

# Hong Leong PRS Growth Fund

**Semi-Annual Report**

Financial Period Ended 31 January 2025

**2024/2025**

Unaudited



# HONG LEONG PRS GROWTH FUND

---

## Contents

---

	Page
PRS Provider's Review and Report	1-8
Statement by the PRS Provider	9
Scheme Trustee's Report	10
Condensed Statement of Comprehensive Income	11
Condensed Statement of Financial Position	12
Condensed Statement of Changes in Equity	13
Condensed Statement of Cash Flows	14
Notes to the Condensed Financial Statements	15-34
Performance Data	35-36
Corporate Information	37
Corporate Directory	38

# PRS Provider's Review and Report

## I. FUND INFORMATION

### Fund Name

Hong Leong PRS Growth Fund ("HLPRSGF" or "the Fund")

### Fund Category

Core (Growth)

### Fund Type

Not Applicable

### Investment Objective

The Fund aims to provide long-term capital growth to facilitate the accumulation of wealth for retirement needs.

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

Not Applicable

### Benchmark

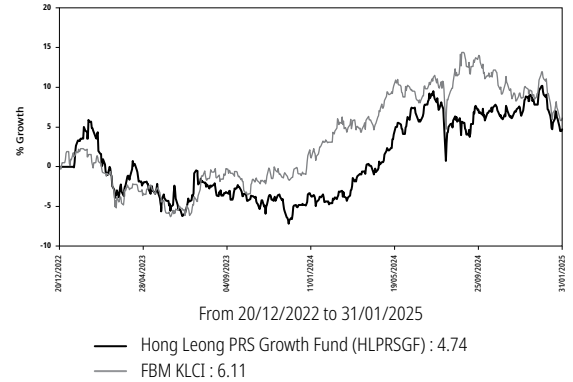
FTSE Bursa Malaysia KLCI

### Distribution Policy

Incidental. Distribution, if any, will be automatically reinvested into the Fund.

## II. FUND PERFORMANCE

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



Source: Lipper, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLPRSGF 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 August 2024 to 31 January 2025.

The Fund posted a return of -2.60% (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 Bursa Malaysia (FBM) KLCI registered a return of -4.22%.

Since launch, the Fund has registered a return of 4.74% compared to the benchmark's return of 6.11%.

**Table 1: Performance of the Fund for the following periods as at 31 January 2025 (Source: Lipper)**

	3 Months	6 Months	1 Year	Since Launch
<b>HLPKRSGF Return (%)</b>	-1.30	-2.60	9.58	4.74
<b>Benchmark (%)</b>	-2.81	-4.22	2.90	6.11

**Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 July 2024 to 31 January 2025 (Source: Lipper)**

	31-Jan-25	31-Jul-24	Return (%)
NAV Per Unit	RM0.5237	RM0.5377	-2.60
Benchmark	1,556.92	1,625.57	-4.22
<b>vs Benchmark (%)</b>	-	-	1.62

**Table 3: Financial Highlights**

The Net Asset Value attributable to members is represented by:

	31-Jan-25 (RM)	31-Jul-24 (RM)	Change (%)
Members' Capital	<b>1,071,467</b>	444,861	140.85
Retained Earnings	<b>22,683</b>	53,045	(57.24)
<b>Net Asset Value</b>	<b>1,094,150</b>	497,906	119.75
<b>Units in Circulation</b>	<b>2,089,424</b>	926,052	125.63

**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 periods ended 31 January/31 July and financial year ended 31 July**

	Financial Period Jan 2025	Financial Year 2024	Financial Period Jul 2023*
Highest NAV Per Unit (RM)	0.5508	0.5475	0.5295
Lowest NAV Per Unit (RM)	0.5035	0.4642	0.4689
Capital Growth (%)	-2.60	9.73	-2.00
Income Distribution (%)	-	-	-
<b>Total Return (%)</b>	<b>-2.60</b>	<b>9.73</b>	<b>-2.00</b>

\* The figure shown is for the period since Fund launch (20 December 2022 to 31 July 2023).

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

**Table 5: Average Total Return of the Fund for the financial period ended 31 January 2025**

	1 Year
Average Total Return (%)	9.58

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

**Table 6: Annual Total Return of the Fund for the financial period and year ended 31 July**

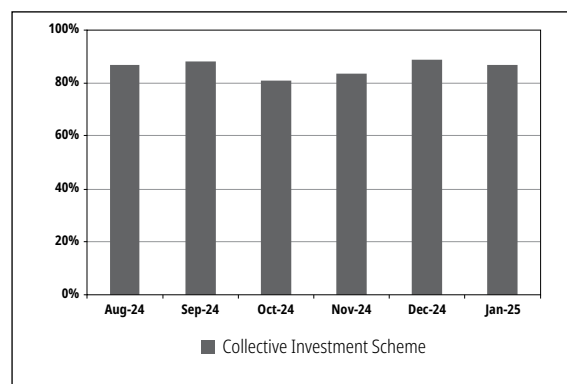
Financial Year/Period	2024	2023
Annual Total Return (%)	9.73	-2.00*

\* The figure shown is for the period since Fund launch (20 December 2022 to 31 July 2023).

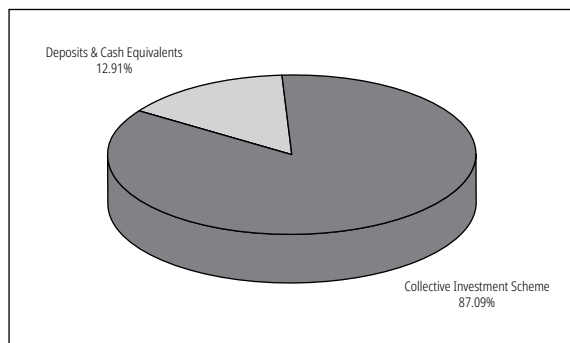
Source: Lipper, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLPKRSGF reinvested.

### III. INVESTMENT PORTFOLIO

**Chart 2: Asset Allocation - August 2024 to January 2025**



**Chart 3: Sector Allocation as at 31 January 2025**



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

During the financial period under review, the Fund was mainly invested in high quality mid to big cap liquid stocks. The Fund is positioned this way to enable it quickly take a position in certain stocks that may have been mispriced during periods of volatility.

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

During the financial period under review, the Fund maintained its allocation to Hong Leong Value Fund as per the mandate.

**Operational review of the Fund**

The 2nd Supplemental Disclosure Document for the Hong Leong Private Retirement Scheme - Conventional dated 9 December 2024 was issued during the financial period under review to reflect various changes made to the Fund. Kindly refer to [www.hlam.com.my](http://www.hlam.com.my) for the list of changes made to the Fund.

**IV. MARKET REVIEW**

During the financial period under review, the MSCI AC Asia Pacific ex Japan Index rose 1.96%. The best performing markets were Hong Kong and China while the worst performing markets were Korea and Philippines. In the local market, the FBM KLCI declined 4.2%. Small caps underperformed as the FBM Small Cap Index fell 12.2%.

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

The first quarter of 2025 started with Korea reversing much of its losses in 2024 as the political climate eased. China started the year weak with renewed fear of tariffs but quickly recovered after the emergence of DeepSeek boosted tech stocks there. ASEAN stocks lagged, partly due to news on US chip export restrictions.

The fourth quarter of 2024 saw China reversing some of the gains achieved in late September. Initial optimism on a large stimulus saw some disappointment on lack of details given in its policy commentary. The most significant event in the quarter was a Trump election win, which the US market took positively but Asian markets retreated on fears of policies that would be taken by the incoming president.

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

The fourth quarter saw the federal budget being announced in Malaysia, which was broadly in line with market expectations. The budget appears to show fiscal restraint, but without any so-called 'big bang' budgetary reforms. November saw the local market initially reacting negatively to the result of the US general election, but quickly turned positive especially some export related stocks.

The Malaysian market sold off at the start of 2025 mainly due to the announcement of chip export restriction by the US. This sparked widespread selling in the market as much of the rally in 2024 was riding on this theme.

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

We expect investor sentiment to be cautious as the market works through policy decisions that are taken by the new US president. It appears that given the strong economic data, we could see less Fed rate cuts in the coming year, as compared to initially expected. Over in China, it appears that long awaited stimulus measures by the government have started to take place, although it remains unclear whether it will be enough to kickstart the Chinese economy again. A recent meeting involving President Xi and business leaders suggests that China might be taking a more friendly approach towards the business community. With inflation expected to be at manageable levels, it is encouraging to know that global central banks will have the flexibility to ease monetary policy to support the economy should the need arise.

We expect the local market to remain resilient given the diversified nature of the economy and a degree of political stability. Themes such as the AI and DC driven CapEx investments appear at risk now given protectionist policies announced by the US. However, other prevailing themes such as Johor-Singapore Special Economic Zone continue to put the spotlight on Malaysia. Successful implementation of fiscal reforms such as the subsidy rationalisation scheme could bode well for the market in the medium to long term.

As the economic outlook is still fraught with uncertainty, we expect investors to remain cautious. We opine the best strategy to navigate through this challenging environment is through bottom-up stock picking and remain invested in high quality companies.

## **VI. SOFT COMMISSIONS**

The PRS Provider 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 members and there was no churning of trades.

During the financial period 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 period under review.

## **VIII. CROSS TRADE TRANSACTIONS**

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

## STATEMENT BY THE PRS PROVIDER

---

I, Chue Kwok Yan, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the PRS Provider, the accompanying unaudited condensed financial statements set out on pages 11 to 34 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 January 2025 and of its financial performance, changes in equity and cash flows for the financial period ended 31 January 2025 in accordance with the Malaysian Financial Reporting Standard 134 “Interim Financial Reporting” and International Accounting Standard 34 “Interim Financial Reporting”.

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

### **CHUE KWOK YAN**

Chief Executive Officer/Executive Director

Kuala Lumpur  
21 March 2025

## SCHEME TRUSTEE’S REPORT

---

### **TO THE MEMBERS OF HONG LEONG PRS GROWTH FUND (“Fund”)**

We have acted as Scheme Trustee of the Fund for the financial period ended 31 January 2025 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 PRS Provider under the deed, securities laws and the Guidelines on Private Retirement Schemes;
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 and on behalf of  
**CIMB Commerce Trustee Berhad**

**Tok Puan Datin Ezreen Eliza binti Zulkiplee**  
Chief Executive Officer

Kuala Lumpur, Malaysia  
21 March 2025

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)*

FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025

	Note	2025 RM	2024 RM
<b>INVESTMENT LOSS</b>			
Interest income from financial assets measured at amortised cost		1,801	917
Net loss on financial assets at fair value through profit or loss ("FVTPL")	9	(26,560)	(3,334)
		<u>(24,759)</u>	<u>(2,417)</u>
<b>EXPENDITURE</b>			
Management fee	4	(5,271)	(2,167)
Scheme Trustee's fee	5	(141)	(58)
Private Pension Administrator ("PPA") administration fee	6	(141)	(58)
Other expenses		(50)	(52)
		<u>(5,603)</u>	<u>(2,335)</u>
<b>LOSS BEFORE TAXATION</b>			
		(30,362)	(4,752)
Taxation	8	-	-
<b>LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD</b>			
		<u>(30,362)</u>	<u>(4,752)</u>
Loss after taxation is made up as follows:			
Realised amount		651	307
Unrealised amount		(31,013)	(5,059)
		<u>(30,362)</u>	<u>(4,752)</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 JANUARY 2025

	Note	31.01.2025 RM	31.07.2024 RM
<b>ASSETS</b>			
Cash and cash equivalents		141,497	87,133
Amount due from the PRS Provider			
-management fee rebate		1,240	578
Financial assets at FVTPL	9	952,902	410,990
<b>TOTAL ASSETS</b>		<u>1,095,639</u>	<u>498,701</u>
<b>LIABILITIES</b>			
Amount due to the PRS Provider			
-management fee		1,413	665
Amount due to the Scheme Trustee		38	18
Amount due to the PPA		38	112
<b>TOTAL LIABILITIES</b>		<u>1,489</u>	<u>795</u>
<b>NET ASSET VALUE OF THE FUND</b>			
		<u>1,094,150</u>	<u>497,906</u>
<b>EQUITY</b>			
Members' capital		1,071,467	444,861
Retained earnings		22,683	53,045
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>1,094,150</u>	<u>497,906</u>
<b>UNITS IN CIRCULATION (UNITS)</b>			
	10	<u>2,089,424</u>	<u>926,052</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
		<u>0.5237</u>	<u>0.5377</u>

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



## CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)

FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2025

	Members' capital RM	Retained earnings/ accumulated loss) RM	Total RM
Balance as at 1 August 2024	444,861	53,045	497,906
Movement in net asset value:			
Creation of units from applications	644,360	-	644,360
Cancellation of units	(17,754)	-	(17,754)
Total comprehensive loss for the financial period	-	(30,362)	(30,362)
Balance as at 31 January 2025	1,071,467	22,683	1,094,150
Balance as at 1 August 2023	145,763	(15)	145,748
Movement in net asset value:			
Creation of units from applications	303,001	-	303,001
Total comprehensive loss for the financial period	-	(4,752)	(4,752)
Balance as at 31 January 2024	448,764	(4,767)	443,997

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 JANUARY 2025

	2025 RM	2024 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Purchase of financial assets at FVTPL	(572,925)	(247,700)
Interest income received from financial assets measured at amortised cost	1,801	917
Management fee rebate received	3,791	1,416
Management fee paid	(4,523)	(1,790)
Scheme Trustee's fee paid	(121)	(48)
PPA administration fee paid	(215)	(48)
Payment for other fees and expenses	(50)	(52)
Net cash used in operating activities	(572,242)	(247,305)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	644,360	303,001
Payments for cancellation of units	(17,754)	(2,940)
Net cash generated from financing activities	626,606	300,061
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	54,364	52,756
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	87,133	32,079
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	141,497	84,835

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 JANUARY 2025

## 1. THE FUND, THE PRS PROVIDER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong PRS Growth Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 24 June 2022 and Supplemental Deed dated 16 May 2023 between Hong Leong Asset Management Bhd (“the PRS Provider”) and CIMB Commerce Trustee Berhad (“the Scheme Trustee”) for the members of the Fund.

The Fund aims to provide long-term capital growth to facilitate the accumulation of wealth for retirement needs.

The Fund seeks to achieve its investment objective by investing in a basket of collective investment schemes that have similar investment objective to the Fund’s investment objective of long-term capital growth. Investments in collective investment schemes will be confined to those managed by the Provider. The Fund will invest a minimum of 70% of its net asset value into equity collective investment schemes and up to 30% of its net asset value into fixed income and/or money market collective investment schemes. The Provider will actively monitor the Fund’s investments in selected collective investment schemes to ensure optimal returns while adhering to the Fund’s pre-determined asset allocation. The Provider has the flexibility to rebalance the asset allocation should it deem necessary based on the prevailing market conditions. The Fund commenced operations on 20 December 2022 and will continue its operations until terminated as provided under Part 14 of the Deeds.

The PRS Provider of the Fund is Hong Leong Asset Management Bhd, a company incorporated in Malaysia. The principal activity of the PRS Provider 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 PRS Provider on 21 March 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 condensed financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard 134 “Interim Financial Reporting” and International Accounting Standard 34 “Interim Financial Reporting”.

The condensed financial statements should be read in conjunction with the audited financial statements of the Fund for the financial year ended 31 July 2024 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards.

### (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.

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

The Fund classifies amounts due to the PRS Provider, amount due to the Scheme Trustee and amount due to the PPA 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 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.

Unquoted collective investment scheme is 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 period.

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

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

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

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

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

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

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

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

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

## (f) Taxation

Private retirement scheme approved by the Securities Commission Malaysia which is regarded as an approved scheme pursuant to the Act, the income accruing is exempted from tax under the Act.

## (g) Distribution

A distribution to the Fund's members is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial period in which it is approved by the Board of Directors of the PRS Provider.

## (h) Members' capital

The members' 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 member 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 member 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 members with the total number of outstanding units.

## (i) Fair value of financial instruments

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

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

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

	Financial assets at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<b>31.01.2025</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	141,497	141,497
Amount due from the PRS Provider			
-management fee rebate	-	1,240	1,240
Financial assets at FVTPL (Note 9)	952,902	-	952,902
	<u>952,902</u>	<u>142,737</u>	<u>1,095,639</u>
<u>Financial liabilities</u>			
Amount due to the PRS Provider			
-management fee	-	1,413	1,413
Amount due to the Scheme Trustee	-	38	38
Amount due to the PPA	-	38	38
	<u>-</u>	<u>1,489</u>	<u>1,489</u>

	Financial assets at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
<b>31.07.2024</b>			
<u>Financial assets</u>			
Cash and cash equivalents	-	87,133	87,133
Amount due from the PRS Provider			
-management fee rebate	-	578	578
Financial assets at FVTPL (Note 9)	410,990	-	410,990
	<u>410,990</u>	<u>87,711</u>	<u>498,701</u>
<u>Financial liabilities</u>			
Amount due to the PRS Provider			
-management fee	-	665	665
Amount due to the Scheme Trustee	-	18	18
Amount due to the PPA	-	112	112
	<u>-</u>	<u>795</u>	<u>795</u>

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

#### (j) **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 PRS Provider 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 PRS Provider 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 Private Retirement Schemes.

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

### 3. FAIR VALUE ESTIMATION

The fair value of financial assets traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the reporting date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the PRS Provider 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/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 period/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 (by class) measured at fair value:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.01.2025</b>				
<u>Financial assets at FVTPL:</u>				
- Unquoted collective investment scheme	-	952,902	-	952,902
<b>31.07.2024</b>				
<u>Financial assets at FVTPL:</u>				
- Unquoted collective investment scheme	-	410,990	-	410,990

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 unquoted collective investment scheme. 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).

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

#### 4. MANAGEMENT FEE AND MANAGEMENT FEE REBATE

In accordance with Division 15.1 of the Deeds, the PRS Provider 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 period ended 31 January 2025, the management fee is recognised at a rate of 1.50% (2024: 1.50%) per annum.

The management fee rebate relates to the rebate received from the PRS Provider for investing in unquoted collective investment scheme. The average rates of rebates were calculated on the net asset value of respective unquoted collective investment scheme on a daily basis as follow:

	2025 %	2024 %
<u>Unquoted collective investment scheme:</u>		
- Hong Leong Value Fund	1.50	1.50

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

#### 5. SCHEME TRUSTEE'S FEE

In accordance with Division 15.2 of the Deeds, the Scheme Trustee is entitled to a fee not exceeding 2.00% (excluding foreign custodian fees and charges) per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 January 2025, the Scheme Trustee's fee is recognised at a rate of 0.04% (2024: 0.04%) per annum.

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

#### 6. PRIVATE PENSION ADMINISTRATOR'S ("PPA") ADMINISTRATION FEE

For the financial period ended 31 January 2025, the Private Pension Administrator's administration fee is recognised at a rate of 0.04% (2024: 0.04%) per annum calculated daily based on the net asset value of the Fund.

There is no further liability to the PPA in respect of Private Pension Administrator's administration fee other than the amount recognised above.

#### 7. AUDITORS' REMUNERATION AND TAX AGENT'S FEE

For the financial period ended 31 January 2025 and 31 January 2024, auditors' remuneration and tax agent's fee were borne by the PRS Provider.



## 8. TAXATION

	2025 RM	2024 RM
Tax charge for the financial period:		
Current taxation	-	-

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

	2025 RM	2024 RM
Loss before taxation	(30,362)	(4,752)
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(7,287)	(1,140)
Tax effects of:		
Investment loss disallowed from tax	7,011	994
Expenses not deductible for tax purposes	80	40
Restriction on tax deductible expenses for PRS Fund	196	106
Taxation	-	-

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

	31.01.2025 RM	31.07.2024 RM
Financial assets at FVTPL:		
Unquoted collective investment scheme	952,902	410,990

	2025 RM	2024 RM
Net loss on financial assets at FVTPL:		
Changes in unrealised fair values	(31,013)	(5,059)
Management fee rebate (Note 4)	4,453	1,725
	(26,560)	(3,334)

Financial assets at FVTPL as at 31 January 2025 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED COLLECTIVE INVESTMENT SCHEME</b>				
Hong Leong Value Fund	12,538,180	975,604	952,902	87.09
<b>TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEME</b>	<b>12,538,180</b>	<b>975,604</b>	<b>952,902</b>	<b>87.09</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>(22,702)</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>952,902</b>		

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED COLLECTIVE INVESTMENT SCHEME</b>				
Hong Leong Value Fund	5,269,105	402,679	410,990	82.54
<b>TOTAL UNQUOTED COLLECTIVE INVESTMENT SCHEME</b>	<b>5,269,105</b>	<b>402,679</b>	<b>410,990</b>	<b>82.54</b>
<b>UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL</b>		<b>8,311</b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b>410,990</b>		

## 10. UNITS IN CIRCULATION

	01.08.2024 to 31.01.2025 No. of units	01.08.2023 to 31.07.2024 No. of units
At the beginning of the financial period/year	926,052	297,429
Add: Creation of units during the financial period/year		
- Arising from applications	1,196,502	755,056
Less: Cancellation of units during the financial period/year	(33,130)	(126,433)
At the end of the financial period/year	<u>2,089,424</u>	<u>926,052</u>

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

	2025 %	2024 %
TER (annualised)	1.59	1.60

Total expense ratio includes management fee (excluding management fee rebate), Scheme Trustee's fee, PPA administration 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:

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

Where;

- A = Management fee (excluding management fee rebate)
- B = Scheme Trustee's fee
- C = PPA administration fee
- D = Other expenses
- E = 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 RM700,521 (2024: RM289,016).

## 12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2025 Times	2024 Times
PTR	0.41	0.43

PTR is derived from the following calculation:

(Total acquisitions for the financial period + total disposals for the financial period) / 2

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

Where;

total acquisitions for the financial period  
= RM572,925 (2024: RM247,700)  
total disposals for the financial period  
= NIL (2024: NIL)

## 13. UNITS HELD BY THE PRS PROVIDER 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 PRS Provider
Hong Leong Islamic Asset Management Sdn Bhd	Subsidiary of the PRS Provider
Hong Leong Capital Berhad	Holding company of the PRS Provider
Hong Leong Financial Group Berhad (“HLFG”)	Ultimate holding company of the PRS Provider
Subsidiaries and associates of HLFG as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the PRS Provider

No units were held by the PRS Provider and parties related to the PRS Provider as at 31 January 2025 and 31 July 2024.

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

	31.01.2025 RM	31.07.2024 RM
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Bank Berhad	141,497	87,133
	2025 RM	2024 RM
<u>Related party transactions</u>		
Interest income from auto-sweep facility bank account:		
- Hong Leong Bank Berhad	1,801	917
Purchase of unquoted collective investment scheme:		
- Hong Leong Asset Management Bhd	572,925	247,700

## 14. TRANSACTIONS WITH BROKERS/DEALERS

For the financial period ended 31 January 2025 and 31 January 2024, there are no transactions with brokers/dealers.

## Performance Data

for the Financial Period Ended 31 January/31 July and  
Financial Year Ended 31 July

		Financial Period Jan 2025 %	Financial Year 2024 %	Financial Period Jul 2023 <sup>^</sup> %
<b>A. (i) Portfolio Compositions:</b>				
Collective Investment Scheme		87.09	82.54	80.04
Deposits & Cash Equivalents		12.91	17.46	19.96
<b>(ii) Total Net Asset Value</b>	(ex-distribution)	<b>RM1,094,150</b>	RM497,906	RM145,748
<b>(iii) Net Asset Value Per Unit Units in Circulation</b>	(ex-distribution) (ex-distribution)	<b>RM0.5237 2,089,424</b>	RM0.5377 926,052	RM0.4900 297,429
<b>(iv) Highest/Lowest NAV Per Unit</b>	Highest NAV Per Unit (ex-distribution) Lowest NAV Per Unit	<b>RM0.5508 RM0.5035</b>	RM0.5475 RM0.4642	RM0.5295 RM0.4689
<b>(v) Total Return of the Fund*</b>		<b>-2.60%</b>	9.73%	-2.00%
- Capital Growth		<b>-2.60%</b>	9.73%	-2.00%
- Income Distribution		-	-	-
<b>(vi) The distribution (gross) is made out of:-</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)		-	-	-
<b>(vii) Distribution Per Unit</b>	Additional Units	-	-	-
	Distribution (Gross)	-	-	-
	Distribution (Net)	-	-	-
	Distribution Date	-	-	-
	Cum-Distribution NAV/Unit	-	-	-
	Ex-Distribution NAV/Unit	-	-	-
<b>(viii) Total Expense Ratio (TER)</b>		<b>1.59%</b>	1.59%	1.54%
<b>(ix) Portfolio Turnover Ratio (PTR) (times)</b>		<b>0.41#</b>	0.48	0.56
<b>B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 31/01/2025)*</b>				
(i) One year		<b>9.58%</b>		

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

<sup>^</sup> The figure shown is for the period since Fund launch (20 December 2022 to 31 July 2023).

# The PTR decreased by 0.07 times (14.58%) to 0.41 times for the financial period from 1 August 2024 to 31 January 2025 versus 0.48 times for the financial year ended 31 July 2024 and 0.02 times (4.65%) as compared to 0.43 times for the financial period from 1 August 2023 to 31 January 2024 mainly due to higher average net asset value of the Fund.

## Corporate Information

---

### **PRS Provider**

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

### **Registered Office**

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

### **Business Office**

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

### **Board of Directors**

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

### **Executive Director / Chief Executive Officer**

Mr. Chue Kwok Yan

### **Scheme Trustee**

CIMB Commerce Trustee Berhad [199401027349 (313031-A)]

### **Auditor**

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

### **Distributor**

Registered Independent Tied Agents with FIMM

## Corporate Directory

---

### **Head Office**

Level 18, Block B, Plaza Zurich  
No. 12, Jalan Gelenggang  
Bukit Damansara  
50490 Kuala Lumpur  
Tel: 03-2081 8600  
Fax: 03-2081 8500  
Website: [www.hlam.com.my](http://www.hlam.com.my)  
E-mail: [inquiry@hlam.hongleong.com.my](mailto:inquiry@hlam.hongleong.com.my)

### **Pulau Pinang**

No. 441-1-3, Pulau Tikus Plaza  
Jalan Burmah, Pulau Tikus  
10350 Pulau Pinang  
Tel: 04-228 8112, 04-228 9112  
Fax: 04-228 3112

### **Ipoh**

2nd Floor, Lot 3, Persiaran Greentown 4  
Greentown Business Centre  
30450 Ipoh, Perak  
Tel: 05-255 8388, 05-255 9388  
Fax: 05-255 8389



Hong Leong Asset Management Bhd  
[www.hlam.com.my](http://www.hlam.com.my)

