



Hong Leong SEA-5 Equity Fund

Semi-Annual Report

Financial Period Ended 31 May 2023

2022/2023

Unaudited



Hong Leong SEA-5 Equity Fund

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Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong SEA-5 Equity Fund

Fund Category

Equity

Fund Type

Growth

Investment Objective

The Fund aims to achieve Medium To Long-Term capital growth by investing in a portfolio of investments in 5 South-East Asia markets, namely Malaysia, Singapore, Indonesia, Thailand and Philippines.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

FTSE ASEAN 40 Index

Distribution Policy

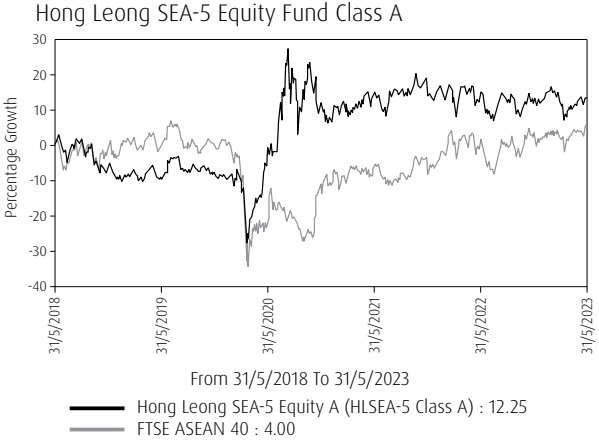
The Fund intends to provide Unitholders with Medium-To Long-Term capital growth. As such, cash distributions will be incidental to the overall capital growth objective* and a substantial portion of the income returns from investments will be reinvested. Any distribution is subject to the availability of realized income and/or gains.

Note:

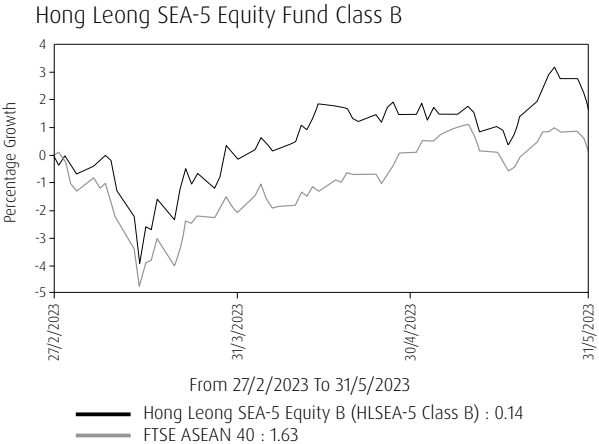
* In relation to distribution policy, the focus of the Fund is to secure medium and long-term capital growth.

II. FUND PERFORMANCE

Chart 1: Performance of the Fund versus the benchmark



Source: Lipper for Investment Management, In Malaysian Ringgit terms, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLSEA-5 Class A reinvested.



Source: Lipper for Investment Management, In Malaysian Ringgit terms, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLSEA-5 Class B 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 December 2022 to 31 May 2023.

For Hong Leong SEA-5 Equity Fund Class A, the Fund posted a return of -0.48% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the FTSE ASEAN 40 Index has registered a return of 0.39% (in Malaysian Ringgit terms). For the five financial years ended 31 May 2023, the Fund has posted a return of 12.25% while its benchmark has registered a return of 4.00% while distributing a total gross income of 3.5000 sen per unit (net income of 3.5000 sen per unit).

For Hong Leong SEA-5 Equity Fund Class B, the Fund posted a return of 0.14% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) since 27 February 2023 while its benchmark the FTSE ASEAN 40 Index has registered a return of 1.63% (in Malaysian Ringgit terms).

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

	28/02/23- 31/05/23 3 Months	30/11/22- 31/05/23 6 Months	31/05/22- 31/05/23 1 Year	31/05/20- 31/05/23 3 Years	31/05/18- 31/05/23 5 Years	09/01/17- 31/05/23 Since Launch
HLSEA-5 Class A (%)	-0.13	-0.48	-2.27	14.28	12.25	15.08
Benchmark (%)	2.01	0.39	2.50	31.34	4.00	14.21

	28/02/23- 31/05/23 3 Months	30/11/22- 31/05/23 6 Months	31/05/22- 31/05/23 1 Year	31/05/20- 31/05/23 3 Years	31/05/18- 31/05/23 5 Years	27/02/23- 31/05/23 Since 27/02/23
HLSEA-5 Class B (%)	0.04	-	-	-	-	0.14
Benchmark (%)	2.01	-	-	-	-	1.63

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

HLSEA-5 Class A	31-May-23	30-Nov-22	Return (%)
NAV Per Unit	RM0.5395	RM0.5421	-0.48
Benchmark	46,605.99	46,426.12	0.39
vs Benchmark (%)	-	-	-0.87

HLSEA-5 Class B	31-May-23	27-Feb-23	Return (%)
NAV Per Unit	RM0.5007	RM0.5000	0.14
Benchmark	46,605.99	45,857.96	1.63
vs Benchmark (%)	-	-	-1.49

Table 3: Financial Highlights

The Fair Value of Outstanding Units are represented by:

	31-May-23 (RM)	30-Nov-22 (RM)	Change (%)
Class A	3,781,566	4,257,476	(11.18)
Class B	501	-	-
Units in Circulation:			
Class A	7,009,107	7,853,773	(10.75)
Class B	1,000	-	-

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

HLSEA-5 Class A	Financial Period 30/11/22- 31/05/23	Financial Year 30/11/21- 30/11/22	Financial Year 30/11/20- 30/11/21	Financial Year 30/11/19- 30/11/20
Highest NAV Per Unit (RM)	0.5591	0.5994	0.6148	0.6506
Lowest NAV Per Unit (RM)	0.5140	0.5193	0.5436	0.3718
Capital Growth (%)	-0.48	-6.95	2.95	20.82
Income Distribution (%)	-	6.19	-	-
Total Return (%)	-0.48	-0.76	2.95	20.82

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 HLSEA-5 Class A reinvested.

	Financial Period 27/02/23- 31/05/23
HLSEA-5 Class B	
Highest NAV Per Unit (RM)	0.5055
Lowest NAV Per Unit (RM)	0.4763
Capital Growth (%)	0.14
Income Distribution (%)	-
Total Return (%)	0.14

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 HLSEA-5 Class B reinvested.

Table 5: Average Total Return of the Fund

	31/05/22- 31/05/23 1 Year	31/05/20- 31/05/23 3 Years	31/05/18- 31/05/23 5 Years
HLSEA-5 Class A (%)	-2.27	4.76	2.45
HLSEA-5 Class B (%)	-	-	-

Source: Lipper for Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLSEA-5 reinvested.

Table 6: Annual Total Return of the Fund

Financial Year	30/11/21- 30/11/22	30/11/20- 30/11/21	30/11/19- 30/11/20	30/11/18- 30/11/19	30/11/17- 30/11/18
HLSEA-5 Class A (%)	-0.76	2.95	20.82	-2.92	-10.10
HLSEA-5 Class B (%)	-	-	-	-	-

Source: Lipper for Investment Management, In Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLSEA-5 reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – December 2022 to May 2023

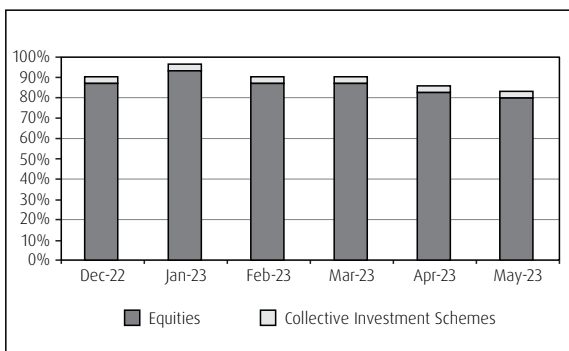


Chart 3: Sector Allocation as at 31 May 2023

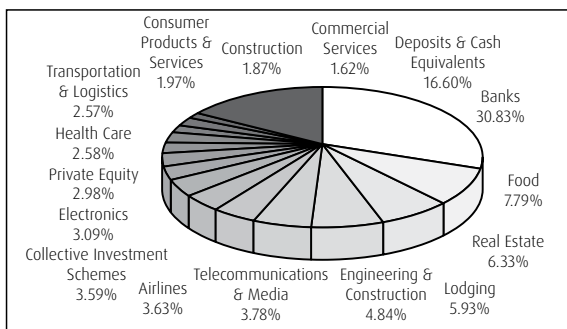
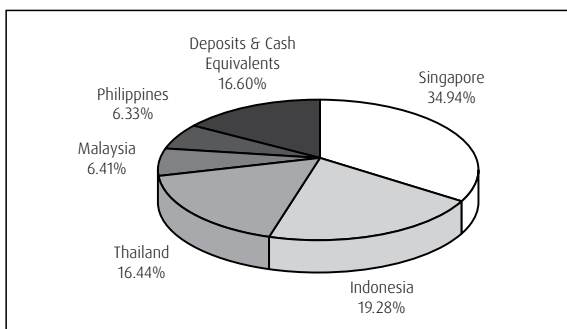


Chart 4: Geographical Allocation as at 31 May 2023



Strategies employed by the Fund during the period under review

We locked in our gains in Malaysia companies and allocated the proceeds to Thailand and Indonesia’s companies. Indonesia consumer sector is one of the outperforming sectors as the strong growth in its mid-high tier consumer spending recovery. We maintain overweight in Singapore financial sector as the rising interest rates have lifted the net interest margins of the banking sector.

An explanation on the differences in portfolio composition

During the financial period under review, we increased our positions in Indonesia and Thailand markets as the reopening of their economies will see higher rebounds in their gross domestic product (GDP) growth. We have relocated into including hospitality, airports and consumer related sectors.

Operational review of the Fund

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

IV. MARKET REVIEW

During the period under review, ASEAN markets experienced downward pressure following a robust performance in 2022. This downward pressure was primarily attributed to capital outflows from ASEAN markets and a shift of focus towards Greater China markets. Investors anticipated a strong economic recovery in China following its reopening in 2023, leading to a redirection of investments. In terms of inflation, most ASEAN regions observed a cooling off of inflationary pressures. This trend alleviated concerns about rising prices in the region. Additionally, consumer spending exhibited resilience, supporting the growth prospects for 2023.

The United States economy experienced a greater-than-expected slowdown in the first quarter of 2023, with reported annualized real GDP growth of 1.1%, compared to 2.6% in the previous quarter (fourth quarter of 2023). Strong consumer spending was observed, but the economy was weighed down by a significant decline in inventory. In March, the Consumer Price Index (CPI) showed milder inflation than anticipated, with headline inflation at 0.1% on a month-over-month basis (consensus forecast was 0.3%), while core CPI matched expectations at 0.4%. The moderation in inflation was driven by lower food and energy prices, and the increase in shelter costs slowed compared to February. The combination of weaker economic growth, decelerating inflation, tightening financial conditions, and less robust job numbers reinforces the expectation that the Federal Reserve will likely pause its monetary policy after a 25 basis points interest rate hike in May.

Singapore's GDP growth in the first quarter of 2023 was 0.4% year-on-year (YoY), surpassing the initial estimate of 0.1% and following a 2.1% expansion in the fourth quarter of 2022. However, this figure represents the slowest increase since the contraction experienced in the fourth quarter of 2020. The services sector experienced a significant easing

of growth, with a rate of 2.0% compared to 4.0% in the previous quarter.

In the first quarter of 2023, Indonesia's economy experienced a contraction of 0.92% quarter-on-quarter, which was better than the market consensus of a 1% decline but a reversal from the 0.36% growth recorded in the previous quarter (fourth quarter). This contraction marked the first downturn in the economy since the first quarter of 2022. The decline was primarily driven by a decrease in both fixed investments and government spending. Additionally, private consumption eased by -0.25% due to increasing cost pressures and high-interest rates.

Thailand's first quarter of 2023 GDP recorded a YoY growth of 2.7%, exceeding the market consensus of 2.3% and showing an acceleration from the 1.4% growth achieved in the fourth quarter of 2022. This marks the sixth consecutive period of economic expansion for the country. The growth was primarily driven by robust private consumption, which grew at a rate of 5.4% compared to 5.6% in the fourth quarter. Additionally, fixed investment contributed to the expansion with a growth rate of 3.1% compared to 3.9% in the previous quarter.

The Philippine GDP achieved a YoY growth of 6.4% in the first quarter of 2023, surpassing the market consensus of 6.1%. However, this growth rate reflects a decline from the downwardly revised 7.1% gain recorded in the fourth quarter of 2022. Despite being the 8th consecutive quarter of expansion, this represents the lowest growth within the sequence. The economy faced challenges stemming from intense cost pressures and higher interest rates during this period. Nevertheless, the GDP growth remained within the government's target range of 6-7% for 2023.

Malaysia's economy experienced a YoY growth of 5.6% in the first quarter of 2023, surpassing market forecasts of 4.8%. However, this growth rate represents a slowdown from an upwardly revised 7.1% growth recorded in the third quarter. The expansion was mainly driven by domestic demand. It marks the sixth consecutive quarter of economic expansion for the country but represents the slowest pace since the first quarter of 2022. The slowdown in growth can be attributed to easing private consumption, which grew at a rate of 5.9% compared to 7.3% in the fourth quarter.

Similarly, fixed investment also decelerated, with a growth rate of 4.9% compared to 8.8% in the previous quarter. Additionally, government spending dropped by -2.2% primarily due to lower spending on supplies and services.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

Overall, while ASEAN markets faced some challenges due to capital outflows and the shift in investor sentiment towards Greater China, the easing inflation pressure and resilient consumer spending provided a positive outlook for growth in the region. ASEAN countries will be one of the major beneficiaries of China-reopening as they are trading partners with China and closed proximity for tourism related activities.

On strategy front, we took profit in the commodities related sectors and focus on companies with good pricing power and have higher sensitivities towards the economic recoveries. We increase our exposure in hospitality, airports and consumer related sectors during the period.

VI. SOFT COMMISSIONS

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

STATEMENT BY THE MANAGER

I, Hoo See Kheng, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the accompanying unaudited condensed financial statements set out on pages 12 to 45 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 31 May 2023 and of its financial performance, changes in net assets attributable to unit holder and cash flows for the financial period ended 31 May 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 July 2023

TRUSTEE'S REPORT

To the unit holders of **HONG LEONG SEA-5 EQUITY FUND** ("Fund"),

We have acted as Trustee of the Fund for the financial period ended 31 May 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 **Maybank Trustees Berhad**
[Company No.: 196301000109 (5004-P)]

JUANITA BINTI SUHAIMI
Unit Head, Unit Trust Operations

Kuala Lumpur
17 July 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2023

	Note	2023 RM	2022 RM
INVESTMENT INCOME			
Interest income from financial assets measured at amortised cost		1,426	1,497
Dividend income		66,480	63,815
Net loss on derivatives	7	(93,856)	(50,813)
Net gain on financial assets at fair value through profit or loss ("FVTPL")	8	96,318	100,548
Net foreign currency exchange (loss)/gain		(13,338)	4,934
		<u>57,030</u>	<u>119,981</u>
EXPENDITURE			
Management fee	4	(35,537)	(42,468)
Trustee's fee	5	(691)	(826)
Auditors' remuneration		(4,837)	(4,837)
Tax agent's fee		(2,013)	(1,296)
Custodian fees		(2,763)	(2,635)
Transaction costs		(8,900)	(13,894)
Other expenses		(6,820)	(10,084)
		<u>(61,561)</u>	<u>(76,040)</u>
NET (LOSS)/PROFIT BEFORE TAXATION		(4,531)	43,941
Taxation	6	(10,926)	(1,664)
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(15,457)</u>	<u>42,277</u>
(Decrease)/increase in net assets attributable to unit holders consists of:			
Realised amount		17,787	225,390
Unrealised amount		(33,244)	(183,113)
		<u>(15,457)</u>	<u>42,277</u>

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

CONDENSED STATEMENT OF FINANCIAL POSITION *(Unaudited)*

AS AT 31 MAY 2023

	Note	31.05.2023 RM	30.11.2022 RM
ASSETS			
Cash and cash equivalents		505,879	809,788
Amount due from brokers/dealers		310,725	-
Derivatives	7	-	35,208
Dividends receivable		5,215	738
Financial assets at fair value through profit or loss ("FVTPL")	8	3,154,130	3,458,593
TOTAL ASSETS		<u>3,975,949</u>	<u>4,304,327</u>
LIABILITIES			
Amount due to brokers/dealers		115,177	-
Amount due to the Manager - management fee		5,843	6,318
Amount due to the Trustee		114	7,548
Derivatives	7	26,139	-
Other payables and accruals		38,549	28,936
Tax payable		8,060	4,049
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>193,882</u>	<u>46,851</u>
NET ASSET VALUE OF THE FUND		<u>3,782,067</u>	<u>4,257,476</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS*		<u>3,782,067</u>	<u>4,257,476</u>
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (RM)			
- Class A		3,781,566	4,257,476
- Class B		501	-
		<u>3,782,067</u>	<u>4,257,476</u>
UNITS IN CIRCULATION (UNITS)			
- Class A		7,009,107	7,853,773
- Class B		1,000	-
	9	<u>7,010,107</u>	<u>7,853,773</u>
NET ASSET VALUE PER UNIT (RM)			
- Class A		0.5395	0.5421
- Class B		0.5007	-

* Net assets attributable to unit holders are classified as financial liabilities as at 31 May 2023 and equity as at 30 November 2022 as disclosed in note 2(h).

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

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2023

	2023 RM	2022 RM
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	4,257,476	4,954,557
Movement due to units created and cancelled during the financial period:		
Creation of units from applications	8,500	-
Cancellation of units	(468,452)	(436,137)
	<u>(459,952)</u>	<u>(436,137)</u>
(Decrease)/increase in net assets attributable to unit holders	(15,457)	42,277
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD*	<u>3,782,067</u>	<u>4,560,697</u>

* During the financial period ended 31 May 2023, net assets attributable to unit holders are classified as financial liabilities. During the financial period ended 31 May 2022, net assets attributable to unit holders are classified as equity as disclosed in note 2(h).

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

CONDENSED STATEMENT OF CASH FLOWS

(Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2023

	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sales of financial assets at FVTPL	1,238,507	2,879,440
Purchase of financial assets at FVTPL	(1,040,765)	(2,159,089)
Realised loss on derivatives	(32,509)	(32,648)
Realised foreign exchange differences arising from operating activities	(35,147)	(17,773)
Interest income received from financial assets measured at amortised cost	1,426	1,497
Dividend income received	58,813	68,185
Management fee paid	(36,012)	(43,226)
Trustee's fee paid	(8,125)	(7,751)
Payment for other fees and expenses	(5,111)	(17,953)
Tax paid	(6,915)	-
Net cash generated from operating and investing activities	<u>134,162</u>	<u>670,682</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from creation of units	8,500	-
Payments for cancellation of units	(468,452)	(436,627)
Net cash used in financing activities	<u>(459,952)</u>	<u>(436,627)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(325,790)	234,055
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	21,881	16,487
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>809,788</u>	<u>751,502</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>505,879</u></u>	<u><u>1,002,044</u></u>

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 MAY 2023

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong SEA-5 Equity Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 6 December 2016 and Second Supplemental Deed dated 9 September 2021 between the Manager, Hong Leong Asset Management Bhd and Maybank Trustees Berhad (“the Trustee”) for the unit holders of the Fund.

The Fund aims to achieve Medium-To Long-Term capital growth by investing in a portfolio of investments in 5 South-East Asia markets, namely Malaysia, Singapore, Indonesia, Thailand and Philippines.

The Fund will invest in a diversified portfolio of equities comprising blue chip stocks and index stocks listed in the 5 South-East Asia markets, namely Malaysia, Singapore, Indonesia, Thailand and Philippines. The Fund commenced operations on 9 January 2017 and will continue its operations until terminated as provided under Part 12 of the Deed.

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

The financial statements were authorised for issue by the Manager on 17 July 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 30 November 2022 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

(b) Financial assets and financial liabilities

Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flows characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair

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

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

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

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has

transferred substantially all risks and rewards of ownership.

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

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

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

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

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

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

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

Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no

reasonable expectation of recovery is based on unavailability of obligor's sources of income or assets to generate sufficient future cash flows to pay the amount. The Fund may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial period.

(c) Foreign currency

Functional and presentation currency

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

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its 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 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 derivatives - unquoted forward currency contracts is measured by the net settlement as per the forward currency contracts.

(e) Cash and cash equivalents

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

(f) Amount due from/to brokers/dealers

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

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

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial period. Withholding taxes on investment income from foreign investments are based on the tax regime

of the respective countries that the Fund invests in. Such withholding taxes are not "income tax" in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(h) Unit holders' capital

Prior to 27 February 2023, the Fund classified its puttable instruments as equity in accordance with MFRS 132 (Amendment) "Financial Instruments: Presentation". However, the amendment requires puttable financial instruments that meet the definition of equity to be classified as financial liability when certain strict criteria are not met. Those criteria include:

- the puttable instrument must entitle the unit holder to a pro-rate share of net assets;
- the puttable instrument must be the most subordinated class and class features must be identical;
- there must be no contractual obligations to deliver cash or another financial assets other than the obligation on the issuer to repurchase; and
- the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer.

These conditions were not met when Class A and Class B were issued on 27 February 2023 as Class A and Class B do not have identical features.

The Fund issues cancellable units, in two classes of units, known respectively as the Class A and Class B which are cancelled at the unit holder's option, and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unit holders exercises the right to put back the unit to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit of respective classes 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 of respective classes with the total number of outstanding units of respective classes.

(i) Increase/decrease in net assets attributable to unit holders

Income not distributed is included in net assets attributable to unit holders. Movements in net assets attributable to unit holders are recognised in the statement of comprehensive income as finance costs.

(j) Finance cost

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. As a result of the reclassification of units from equity to financial liability, the Fund's distributions are no longer classified as dividend paid in the statement of changes in net assets attributable to unit holders, but rather as finance cost in the statement of comprehensive income.

(k) 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.

(l) Derivatives

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

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

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

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

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

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

(m) Fair value of financial instruments

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

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

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

	Financial assets/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
31.05.2023			
<u>Financial assets</u>			
Cash and cash equivalents	-	505,879	505,879
Amount due from brokers/dealers	-	310,725	310,725
Dividends receivable	-	5,215	5,215
Financial assets at FVTPL (Note 8)	3,154,130	-	3,154,130
	<u>3,154,130</u>	<u>821,819</u>	<u>3,975,949</u>
<u>Financial liabilities</u>			
Amount due to brokers/dealers	-	115,177	115,177
Amount due to the Manager -management fee	-	5,843	5,843
Amount due to the Trustee	-	114	114
Derivatives (Note 7)	26,139	-	26,139
Other payables and accruals	-	38,549	38,549
	<u>26,139</u>	<u>159,683</u>	<u>185,822</u>
30.11.2022			
<u>Financial assets</u>			
Cash and cash equivalents	-	809,788	809,788
Derivatives (Note 7)	35,208	-	35,208
Dividends receivable	-	738	738
Financial assets at FVTPL (Note 8)	3,458,593	-	3,458,593
	<u>3,493,801</u>	<u>810,526</u>	<u>4,304,327</u>
<u>Financial liabilities</u>			
Amount due to the Manager -management fee	-	6,318	6,318
Amount due to the Trustee	-	7,548	7,548
Other payables and accruals	-	28,936	28,936
	<u>-</u>	<u>42,802</u>	<u>42,802</u>

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

(n) 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 of the Fund's financial assets (by class) measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
31.05.2023				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- local	242,558	-	-	242,558
- Quoted equity securities				
- foreign	2,776,040	-	-	2,776,040
- Quoted collective investment scheme				
- foreign	135,532	-	-	135,532
	3,154,130	-	-	3,154,130
<u>Financial liabilities:</u>				
- Derivatives	-	(26,139)	-	(26,139)
	-	(26,139)	-	(26,139)
30.11.2022				
<u>Financial assets at FVTPL:</u>				
- Quoted equity securities				
- local	681,039	-	-	681,039
- Quoted equity securities				
- foreign	2,652,299	-	-	2,652,299
- Quoted collective investment scheme				
- foreign	125,255	-	-	125,255
<u>Financial assets:</u>				
- Derivatives	-	35,208	-	35,208
	3,458,593	35,208	-	3,493,801

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities 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. These include derivatives. As Level 2 instruments include positions that are

not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note 2(b) and 2(l).

- (ii) The carrying values of financial assets (other than financial assets at FVTPL and derivatives) and financial liabilities (other than derivatives) 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 1.80% per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 May 2023, the management fee is recognised at an average rate of 1.80% per annum until 26 February 2023. With effect from 27 February 2023, the management fee are recognised at a rate of 1.80% for Class A and 1.80% for Class B (2022: 1.80%) per annum.

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

5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.08% subject to a minimum of RM9,000 (excluding custodian fee and charges) per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 May 2023, the Trustee's fee is recognised at a rate of 0.035% (2022: 0.035%) 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	-	1,664

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

	2023	2022
	RM	RM
(Loss)/profit before taxation	(4,531)	43,941
Taxation at Malaysian statutory rate of 24% (2022: 24%)	(1,087)	10,546
Tax effects of:		
Investment loss disallowed from tax/ (investment income not subject to tax)	108	(27,131)
Expenses not deductible for tax purposes	2,301	5,212
Restriction on tax deductible expenses for unit trust fund	9,604	13,037
Taxation	10,926	1,664

7. DERIVATIVES

Derivatives comprise forward currency contracts. 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 contracts and the corresponding gross (negative)/positive fair value at the end of each reporting date is analysed below:

		31.05.2023	30.11.2022
		RM	RM
<u>Derivative assets:</u>			
Forward currency contracts		-	35,208
<u>Derivative liabilities:</u>			
Forward currency contracts		26,139	-
<hr/>			
		2023	2022
		RM	RM
<u>Net loss on derivatives:</u>			
Realised loss on disposals		(32,509)	(32,648)
Changes in unrealised fair values		(61,347)	(18,165)
		<u>(93,856)</u>	<u>(50,813)</u>
<hr/>			
	Maturity date	Contract or underlying principal amounts	*Fair value RM
31.05.2023			
Singapore Dollar	within 1 month	246,000	(12,743)
Thai Baht	within 1 month	2,672,000	(3,206)
United States Dollar	within 1 month	25,757	(4,611)
United States Dollar	within 1 month	26,000	(2,951)
United States Dollar	within 1 month	25,757#	(2,628)
			<u>(26,139)</u>
30.11.2022			
Singapore Dollar	within 1 month	269,000	27,438
Thai Baht	within 1 month	2,875,000	5,175
United States Dollar	within 1 month	29,000	2,595
			<u>35,208</u>

This is the equivalent US Dollar amount used to hedge PHP1,481,000.

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

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.

	Receivables RM	Payables RM	Fair value RM	Percentage of net asset value %
31.05.2023				
Hong Leong Bank Berhad	-	(10,445)	(10,445)	0.28
Hong Leong Investment Bank Berhad	-	(15,694)	(15,694)	0.41
	-	(26,139)	(26,139)	0.69
30.11.2022				
CIMB Bank Berhad	5,175	-	5,175	0.12
Hong Leong Investment Bank Berhad	30,033	-	30,033	0.71
	35,208	-	35,208	0.83

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.

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

	31.05.2023 RM	30.11.2022 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity securities - local	242,558	681,039
Quoted equity securities - foreign	2,776,040	2,652,299
Quoted collective investment scheme - foreign	135,532	125,255
	3,154,130	3,458,593
<hr/>		
	2023 RM	2022 RM
<u>Net gain on financial assets at FVTPL:</u>		
Realised gain on disposals	90,024	280,844
Changes in unrealised fair values	6,294	(180,296)
	96,318	100,548

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES				
- LOCAL				
<u>Construction</u>				
Gamuda Berhad	15,945	57,294	70,796	1.87
<u>Consumer Products & Services</u>				
AirAsia X Berhad	40,000	75,180	74,400	1.97
<u>Transportation & Logistics</u>				
Malaysia Airports Holdings Berhad	14,090	85,755	97,362	2.57
TOTAL QUOTED EQUITY SECURITIES - LOCAL	70,035	218,229	242,558	6.41
QUOTED EQUITY SECURITIES				
- FOREIGN				
Indonesia				
<u>Banks</u>				
PT Bank Central Asia Tbk	109,000	282,330	303,037	8.01
<u>Commercial Services</u>				
PT Jasa Marga (Persero) Tbk	60,000	61,235	61,378	1.62
<u>Food</u>				
PT Indofood CBP Sukses Makmur Tbk	61,800	164,427	222,124	5.87
<u>Telecommunications</u>				
PT Indosat Tbk	56,000	110,883	142,786	3.78
Total Indonesia	286,800	618,875	729,325	19.28
Philippines				
<u>Real Estate</u>				
Ayala Corporation	1,500	81,915	81,180	2.15
Ayala Land, Inc.	36,000	82,482	77,638	2.05
SM Prime Holdings, Inc.	30,000	82,241	80,442	2.13
	67,500	246,638	239,260	6.33
Total Philippines	67,500	246,638	239,260	6.33
Singapore				
<u>Airlines</u>				
Singapore Airlines Limited	6,300	121,785	137,379	3.63
<u>Banks</u>				
DBS Group Holdings Ltd	3,200	269,709	329,848	8.72
Oversea-Chinese Banking Corporation Limited	6,400	252,326	267,144	7.06
United Overseas Bank Limited	2,800	207,737	266,233	7.04
	12,400	729,772	863,225	22.82
<u>Food</u>				
Dairy Farm International Holdings Limited	5,600	80,345	72,551	1.92

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Private Equity</u>				
CapitalLand Investment Limited	10,000	67,739	112,603	2.98
Total Singapore	34,300	999,641	1,185,758	31.35
Thailand				
<u>Electronics</u>				
Hana Microelectronics Public Company Limited^	20,000	114,416	116,860	3.09
<u>Engineering & Construction</u>				
Airports of Thailand Public Company Limited^	19,500	164,480	183,207	4.84
<u>Healthcare - Services</u>				
Bangkok Dusit Medical Services^	26,000	88,251	97,538	2.58
<u>Lodging</u>				
Minor International Public Company Limited^	50,000	194,244	224,092	5.93
Total Thailand	115,500	561,391	621,697	16.44
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	504,100	2,426,545	2,776,040	73.40
QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN				
Singapore				
<u>Real Estate Investment Trust</u>				
Mapletree Logistics Trust	24,000	125,078	135,532	3.59
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN	24,000	125,078	135,532	3.59
TOTAL INVESTMENTS	598,135	2,769,852	3,154,130	83.40
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		384,278		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		3,154,130		

Financial assets at FVTPL as at 30 November 2022 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES				
- LOCAL				
<u>Construction</u>				
Gamuda Berhad	15,673	56,356	62,379	1.48
<u>Consumer Products & Services</u>				
Aeon Co. (M) Bhd	90,000	125,991	124,200	2.92
<u>Financial Services</u>				
Public Bank Bhd	18,000	73,852	81,000	1.90
<u>Technology</u>				
CTOS Digital Berhad	123,000	170,000	174,660	4.10
Pentamaster Corporation Berhad	34,600	123,317	148,780	3.49
	157,600	293,317	323,440	7.59
<u>Transportation & Logistics</u>				
Malaysia Airports Holdings Berhad	14,000	85,210	90,020	2.11
TOTAL QUOTED EQUITY SECURITIES				
- LOCAL				
	295,273	634,726	681,039	16.00
QUOTED EQUITY SECURITIES				
- FOREIGN				
Indonesia				
<u>Banks</u>				
PT Bank Central Asia Tbk	34,000	73,539	89,263	2.10
<u>Food</u>				
PT Indofood CBP Sukses Makmur Tbk	45,000	115,008	128,306	3.01
<u>Mining</u>				
PT United Tractors Tbk	11,000	93,252	95,643	2.25
<u>Telecommunications</u>				
PT Telekomunikasi Indonesia (Persero) Tbk	95,000	113,864	108,347	2.54
Total Indonesia	185,000	395,663	421,559	9.90
Singapore				
<u>Banks</u>				
DBS Group Holdings Ltd	3,600	303,422	410,659	9.65
Oversea-Chinese Banking Corporation Limited	8,400	331,179	338,734	7.96
United Overseas Bank Limited	3,700	274,510	374,210	8.79
	15,700	909,111	1,123,603	26.40
<u>Electronics</u>				
Venture Corporation Limited	2,200	105,338	123,375	2.90

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Private Equity</u>				
CapitalLand Investment Limited	10,000	68,867	118,967	2.79
<u>Real Estate</u>				
Hongkong Land Holdings Limited	7,000	127,485	124,679	2.93
Total Singapore	34,900	1,210,801	1,490,624	35.02
Thailand				
<u>Engineering and Construction</u>				
Airports of Thailand Public Company Limited [^]	19,500	164,480	184,038	4.32
<u>Healthcare Services</u>				
Bangkok Dusit Medical Services [^]	26,000	88,251	98,972	2.32
<u>Lodging</u>				
Minor International Public Company Limited [^]	50,000	194,244	193,476	4.54
<u>Oil and Gas</u>				
PTT Public Company Limited [^]	20,000	103,014	83,682	1.97
<u>Retail</u>				
CP All Public Company Limited [^]	22,000	164,352	179,948	4.23
Total Thailand	137,500	714,341	740,116	17.38
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	357,400	2,320,805	2,652,299	62.30
QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN				
Singapore				
<u>Real Estate Investment Trust</u>				
Mapletree Logistics Trust	24,000	125,078	125,255	2.94
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN	24,000	125,078	125,255	2.94
TOTAL INVESTMENTS	676,673	3,080,609	3,458,593	81.24
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		377,984		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		3,458,593		

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

9. UNITS IN CIRCULATION

	01.12.2022 to 31.05.2023	01.12.2021 to 30.11.2022
	No. of units	No. of units
Class A (i)	7,009,107	7,853,773
Class B (ii)	1,000	-
	<u>7,010,107</u>	<u>7,853,773</u>

(i) Class A

At the beginning of the financial period/year	7,853,773	8,504,067
Add: Creation of units during the financial period/year		
- Arising from applications	14,623	-
- Arising from distribution	-	499,381
Less: Cancellation of units during the financial period/year	(859,289)	(1,149,675)
At the end of the financial period/year	<u>7,009,107</u>	<u>7,853,773</u>

(ii) Class B

At the beginning of the financial period/year	-	-
Add: Creation of units during the financial period/year		
- Arising from applications	1,000	-
At the end of the financial period/year	<u>1,000</u>	<u>-</u>

10. TOTAL EXPENSE RATIO ("TER")

	2023 %	2022 %
TER (annualised)	2.58	2.53

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

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

Where;

- A = Management fee
- B = Trustee's fee
- C = Auditors' remuneration
- D = Tax agent's fee
- E = Custodian fees
- F = Other expenses excluding Sales and Service Tax ("SST") on transaction costs and withholding tax
- G = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial period calculated on a daily basis is RM3,956,774 (2022: RM4,728,951).

11. PORTFOLIO TURNOVER RATIO ("PTR")

	2023 Times	2022 Times
PTR	0.33	0.39

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
= RM1,152,050 (2022: RM1,952,088)
total disposals for the financial period
= RM1,464,291(2022: RM1,748,096)

12. 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

Units held by the Manager

	31.05.2023		30.11.2022	
	Units	RM	Units	RM
Hong Leong Asset Management Bhd - Class B	1,000	501	-	-

No units were held by parties related to the Manager as at 31 May 2023 and 30 November 2022.

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

	31.05.2023	30.11.2022
	RM	RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	63,732	39,662
Derivatives:		
- Hong Leong Bank Berhad	(10,445)	-
- Hong Leong Investment Bank Berhad	(15,694)	30,033
	<u>37,593</u>	<u>69,695</u>

	2023	2022
	RM	RM
<u>Related party transactions</u>		
Interest income from auto-sweep facility bank account		
- Hong Leong Bank Berhad	<u>1,426</u>	<u>1,497</u>
Purchase of quoted equity securities:		
- Hong Leong Investment Bank Berhad	<u>159,223</u>	<u>72,996</u>
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	<u>328,181</u>	<u>803,130</u>

13. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2023				
PT. Mandiri Sekuritas	615,997	22.77	1,019	17.25
Maybank Investment Bank Berhad	529,426	19.57	1,327	22.48
Hong Leong Investment Bank Berhad*	487,404	18.02	1,220	20.67
CGS-CIMB Securities Sdn Bhd	446,718	16.52	1,114	18.86
DBS Vickers Securities (Singapore) Pte Ltd	340,393	12.59	510	8.64
Public Investment Bank Berhad	121,873	4.51	306	5.18
RHB Investment Bank Berhad	111,064	4.11	279	4.72
Kenanga Investment Bank Berhad	51,775	1.91	130	2.20
	<u>2,704,650</u>	<u>100.00</u>	<u>5,905</u>	<u>100.00</u>
2022				
Maybank Investment Bank Berhad	1,546,362	38.91	5,035	47.25
Hong Leong Investment Bank Berhad*	876,126	22.04	2,198	20.62
PT. Mandiri Sekuritas	519,905	13.08	858	8.05
DBS Vickers Securities(S) Pte Ltd	447,304	11.26	672	6.30
CIMB Investment Bank Berhad	201,340	5.07	504	4.73
Public Investment Bank Berhad	139,557	3.51	347	3.26
Nomura Securities Malaysia Sdn Bhd	100,011	2.52	249	2.34
CLSA Securities Malaysia Sdn Bhd	85,132	2.14	214	2.01
UOB Kay Hian Securities (M) Sdn Bhd	58,580	1.47	580	5.44
	<u>3,974,317</u>	<u>100.00</u>	<u>10,657</u>	<u>100.00</u>

* Transactions with brokers/dealers related to the Manager.

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

Performance Data

A (i) Portfolio Compositions:

By Sector:

Airlines
 Banks
 Commercial Services
 Construction
 Consumer Products & Services
 Diversified
 Electronics
 Engineering & Construction
 Financial Services
 Food
 Health Care
 Holding Companies-Diversified
 Industrial Products & Services
 Integrated Oils
 Lodging
 Mining
 Miscellaneous Manufacturing
 Oil & Gas
 Private Equity
 Real Estate
 Retail
 Technology
 Telecommunications & Media
 Transportation & Logistics

Collective Investment Schemes

Deposits & Cash Equivalents

By Country:

Indonesia
 Malaysia
 Philippines
 Singapore
 Thailand

Deposits & Cash Equivalents

(ii) Total Net Asset Value (ex-distribution)	Class A Class B
(iii) Net Asset Value Per Unit (ex-distribution)	Class A Class B
Units in Circulation (ex-distribution)	Class A Class B
(iv) Highest/Lowest NAV Per Unit (ex-distribution)	Class A: Highest NAV Per Unit Lowest NAV Per Unit
	Class B: Highest NAV Per Unit Lowest NAV Per Unit

Financial Period 30/11/22- 31/05/23 %	Financial Year 30/11/21- 30/11/22 %	Financial Year 30/11/20- 30/11/21 %	Financial Year 30/11/19- 30/11/20 %
3.63	-	-	-
30.83	28.50	-	-
1.62	-	-	-
1.87	1.48	-	-
1.97	2.92	-	4.34
-	-	-	2.42
3.09	2.90	8.75	-
4.84	4.32	-	-
-	1.90	27.91	10.51
7.79	3.01	1.53	-
2.58	2.32	5.70	17.13
-	-	3.27	-
-	-	5.55	21.84
-	-	-	3.18
5.93	4.54	-	-
-	2.25	-	-
-	-	2.83	-
-	1.97	3.84	-
2.98	2.79	-	-
6.33	2.93	2.08	-
-	4.23	-	-
-	7.59	8.11	-
3.78	2.54	-	9.00
2.57	2.11	-	-
3.59	2.94	4.38	16.92
16.60	18.76	26.05	14.66
19.28	9.90	2.57	5.11
6.41	16.00	24.16	21.64
6.33	-	-	-
34.94	37.96	33.88	42.30
16.44	17.38	13.34	16.29
16.60	18.76	26.05	14.66
RM3,781,566	RM4,257,476	RM4,954,557	RM7,270,548
RM501	-	-	-
RM0.5395	RM0.5421	RM0.5826	RM0.5659
RM0.5007	-	-	-
7,009,107	7,853,773	8,504,067	12,848,770
1,000	-	-	-
RM0.5591	RM0.5994	RM0.6148	RM0.6506
RM0.5140	RM0.5193	RM0.5436	RM0.3718
RM0.5055^	-	-	-
RM0.4763^	-	-	-

Performance Data

(v) Total Return of the Fund*	Class A
- Capital Growth	Class A
- Income Distribution	Class A

Total Return of the Fund*	Class B
- Capital Growth	Class B
- Income Distribution	Class B

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

- The distribution (gross) is made out of:- Class B
- The Fund's Capital
 - The Fund's Income
 - Total Distribution Amount
 - The Fund's Capital (% of Total Distribution Amount)
 - The Fund's Income (% of Total Distribution Amount)

(vii) Distribution per unit	
Class A	Additional Units Distribution (Gross) Distribution (Net) Distribution Date Cum-Distribution NAV/Unit EX-Distribution NAV/Unit
Class B	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 31/05/2023)*

Class A:

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

Class B:

- (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)

^ (27/02/2023-31/05/2023)

The PTR decreased by 0.59 times (64.13%) to 0.33 times for the financial period from 01 December 2022 to 31 May 2023 versus 0.92 times for the financial year ended 30 November 2022 and 0.06 times (15.38%) as compared to 0.39 times for the financial period from 01 December 2021 to 31 May 2022 mainly due to lower level of rebalancing activities undertaken by the Fund.

Financial Period 30/11/22- 31/05/23 %	Financial Year 30/11/21- 30/11/22 %	Financial Year 30/11/20- 30/11/21 %	Financial Year 30/11/19- 30/11/20 %
-0.48%	-0.76%	2.95%	20.82%
-0.48%	-6.95%	2.95%	20.82%
-	6.19%	-	-
0.14%^	-	-	-
0.14%^	-	-	-
-	-	-	-
-	3.5000 sen/unit	-	-
-	0.0000 sen/unit	-	-
-	3.5000 sen/unit	-	-
-	100%	-	-
-	0%	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	3.5000 sen/unit	-	-
-	3.5000 sen/unit	-	-
-	20/07/2022	-	-
-	RM0.5607	-	-
-	RM0.5257	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2.58%	2.73%	2.50%	2.14%
0.33#	0.92	0.93	1.73
-2.27%			
4.76%			
2.45%			
-			
-			
-			

Corporate Information

Manager

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

Registered Office

Level 30, Menara Hong Leong
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50490 Kuala Lumpur

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50490 Kuala Lumpur

Board of Directors

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

Executive Director / Chief Executive Officer

Mr. Hoo See Kheng

Trustee

Maybank Trustees Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Agent

Hong Leong Bank Berhad

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