any gains or losses arising from the movement of foreign currencies against its functional currency may therefore increase/decrease the capital gains of the investment denominated in foreign currencies. Nevertheless, investors should realise that currency risk is considered as one of the major risks to investments in foreign assets due to the volatile nature of the foreign exchange market. The Manager or its fund management delegate could utilise two pronged approaches in order to mitigate the currency risk; firstly by spreading the investments across different currencies (i.e. diversification) and secondly, by hedging the currencies when it is deemed necessary.

The Fund's foreign currency risk concentrations are as follows:

	Cash and cash equivalents RM	Derivative RM	Dividend receivable RM	Financial assets at FVTPL RM	Total RM
2024					
USD	12,519	(660)	12,144	2,157,256	2,181,259
2023					
USD	11,686	(7,352)	20,928	5,756,659	5,781,921

The table below summarises the sensitivity of the Fund's profit after taxation and net asset value denominated in foreign currency to changes in foreign exchange movements at the end of each reporting year. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in foreign exchange rate %	Impact on profit after taxation/net asset value	
		2024 RM	2023 RM
USD	5	60,201	171,333

(b) Credit risk

Credit risk refers to the risk that an issuer or counterparty will default on its contractual obligation resulting in financial loss to the Fund.

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

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

For amount due from brokers/dealers, the settlement terms are governed by the Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and Applicable Laws and Offering Documents of the relevant JPMorgan funds. The credit/default risk is minimal at the end of the financial year.

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

	Cash and cash equivalents RM	Amount due from the Manager of collective investment scheme - management fee rebates RM	Dividend receivable RM	Total RM
2024				
- AAA	29,395	-	-	29,395
- NR	-	2,898	12,144	15,042
Total	29,395	2,898	12,144	44,437
2023				
- AAA	145,012	-	-	145,012
- AA1/AA+	32,102	-	-	32,102
- NR	-	7,594	20,928	28,522
Total	177,114	7,594	20,928	205,636

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

(c) Liquidity risk

Liquidity risk is the risk that investments cannot be readily sold at or near its actual value without taking a significant discount. This will result in lower net asset value of the Fund.

The Manager manages this risk by maintaining sufficient level of liquid assets to meet anticipated payments and cancellations of the units by unit holders. Liquid assets comprise cash at banks, deposits with licensed financial institutions and other instruments.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the end of each reporting year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month RM	1 month to 1 year RM	Total RM
2024			
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fees	3,345	-	3,345
Amount due to the Trustee	10,384	-	10,384
Derivative	660	-	660
Other payables and accruals	-	15,876	15,876
Contractual cash outflows	14,389	15,876	30,265
2023			
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fees	8,947	-	8,947
Amount due to the Trustee	8,190	-	8,190
Derivative	7,352	-	7,352
Other payables and accruals	-	14,734	14,734
Contractual cash outflows	24,489	14,734	39,223

(d) Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and accumulated loss. The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

(e) Fair value estimation

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

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

The fair value of financial assets traded in active markets (such as 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 year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
<u>Financial assets at FVTPL:</u>				
- Unquoted collective investment scheme - foreign		- 2,157,256		- 2,157,256
<u>Financial liabilities:</u>				
- Derivative	-	(660)	-	(660)
2023				
<u>Financial assets at FVTPL:</u>				
- Unquoted collective investment scheme - foreign		- 5,756,659		- 5,756,659
<u>Financial liabilities:</u>				
- Derivative	-	(7,352)	-	(7,352)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include collective investment schemes and 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 assets/liability are stated in Note 2(b) and 2(j).

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

4. INTEREST INCOME FROM FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2024 RM	2023 RM
Interest income from:		
- Deposits with licensed financial institutions	12,666	19,153
- Auto-sweep facility bank account	2,804	844
	<u>15,470</u>	<u>19,997</u>

5. MANAGEMENT FEE AND MANAGEMENT FEE REBATES

In accordance with Division 12.1 of the Deeds, the Manager is entitled to a management fee of up to 3.00% per annum calculated daily based on the net asset value of the Fund.

For the financial year ended 30 November 2024, the management fee is recognised at a rate of 1.80% (2023: 1.80%) per annum.

The management fee rebates relate to the rebates received from the Manager for investing in unquoted collective investment schemes. The average rates of rebates were calculated on the net asset value of respective unquoted collective investment schemes on a daily basis as follow:

	2024 %	2023 %
<u>Unquoted collective investment schemes - foreign:</u>		
- JPMorgan Asia Equity Dividend C (mth) - USD	0.75	0.75
- JPMorgan Investment Funds - Global Dividend A (mth)		
- USD (hedged)	-	1.50
- JPMorgan Multi Income C (mth) - USD	<u>0.75</u>	<u>-</u>

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

6. TRUSTEE'S FEE

In accordance with Division 12.2 of the Deeds, the Trustee is entitled to a fee not exceeding 0.04% per annum subject to a minimum of RM12,000 per annum (excluding foreign custodian fees and charges) calculated daily based on the net asset value of the Fund.

For the financial year ended 30 November 2024, the Trustee's fee is computed at a rate of 0.04% (2023: 0.04%) per annum but recognised at RM12,000 which is the minimum fee per annum based on terms agreed with the Trustee.

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

7. TAXATION

	2024 RM	2023 RM
Tax charge for the financial year:		
Current taxation	4,818	91,040
Over provision of tax in prior year	-	(9,912)
	<u>4,818</u>	<u>81,128</u>

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

	2024 RM	2023 RM
Profit before taxation	<u>420,380</u>	<u>718,638</u>
Taxation at Malaysian statutory rate of 24% (2023: 24%)	100,891	172,473
Tax effects of:		
Investment income not subject to tax	(116,995)	(112,408)
Expenses not deductible for tax purposes	4,350	4,671
Restriction on tax deductible expenses for wholesale fund	16,572	26,304
Over provision of tax in prior year	-	(9,912)
Taxation	<u>4,818</u>	<u>81,128</u>

8. DISTRIBUTIONS

Distributions to unit holders are derived from the following sources:

	2024 RM	2023 RM
Interest income	15,470	-
Realised foreign currency exchange gain	39,341	-
Less: Expenses	<u>(20,745)</u>	-
Net distributions amount	<u>34,066</u>	-
Gross/net distributions per unit (sen)	<u>1.2500</u>	-

	2024 RM	2023 RM
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Date of Declaration

22 July 2024

Gross/net distribution per unit (sen)	<u>0.2500</u>	-
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20 August 2024

Gross/net distribution per unit (sen)	<u>0.2500</u>	-
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20 September 2024

Gross/net distribution per unit (sen)	<u>0.2500</u>	-
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21 October 2024

Gross/net distribution per unit (sen)	<u>0.2500</u>	-
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20 November 2024

Gross/net distribution per unit (sen)	<u>0.2500</u>	-
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The composition of distribution payments sourced from income and capital are disclosed in below:

	Income RM	%	Capital RM	%
2024	<u>34,066</u>	100.00	-	-
2023	<u>-</u>	-	-	-

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

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

9. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Deposits with licensed financial institutions	-	145,012
Cash at banks	29,395	32,102
	<u>29,395</u>	<u>177,114</u>

The weighted average effective interest rates per annum are as follows:

	2024 %	2023 %
Deposits with licensed financial institutions	-	3.00

Deposits with licensed financial institutions have nil average remaining maturity (2023: 1 day).

10. DERIVATIVE

Derivative comprises forward currency contract. The negative fair value represents the unrealised gain/(loss) 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 fair value at the end of each reporting date is analysed below:

	2024 RM	2023 RM
<u>Derivative liability:</u>		
Forward currency contract	(660)	(7,352)
<u>Net gain/(loss) on derivative:</u>		
Realised gain/(loss) on disposals	50,851	(114,213)
Changes in unrealised fair values	6,692	(160,458)
	<u>57,543</u>	<u>(274,671)</u>

	Maturity date	Contract or underlying principal amounts	*Fair value RM
2024			
United States Dollar	within 1 month	220,000	(660)
2023			
United States Dollar	within 1 month	507,000	(7,352)

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

	Payables RM	Fair value RM	Percentage of net asset value %
2024			
Hong Leong Investment Bank Berhad	(660)	(660)	0.03
2023			
Hong Leong Investment Bank Berhad	(7,352)	(7,352)	0.13

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

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

	2024 RM	2023 RM
<u>Financial assets at FVTPL:</u>		
Unquoted collective investment scheme - foreign	2,157,256	5,756,659
<u>Net gain on financial assets at FVTPL:</u>		
Realised gain/(loss) on disposals	226,299	(172,450)
Changes in unrealised fair values	31,915	888,416
Management fee rebates (Note 5)	26,127	76,371
	<u>284,341</u>	<u>792,337</u>

Financial assets at FVTPL as at 30 November 2024 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
UNQUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN				
JPMorgan Multi Income C (mth) - USD	53,568	2,246,191	2,157,256	95.69
TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN	53,568	2,246,191	2,157,256	95.69
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		(88,935)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		2,157,256		

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
UNQUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN				
JPMorgan Asia Equity Dividend C (mth) - USD	131,690	5,877,509	5,756,659	97.04
TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN	131,690	5,877,509	5,756,659	97.04
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		(120,850)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		5,756,659		

12. UNITS IN CIRCULATION

	2024 No. of units	2023 No. of units
At the beginning of the financial year	5,527,490	16,035,019
Add: Creation of units during the financial year		
- Arising from applications	8,939	232,269
- Arising from distributions	10,108	-
Less: Cancellation of units during the financial year	(3,598,703)	(10,739,798)
At the end of the financial year	1,947,834	5,527,490

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

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

Related parties	Relationships
Hong Leong Asset Management Bhd	The Manager
Hong Leong Islamic Asset Management Sdn Bhd	Subsidiary of the Manager
Hong Leong Capital Berhad	Holding company of the Manager
Hong Leong Financial Group Berhad ("HLFG")	Ultimate holding company of the Manager
Subsidiaries and associates of HLFG as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

No units were held by the Manager and parties related to the Manager as at 30 November 2024 and 30 November 2023.

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

	2024 RM	2023 RM
Related party balances		
Derivative:		
- Hong Leong Investment Bank Berhad	(660)	(7,352)
Related party transactions		
Interest income from deposits with licensed financial institutions:		
- Hong Leong Bank Berhad	-	436

Performance Data

for the Financial Years Ended 30 November

		Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
A. (i) Portfolio Compositions:				
Collective Investment Scheme		95.69	97.04	92.83
Deposits & Cash Equivalents		4.31	2.96	7.17
(ii) Total Net Asset Value	(ex-distribution)	RM2,254,503	RM5,932,297	RM16,411,155
(iii) Net Asset Value Per Unit	(ex-distribution)	RM1.1575	RM1.0732	RM1.0235
Units in Circulation	(ex-distribution)	1,947,834	5,527,490	16,035,019
(iv) Highest/Lowest NAV Per Unit	Highest NAV Per Unit	RM1.1725	RM1.1208	RM1.1611
(ex-distribution)	Lowest NAV Per Unit	RM1.0503	RM1.0091	RM0.9276
(v) Total Return of the Fund*		9.04%	4.86%	-4.84%
- Capital Growth		7.86%	4.86%	-8.46%
- Income Distribution		1.18%	-	3.62%
(vi) The distribution (gross) is made out of:-				
- The Fund's Capital		0.0000 sen/unit	-	4.2400 sen/unit
- The Fund's Income		1.2500 sen/unit	-	0.0000 sen/unit
- Total Distribution Amount		1.2500 sen/unit	-	4.2400 sen/unit
- The Fund's Capital (% of Total Distribution Amount)		0%	-	100%
- The Fund's Income (% of Total Distribution Amount)		100%	-	0%
(vii) Distribution Per Unit	Additional Units	-	-	-
	Distribution (Gross)	0.2500 sen/unit	-	0.8000 sen/unit
	Distribution (Net)	0.2500 sen/unit	-	0.7986 sen/unit
	Distribution Date	22/07/2024	-	20/12/2021
	Cum-Distribution NAV/Unit	RM1.1672	-	RM1.1353
	Ex-Distribution NAV/Unit	RM1.1647	-	RM1.1273
	Additional Units	-	-	-
	Distribution (Gross)	0.2500 sen/unit	-	0.4300 sen/unit
	Distribution (Net)	0.2500 sen/unit	-	0.4300 sen/unit
	Distribution Date	20/08/2024	-	20/01/2022
	Cum-Distribution NAV/Unit	RM1.1401	-	RM1.1522
	Ex-Distribution NAV/Unit	RM1.1376	-	RM1.1479
	Additional Units	-	-	-
	Distribution (Gross)	0.2500 sen/unit	-	0.4300 sen/unit
	Distribution (Net)	0.2500 sen/unit	-	0.4300 sen/unit
	Distribution Date	20/09/2024	-	21/02/2022
	Cum-Distribution NAV/Unit	RM1.1288	-	RM1.1331
	Ex-Distribution NAV/Unit	RM1.1263	-	RM1.1288
	Additional Units	-	-	-
	Distribution (Gross)	0.2500 sen/unit	-	0.4300 sen/unit
	Distribution (Net)	0.2500 sen/unit	-	0.4300 sen/unit
	Distribution Date	21/10/2024	-	21/03/2022
	Cum-Distribution NAV/Unit	RM1.1522	-	RM1.1086
	Ex-Distribution NAV/Unit	RM1.1497	-	RM1.1043

Performance Data

for the Financial Years Ended 30 November

	Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
Additional Units	-	-	-
Distribution (Gross)	0.2500 sen/unit	-	0.4300 sen/unit
Distribution (Net)	0.2500 sen/unit	-	0.4130 sen/unit
Distribution Date	20/11/2024	-	20/04/2022
Cum-Distribution NAV/Unit	RM1.1540	-	RM1.1115
Ex-Distribution NAV/Unit	RM1.1515	-	RM1.1073
Additional Units	-	-	-
Distribution (Gross)	-	-	0.4300 sen/unit
Distribution (Net)	-	-	0.4210 sen/unit
Distribution Date	-	-	20/05/2022
Cum-Distribution NAV/Unit	-	-	RM1.0746
Ex-Distribution NAV/Unit	-	-	RM1.0704
Additional Units	-	-	-
Distribution (Gross)	-	-	0.4300 sen/unit
Distribution (Net)	-	-	0.4210 sen/unit
Distribution Date	-	-	20/06/2022
Cum-Distribution NAV/Unit	-	-	RM1.0300
Ex-Distribution NAV/Unit	-	-	RM1.0258
Additional Units	-	-	-
Distribution (Gross)	-	-	0.4300 sen/unit
Distribution (Net)	-	-	0.3800 sen/unit
Distribution Date	-	-	20/07/2022
Cum-Distribution NAV/Unit	-	-	RM1.0385
Ex-Distribution NAV/Unit	-	-	RM1.0347
Additional Units	-	-	-
Distribution (Gross)	-	-	0.4300 sen/unit
Distribution (Net)	-	-	0.4300 sen/unit
Distribution Date	-	-	22/08/2022
Cum-Distribution NAV/Unit	-	-	RM1.0464
Ex-Distribution NAV/Unit	-	-	RM1.0421
B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 30/11/2024)*			
(i) One year	9.04%		
(ii) Three years	2.93%		

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

Corporate Information

Manager

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

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Board of Directors

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

Executive Director / Chief Executive Officer

Mr. Chue Kwok Yan

Trustee

Deutsche Trustees Malaysia Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Distributor

Hong Leong Bank Berhad

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