Hong Leong Asset Management

Hong Leong Dana Maa'rof

Annual Report
Financial Year Ended 30 June 2025

2024/2025
Audited

HONG LEONG DANA MAA'ROF

Contents

Manager's Review and Report

I. FUND INFORMATION

Fund Name
Hong Leong Dana Maa'rof ("HLDM2" or "the Fund")

Fund Category
Balanced (Islamic)

Fund Type
Growth and Income

Investment Objective
The Fund is primarily* an Islamic balanced fund which seeks to achieve not only regular income** but also meaningful*** medium to long-term capital growth. The Fund provides the public an affordable**** access into a diversified investment portfolio containing a 'balanced' mixture of equities and fixed income securities that comply with the Shariah requirements.

Duration of the Fund and its termination date, where applicable
Not Applicable

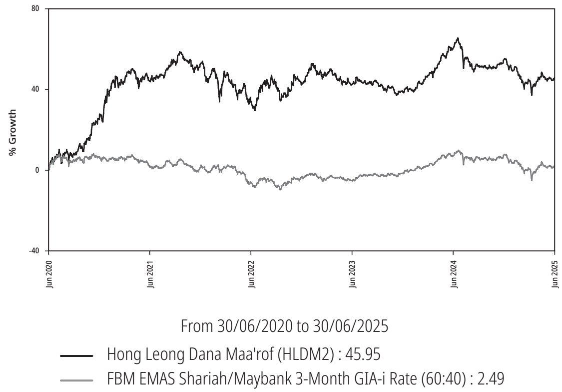
Benchmark
Maybank 3-Month GIA-i rate (40% weightage) and FTSE Bursa Malaysia (FBM) EMAS Shariah Index (60% weightage)

Distribution Policy
The Fund intends to provide regular income^ and consistent long-term capital growth. As such, regular income returns will be declared on a semi annual basis, subject to availability of income.

Notes:
- * The Fund will generally maintain its asset allocation as an Islamic balanced fund at all times.
- ** Income may be distributed in the form of cash and/or Units.
- *** Please take note that the Fund aims to provide sustainable risk-adjusted returns in the form of capital growth and income in accordance with the performance benchmark and distribution policy of the Fund, although this is not guaranteed.
- **** Unit holders may purchase Units in the Fund at a minimum initial investment from as low as RM100, subject to sales charge.
- ^ Income distributions (if any) are not guaranteed. Distributions of income will only be made from realized gains or realized income derived from the investments of the Fund(s).

II. FUND PERFORMANCE

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



Source: Lipper, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDM2 reinvested.

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

Performance Review

This Annual Report covers the twelve-month financial year from 1 July 2024 to 30 June 2025.

The Fund posted a return of -8.95% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the FBM EMAS Shariah/Maybank 3-Month GIA-i Rate (60:40) registered a return of -4.32%. During the financial year under review, the Fund had distributed gross income distributions of 0.7000 sen per unit (net income distributions of 0.7000 sen per unit) on 18 July 2024, 15 October 2024 and 15 January 2025 and gross income distribution of 0.5000 sen per unit (net income distribution of 0.5000 sen per unit) on 15 April 2025. Prior to the income distributions, the cum-distributions Net Asset Value (NAV) per unit of the Fund were RM0.5807, RM0.5289, RM0.5182 and RM0.4844 while the ex-distributions NAV per unit were RM0.5737, RM0.5219, RM0.5112 and 0.4794 respectively. Unit holders should note that income distributions have the effect of reducing the NAV per unit of the Fund after distributions.

For the five financial years ended 30 June 2025, the Fund has registered a return of 45.95% compared to the benchmark's return of 2.49% while distributing a total gross income of 13.0500 sen per unit (net income of 13.0500 sen per unit).

Table 1: Performance of the Fund for the following periods as at 30 June 2025 (Source: Lipper)

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Launch
HLDM2 Return (%)	1.04	-5.95	-8.95	8.97	45.95	75.87	351.47
Benchmark (%)	1.94	-5.04	-4.32	9.04	2.49	-	2.63*

* The figure shown is from the period 29 May 2020. The 10 years benchmark return is not available as there is no data prior to 29 May 2020.

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 30 June 2024 to 30 June 2025 (Source: Lipper)

	30-Jun-25	30-Jun-24	Return (%)
NAV Per Unit	RM0.4916	RM0.5673	-8.95#
Benchmark	102.63	107.27	-4.32
vs Benchmark (%)	-	-	-4.63

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

Table 3: Financial Highlights

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

	30-Jun-25 (RM)	30-Jun-24 (RM)	Change (%)
Unit Holders' Capital	**121,146,782**	110,273,889	9.86
Retained Earnings	**4,443,637**	21,542,557	(79.37)
Net Asset Value	**125,590,419**	131,816,446	(4.72)
Units in Circulation	**255,468,355**	232,368,628	9.94

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

	Financial Year 2025	Financial Year 2024	Financial Year 2023
Highest NAV Per Unit (RM)	0.5859	0.5712	0.5665
Lowest NAV Per Unit (RM)	0.4670	0.4917	0.5008
Capital Growth (%)	-13.34	8.74	0.75
Income Distribution (%)	4.39	3.72	5.67
Total Return (%)	**-8.95**	**12.46**	**6.42**

Source: Lipper, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDM2 reinvested.

Table 5: Average Total Return of the Fund for the financial year ended 30 June 2025

	1 Year	3 Years	5 Years
Average Total Return (%)	-8.95	2.99	9.19

Source: Lipper, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDM2 reinvested.

Table 6: Annual Total Return of the Fund for the financial years ended 30 June

Financial Year	2025	2024	2023	2022	2021
Annual Total Return (%)	-8.95	12.46	6.42	-6.98	43.99

Source: Lipper, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDM2 reinvested.

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation – July 2024 to June 2025

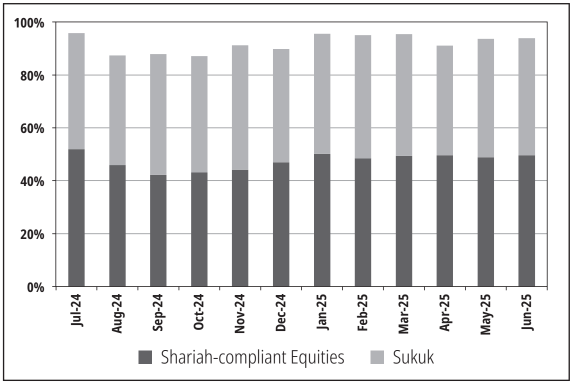
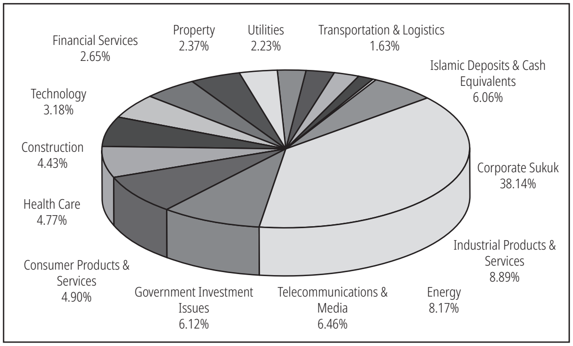


Chart 3: Sector Allocation as at 30 June 2025



<u>Strategies employed by the Fund during the period under review</u>

On the Shariah-compliant equities front, the Fund reduced the weightings in the small and mid-cap names and raised cash balance in view of higher volatility in the short to medium term. That said, the Fund also took the opportunity to collect Shariah-compliant stocks whose share prices had been negatively affected by weaker sentiment, considering undemanding valuations and/or decent dividend yields.

On the sukuk front, the Fund increased its allocation for corporate sukuk by investing in high investment grade corporate names with strong credit quality and marginally reduced its weighting in Government Investment Issues (GII).

<u>An explanation on the differences in portfolio composition</u>

On the Shariah-compliant equities front, the Fund took profit on the utilities sector and partially rotated out of technology and industrial products & services sectors given the strategies employed. Meanwhile, the Fund increased exposure in the energy, telecommunications & media and construction Shariah-compliant stocks due to the reasons above-mentioned.

On the sukuk front, the Fund continued to invest in high investment grade corporate sukuk with strong credit fundamentals.

<u>Operational review of the Fund</u>

The 3rd Supplemental Hong Leong Master Prospectus dated 19 August 2024 was issued during the financial year under review to reflect various changes made to the Fund. Kindly refer to www.hlam.com.my for the list of changes made to the Fund.

IV. MARKET REVIEW

Shariah-compliant Equities

During the financial year under review, both FBM KLCI and FBM EMAS Index declined by 3.6% and 6.3%, respectively. The Fund's benchmark, FBM EMAS Shariah Index underperformed the conventional peers with a sharper decline of 8.9%, reflecting weaker sentiment in the Shariah-compliant space. Notably, small caps lagged significantly behind large-cap, with FBM Small Cap Shariah Index plunging 20.2%, highlighting heightened volatility and risk aversion among investors toward smaller companies.

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 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 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 quarter ended with global markets being volatile over tariff uncertainties.

Markets corrected sharply after the announcement of "Liberation Day" tariffs by the US on 2 April 2025. This raised fears on global growth with the markets pricing in increased risk of recession. However, markets bottomed after a 90-Day suspension on tariff was announced in mid April. While global markets recovered throughout the quarter, ASEAN was a relative underperformer with Indonesia and Thailand seeing domestic political and economic growth challenges. Taiwan and China shares fared well on sustained AI momentum while Korea saw gains as its incoming president campaigned on a host of corporate reforms.

The third quarter of 2024 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. February saw heavy foreign selling in names which had high foreign ownership, mainly due to weak sentiment towards ASEAN.

In the second quarter of 2025, markets saw broad based decline after the announcement of tariffs by the US. While the markets showed some recovery after the suspension of tariffs, the Malaysian market has yet to fully recover from the year-to-date (YTD) decline. Concerns over DC related restrictions and weaker exports growth continue to weigh on the market. Real Estate Investment Trusts (REITs) was the only sector in positive territory, partly due to an expectation of Overnight Policy Rate (OPR) cuts.

Sukuk

During the financial year under review, the US Fed lowered the target range for the Fed Funds Rate (FFR) by 50 basis points (bps) to 4.75%-5.00% in the September 2024 Federal Open Market Committee (FOMC) meeting, marking the first rate cut since March 2020. Weak US economic data strengthened expectations of a further 100 bps rate cuts in November and December 2024, resulting in a rally for US Treasuries (UST) in 3Q 2024.

In 4Q 2024, the US Fed cut interest rates further by 50 bps to 4.25%-4.50%, bringing the total rate cuts to 100 bps in 2024. Slower inflation (US Consumer Price Index (CPI) - January: 3.0%, February: 2.8%, March: 2.4%) and healthy job data were seen in 1Q 2025. In both January and March FOMC, interest rates were kept steady at 4.50%. Post Trump's Liberation Day reciprocal tariffs could reignite inflation pressures. Market sentiments also shifted from inflationary concerns to recessionary fears to having doubts over the safe haven status of UST.

In the May 2025 FOMC, the Fed kept interest rates unchanged at 4.25%-4.50% range amid stabilised low levels of unemployment, still solid labour market and cooler inflation data. Tariff tensions escalated as ongoing negotiations take place during the 90-Day hold off period, prolonging market uncertainty. In addition, Moody's downgraded the US sovereign rating to AA1 from AAA, citing rising debt concerns and widening deficits.

The Fed kept interest rates unchanged at 4.25%-4.50% at the June 2025 FOMC despite heightened risks on inflation and employment. The Committee viewed the unemployment rate as low and inflation somewhat elevated, but will continue to assess incoming data and balance of risks. Following the external headwinds and uncertainties arising from Trump's tariffs and geopolitical tensions in the Middle East, the market is now expecting two Fed rate cuts for 2025. During the financial year under review, 2Y and 10Y UST yields declined to 3.72% (-104 bps) and 4.23% (-23 bps) respectively (end-June 2024: 2Y - 4.76% and 10Y - 4.46%).

The Ringgit bond market saw a sell-off in 4Q 2024 (high: 3.93%), dragged by weak UST and foreign outflows. The bond market subsequently recovered in December 2024. In 1Q 2025, the domestic bond market was also spooked by the outsized US tariff on Malaysia, causing sharp moves in bonds during April and May whereby we saw an aggressive bond rally as market swiftly priced in OPR cut by Bank Negara Malaysia (BNM) in response to tariff escalation and global economic uncertainties.

Malaysia's headline inflation in April 2025 stayed put at 1.4% (January: 1.7%, February: 1.5%, March: 1.4%). BNM maintained the OPR at 3% but lowered Statutory Reserve Requirement (SRR) ratio by 100 bps from 2% to 1% effective 16 May 2025. Malaysia's headline CPI declined further to 1.1% in June 2025 (May: 1.2%), marking the lowest inflation rate since February 2021. Core inflation was maintained at 1.8% suggesting that inflationary pressures continued to be benign. Meanwhile, Malaysia's exports fell by 3.5% year-on-year (YoY) in June 2025 (May: -1.1%) as compared to 16.4% in April, reflecting the external headwinds from Trump's tariffs and geopolitical tensions in the Middle East. During the financial year under review, 3Y, 5Y and 10Y GII yields dropped to 3.17% (-28 bps), 3.28% (-34 bps) and 3.51% (-36 bps) respectively (end-June 2024: 3Y: 3.45%, 5Y: 3.62%, 10Y: 3.87%).

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

Shariah-compliant Equities

Although global markets have generally bounced back after the lows experienced in April 2025, we take a slightly cautious stance given the impact from tariffs are only set to be felt in the second half of the year. Having said that, the volatility in markets have presented pockets of opportunities whereby high-quality stocks can be accumulated at attractive valuations. The relative strength of the Chinese currency and benign inflation also allows more room for the government to stimulate the economy should the need arise. We believe the AI CapEx spend by companies also should present some investment opportunities.

We expect the local market to remain resilient given the diversified nature of the economy and a degree of political stability. While the local economy will undoubtedly be affected should an agreement on tariffs with the US is not achievable, we do not expect the economy to fall into recession. There is further room for OPR cuts for monetary policy easing and existing long-term themes such as the Johor-Singapore Special Economic Zone presents opportunities.

Sukuk

We expect UST yields to remain volatile but on a downward trend in the near to medium term in view of the likelihood of monetary easing once hard economic data shows significant tariff impact in the second half of 2025.

On the local front, BNM has room to cut OPR by 25 bps within the next 12 months to support economic growth amid heightened risks from tariff uncertainties and rising geopolitical tensions.

We continue to overweight corporate sukuk over GII and government Islamic guaranteed papers for yield pickup. We will also continue to look for trading opportunities on both GII and corporate sukuk to generate better return.

VI. SOFT COMMISSIONS

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

Notes: Q = Quarter
Y = Year

STATEMENT BY THE MANAGER

I, Chue Kwok Yan, as the Director of Hong Leong Asset Management Bhd, do hereby state that, in the opinion of the Manager, the financial statements set out on pages 20 to 64 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2025 and of its financial performance, changes in equity and cash flows for the financial year ended 30 June 2025 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

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

CHUE KWOK YAN
Chief Executive Officer/Executive Director

Kuala Lumpur
22 August 2025

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG DANA MAA'ROF ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 June 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 year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;

2. Valuation and pricing is carried out in accordance with the deed; and

3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur, Malaysia
22 August 2025

SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG DANA MAA'ROF ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Hong Leong Asset Management Bhd has operated and managed the Fund for the period covered by these financial statements namely, the year ended 30 June 2025, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and

2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

MUHAMMAD SHAHIER SA'MIN
Designated Shariah Person

Kuala Lumpur
22 August 2025

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF HONG LEONG DANA MAA'ROF

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of Hong Leong Dana Maa'rof ("the Fund") give a true and fair view of the financial position of the Fund as at 30 June 2025, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 20 to 64.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

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

(e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
22 August 2025

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	2025 RM	2024 RM
INVESTMENT (LOSS)/INCOME			
Profit income from financial assets measured at fair value through profit or loss ("FVTPL")		2,142,934	1,892,034
Profit income from financial assets measured at amortised cost	4	330,454	246,062
Dividend income		1,930,699	1,045,803
Net (loss)/gain on financial assets at FVTPL	10	(13,763,271)	14,781,388
		(9,359,184)	17,965,287
EXPENDITURE			
Management fee	5	(1,900,471)	(1,760,017)
Trustee's fee	6	(88,689)	(82,134)
Auditors' remuneration		(7,500)	(6,900)
Tax agent's fee		(3,350)	(3,350)
Transaction costs		(362,802)	(411,270)
Other expenses		(31,835)	(58,001)
		(2,394,647)	(2,321,672)
(LOSS)/PROFIT BEFORE TAXATION		(11,753,831)	15,643,615
Taxation	7	-	-
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE FINANCIAL YEAR		(11,753,831)	15,643,615
(Loss)/profit after taxation is made up as follows:			
Realised amount		3,529,580	4,707,293
Unrealised amount		(15,283,411)	10,936,322
		(11,753,831)	15,643,615
Distributions for the financial year:			
Net distributions	8	6,298,121	3,604,602
Net distributions per unit (sen)	8	2.6000	1.7500
Gross distributions per unit (sen)	8	2.6000	1.7500

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	2025 RM	2024 RM
ASSETS			
Cash and cash equivalents	9	7,888,939	5,582,259
Amount due from brokers/dealers		399,815	823,278
Amount due from the Manager			
-creation of units		485,913	365,752
Dividends receivable		72,000	103,600
Financial assets at FVTPL	10	117,981,212	125,909,278
TOTAL ASSETS		126,827,879	132,784,167
LIABILITIES			
Amount due to brokers/dealers		867,069	526,253
Amount due to the Manager			
-cancellation of units		198,889	258,182
-management fee		153,624	162,536
Amount due to the Trustee		7,169	7,585
Other payables and accruals		10,709	13,165
TOTAL LIABILITIES		1,237,460	967,721
NET ASSET VALUE OF THE FUND		125,590,419	131,816,446
EQUITY			
Unit holders' capital		121,146,782	110,273,889
Retained earnings		4,443,637	21,542,557
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		125,590,419	131,816,446
UNITS IN CIRCULATION (UNITS)	12	255,468,355	232,368,628
NET ASSET VALUE PER UNIT (RM)		0.4916	0.5673

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 July 2024		110,273,889	21,542,557	131,816,446
Movement in net asset value:				
Creation of units from applications		35,312,905	-	35,312,905
Creation of units from distributions		5,426,624	-	5,426,624
Cancellation of units		(28,913,604)	-	(28,913,604)
Total comprehensive loss for the financial year		-	(11,753,831)	(11,753,831)
Distributions for the financial year	8	(953,032)	(5,345,089)	(6,298,121)
Balance as at 30 June 2025		121,146,782	4,443,637	125,590,419
Balance as at 1 July 2023		69,665,327	6,902,346	76,567,673
Movement in net asset value:				
Creation of units from applications		80,128,624	-	80,128,624
Creation of units from distributions		2,993,632	-	2,993,632
Cancellation of units		(39,912,496)	-	(39,912,496)
Total comprehensive income for the financial year		-	15,643,615	15,643,615
Distributions for the financial year	8	(2,601,198)	(1,003,404)	(3,604,602)
Balance as at 30 June 2024		110,273,889	21,542,557	131,816,446

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of financial assets at FVTPL		68,512,035	61,644,872
Proceeds from redemption of financial assets at FVTPL		2,500,000	-
Purchase of financial assets at FVTPL		(76,634,851)	(101,385,174)
Profit income received from financial assets measured at FVTPL and amortised cost		2,745,515	1,943,664
Dividend income received		1,879,260	1,007,283
Management fee paid		(1,909,383)	(1,686,858)
Trustee's fee paid		(89,105)	(78,720)
Payment for other fees and expenses		(45,141)	(63,954)
Net cash used in operating activities		(3,041,670)	(38,618,887)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		35,192,744	81,813,958
Payments for cancellation of units		(28,972,897)	(39,713,865)
Payments for distributions		(871,497)	(610,970)
Net cash generated from financing activities		5,348,350	41,489,123
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,306,680	2,870,236
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		5,582,259	2,712,023
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	7,888,939	5,582,259

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Dana Maa'rof ("the Fund") was constituted pursuant to the execution of a Deed dated 27 February 2003 and Supplemental Deed dated 30 April 2010 between Hong Leong Asset Management Bhd ("the Manager") and AmTrustee Berhad for the unit holders of the Fund. AmTrustee Berhad has been replaced with Deutsche Trustees Malaysia Berhad ("the Trustee") effective 1 September 2012 and Supplemental Master Deeds were entered into between the Manager and the Trustee for the unit holders of the Fund on 27 July 2012, 25 March 2015, 28 November 2019, 7 February 2020, 21 December 2021, 28 April 2022, 23 March 2023, 23 October 2023 and 13 February 2024 to effect the change (collectively referred to as "the Deeds").

The Fund is primarily an Islamic balanced fund which seeks to achieve not only regular income but also meaningful medium to long-term capital growth. The Fund provides the public an affordable access into a diversified investment portfolio containing a 'balanced' mixture of equities and fixed income securities that comply with the Shariah requirements.

The Fund will invest between 40% to 60% of its net asset value into Shariah-compliant equities. The Fund follows a strict selection process to ensure only appropriate Shariah-compliant securities are invested. Generally, the Fund selects undervalued companies that have the potential to offer medium to long-term capital growth. Undervalued companies refer to companies with stock price selling at a price lower than what is believed to be its intrinsic value and can be measured by its price to earnings ratio (PER), price to book ratio (P/B), dividend yield or any other appropriate method as determined by the Manager. The Fund may also invest between 40% to 60% of its net asset value into Islamic money market instruments and sukuk. In the case of sukuk, selection depends largely on credit quality of the sukuk and its issuer to assure relative certainty in profit income; principal payment; and overall total return stability. The Fund commenced operations on 25 March 2003 and will continue its operations until terminated as provided under Part 12 of the Deeds.

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

Hong Leong Islamic Asset Management Sdn Bhd ("HLISAM") is the external fund manager appointed for Hong Leong Dana Maa'rof. The effective date for the appointment is on 17 April 2020. HLISAM is a wholly own subsidiary of the Manager. On November 2019, HLISAM was issued with an Islamic fund management license by the Securities Commission Malaysia ("SC") to undertake the regulated activity of Islamic fund management.

The financial statements were authorised for issue by the Manager on 22 August 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

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

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

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

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

(i) Standards, amendments to published standard and interpretations that are applicable and effective:

The Fund has applied the following standards and amendments for the first time for the financial year beginning on 1 July 2024:

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

(ii) Standards and amendment that have been issued that are applicable to the Fund but not yet effective:

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026):

  - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition).

  - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;

  - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;

  - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

  - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.

  - The new MFRS introduces a new structure of profit or loss statement.

    (a) Income and expenses are classified into 3 new main categories:

      i. Operating category which typically includes results from the main business activities;
      ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
      iii. Financing category that presents income and expenses from financing liabilities.

    (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

  - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

  - Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

(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 Shariah-compliant 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[1] as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities[2] are solely principal and profit, however, these Shariah-compliant 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 Shariah-compliant investments are measured at fair value through profit or loss.

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

[1] For the purposes of the investments made by the Fund, equity securities refer to Shariah-compliant equity securities.
[2] For the purposes of the investments made by the Fund, debt securities refer to sukuk.

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. Shariah-compliant 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 Shariah-compliant 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 year which they arise.

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

Quoted Shariah-compliant 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.

If a valuation based on the market price does not represent the fair value of the quoted Shariah-compliant 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 Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant 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.

Unquoted sukuk are revalued on a daily basis based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission Malaysia as per the Securities Commission Malaysia's Guidelines on Unit Trust Funds. Where such quotation are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

(i) records its basis for using non-BPA price;
(ii) obtains necessary internal approvals to use the non-BPA price; and
(iii) keeps an audit trail of all decisions and basis for adopting the market yield.

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

<u>Impairment</u>

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.

<u>Significant increase in credit risk</u>

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

<u>Definition of default and credit-impaired financial assets</u>

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

<u>Write-off</u>

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

(c) 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.

Profit income from Islamic deposits with licensed financial institutions, auto-sweep facility bank account and unquoted sukuk are recognised on the effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit 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 profit 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 Shariah-compliant investments is accounted for as the difference between the net disposal proceeds and the carrying amount of quoted Shariah-compliant investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted sukuk is accounted for as the difference between the net disposal proceeds and the carrying amount of unquoted sukuk, determined on cost adjusted for accretion of discount or amortisation of premium.

(e) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks and Islamic deposits held in highly liquid Shariah-compliant 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 Shariah-compliant 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 profit 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, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial year.

(h) Distributions

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution is recognised as a liability in the financial year in which it is approved by the Board of Directors of the Manager.

(i) Transaction costs

Transaction costs are costs incurred to acquire or dispose financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents and brokers/dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

(j) Unit holders' capital

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the unit holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase the units; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss and change in the net asset value of the Fund.

The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation and cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

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

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

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

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

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

3. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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
2025			
Financial assets			
Cash and cash equivalents (Note 9)	-	7,888,939	7,888,939
Amount due from brokers/dealers	-	399,815	399,815
Amount due from the Manager			
-creation of units	-	485,913	485,913
Dividends receivable	-	72,000	72,000
Financial assets at FVTPL (Note 10)	117,981,212	-	117,981,212
	117,981,212	8,846,667	126,827,879
Financial liabilities			
Amount due to brokers/dealers	-	867,069	867,069
Amount due to the Manager			
-cancellation of units	-	198,889	198,889
-management fee	-	153,624	153,624
Amount due to the Trustee	-	7,169	7,169
Other payables and accruals	-	10,709	10,709
	-	1,237,460	1,237,460
2024			
Financial assets			
Cash and cash equivalents (Note 9)	-	5,582,259	5,582,259
Amount due from brokers/dealers	-	823,278	823,278
Amount due from the Manager			
-creation of units	-	365,752	365,752
Dividends receivable	-	103,600	103,600
Financial assets at FVTPL (Note 10)	125,909,278	-	125,909,278
	125,909,278	6,874,889	132,784,167
Financial liabilities			
Amount due to brokers/dealers	-	526,253	526,253
Amount due to the Manager			
-cancellation of units	-	258,182	258,182
-management fee	-	162,536	162,536
Amount due to the Trustee	-	7,585	7,585
Other payables and accruals	-	13,165	13,165
	-	967,721	967,721

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

(a) Market risk

(i) Price risk

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

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

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

	2025 RM	2024 RM
Financial assets at FVTPL:		
- Quoted Shariah-compliant equity securities	62,400,333	66,171,242
- Unquoted sukuk*	55,580,879	59,738,036
	117,981,212	125,909,278

* Includes profit receivables of RM584,719 (2024: RM605,223).

The table below summarises the sensitivity of the Fund's net asset value and (loss)/profit after taxation to movements in prices of quoted Shariah-compliant equity securities and unquoted sukuk at the end of each reporting year. The analysis is based on the assumptions that the market price of the quoted Shariah-compliant equity securities and unquoted sukuk fluctuated by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the quoted Shariah-compliant equity securities and unquoted sukuk having regard to the historical volatility of the prices.

% Change in price of financial assets at FVTPL	Market value RM	Impact on (loss)/profit after taxation/ net asset value RM
2025		
-5%	111,526,668	(5,869,825)
0%	117,396,493	-
5%	123,266,318	5,869,825
2024		
-5%	119,038,852	(6,265,203)
0%	125,304,055	-
5%	131,569,258	6,265,203

(ii) Interest rate risk

In general, when interest rates rise, valuation for sukuk will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund hold a sukuk till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

This risk is crucial since unquoted sukuk portfolio management depends on forecasting interest rate movements. Valuation of unquoted sukuk move inversely to interest rate movements, therefore as interest rates rise, the valuation of unquoted sukuk decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower yield profit rates are more susceptible to interest rate movements.

Investors should note that unquoted sukuk are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of profit income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

The table below summarises the sensitivity of the Fund's net asset value and (loss)/profit after taxation to movements in valuation for unquoted sukuk held by the Fund at the end of the reporting period as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (100 basis points) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

	Impact on (loss)/profit after taxation/net asset value	
% Change in interest rate	2025 RM	2024 RM
+1%	(1,998,244)	(1,831,303)
-1%	1,998,244	1,831,303

The Fund's exposure to interest rate risk associated with Islamic deposits with licensed financial institutions is not material as the Islamic deposits with licensed financial institutions are placed on a short term basis.

(b) Credit risk

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

Investment in unquoted sukuk may involve a certain degree of credit/default risk with regards to the issuers. Generally, credit risk or default risk is the risk of loss due to the issuer's non-payment or untimely payment of the investment amount as well as the returns on investment. This will cause a decline in value of the defaulted unquoted sukuk and subsequently depress the net asset value of the Fund. Usually credit risk is more apparent for an investment with a longer tenure, i.e. the longer the duration, the higher the credit risk. Credit risk can be managed by performing continuous fundamental credit research and analysis to ascertain the creditworthiness of its issuer. In addition, the Manager imposes a minimum rating requirement as rated by either local and/or foreign rating agencies and manages the duration of the investment in accordance with the objective of the Fund.

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

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission Malaysia's Guidelines on Unit Trust Funds.

For amount due from brokers/dealers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities. The credit/default risk is minimal as all transactions in quoted Shariah-compliant investments and unquoted sukuk are settled/paid upon delivery using approved brokers/dealers.

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

	Cash and cash equivalents RM	**Amount due from brokers/ dealers RM**	**Amount due from the Manager - creation of units RM**	**Dividends receivable RM**	**Unquoted sukuk RM**	**Total RM**
2025						
- AAA	7,888,939	365,895	-	-	16,131,065	24,385,899
- AA1/AA+	-	-	-	-	20,687,199	20,687,199
- AA2/AA	-	-	-	-	11,073,253	11,073,253
- NR#	-	33,920	485,913	72,000	7,689,362	8,281,195
Total	7,888,939	399,815	485,913	72,000	55,580,879	64,427,546
2024						
- AAA	5,365,717	-	-	-	10,465,519	15,831,236
- AA1/AA+	216,542	-	-	-	12,995,412	13,211,954
- AA2/AA	-	-	-	-	25,142,143	25,142,143
- AA3/AA-	-	340,819	-	-	-	340,819
- P1	-	-	-	-	2,497,500	2,497,500
- NR#	-	482,459	365,752	103,600	8,637,462	9,589,273
Total	5,582,259	823,278	365,752	103,600	59,738,036	66,612,925

The unquoted sukuk are not rated as the sukuk are guaranteed and issued by the Government of Malaysia.

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

(c) Liquidity risk

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

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

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

	Less than 1 month RM	1 month to 1 year RM	Total RM
2025			
Financial liabilities			
Amount due to brokers/dealers	867,069	-	867,069
Amount due to the Manager			
-cancellation of units	198,889	-	198,889
-management fee	153,624	-	153,624
Amount due to the Trustee	7,169	-	7,169
Other payables and accruals	-	10,709	10,709
Contractual cash out flows	1,226,751	10,709	1,237,460
2024			
Financial liabilities			
Amount due to brokers/dealers	526,253	-	526,253
Amount due to the Manager			
-cancellation of units	258,182	-	258,182
-management fee	162,536	-	162,536
Amount due to the Trustee	7,585	-	7,585
Other payables and accruals	-	13,165	13,165
Contractual cash out flows	954,556	13,165	967,721

(d) Capital risk

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

(e) Shariah status reclassification risk

(i) Shariah-compliant equity securities

This risk refers to the risk that the currently held Shariah-compliant equity securities in the portfolio of the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission ("SAC of the SC"), the Shariah Adviser or the Shariah authorities of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the reclassification effective date by the SAC of the SC or the Shariah Adviser or the Shariah authorities of the relevant Islamic indices. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the reclassification effective date. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the reclassification effective date should be channelled to baitulmal and/or charitable bodies as advised by the Shariah Adviser;

- to hold such securities if the value of the said securities is below the investment cost on the reclassification effective date until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or

- to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

(ii) Sukuk or Islamic money market instruments or Islamic deposits or Islamic collective investment schemes.

This risk refers to the risk of a possibility that the currently held sukuk or Islamic money market instruments or Islamic deposits or Islamic collective investment schemes invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such fixed income instruments or money market instruments or deposits or collective investment schemes.

(f) Fair value estimation

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

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

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

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

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as Islamic options, Islamic currency swaps and other over-the-counter Islamic derivatives, include the use of comparable recent arm's length transactions, reference to other Shariah-compliant 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 Shariah-compliant equity and sukuk instruments for which market were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

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

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

(i) Fair value hierarchy

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

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirely is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirely. For this purpose, the significance of an input is assessed against the fair value measurement in its entirely. 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 entirely 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
2025				
Financial assets at FVTPL:				
- Quoted Shariah-compliant equity securities	62,400,333	-	-	62,400,333
- Unquoted sukuk	-	55,580,879	-	55,580,879
	62,400,333	55,580,879	-	117,981,212
2024				
Financial assets at FVTPL:				
- Quoted Shariah-compliant equity securities	66,171,242	-	-	66,171,242
- Unquoted sukuk	-	59,738,036	-	59,738,036
	66,171,242	59,738,036	-	125,909,278

Shariah-compliant investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant equities. The Fund does not adjust the quoted prices for this instrument. 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 unquoted sukuk. 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. PROFIT INCOME FROM FINANCIAL ASSETS MEASURED AT AMORTISED COST

	2025 RM	2024 RM
Profit income from:		
- Islamic deposits with licensed financial institutions	325,378	244,630
- Auto-sweep facility bank account	5,076	1,432
	330,454	246,062

5. MANAGEMENT FEE

In accordance with Ninth Supplemental Master Deed dated 13 February 2024, the Manager is entitled to a management fee of up to 2.00% per annum calculated daily based on the net asset value of the Fund.

For the financial year ended 30 June 2025, the management fee is recognised at a rate of 1.50% (2024: 1.50%) per annum.

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

6. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deeds, the Trustee is entitled to a fee not exceeding 0.07% per annum subject to a minimum of RM18,000 per annum calculated daily based on the net asset value of the Fund.

For the financial year ended 30 June 2025, the Trustee's fee is recognised at a rate of 0.07% (2024: 0.07%) per annum.

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

7. TAXATION

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

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:

	2025 RM	2024 RM
(Loss)/profit before taxation	(11,753,831)	15,643,615
Taxation at Malaysian statutory rate of 24% (2024: 24%)	(2,820,919)	3,754,468
Tax effects of:		
Shariah-compliant investment loss disallowed from tax/(Shariah-compliant investment income not subject to tax)	2,246,204	(4,311,669)
Expenses not deductible for tax purposes	110,488	120,531
Restriction on tax deductible expenses for unit trust fund	464,227	436,670
Taxation	-	-

8. DISTRIBUTIONS

Distributions to unit holders are from the following sources:

	2025 RM	2024 RM
Prior financial years' realised income	1,625,584	114,190
Profit income from financial assets measured at FVTPL	1,922,136	1,595,282
Profit income from financial assets measured at amortised cost	273,971	196,360
Dividend income	1,657,782	842,901
Net realised gain on disposal	1,749,939	-
Distribution equalisation	953,032	2,601,198
Less: Expenses	(1,884,323)	(1,745,329)
Net distributions amount	6,298,121	3,604,602
Net distributions per unit (sen)	2.6000	1.7500
Gross distributions per unit (sen)	2.6000	1.7500

	2025 RM	2024 RM
Date of Declaration		
18 July 2024 / 17 July 2023		
Gross/net distribution per unit (sen)	0.7000	0.7000
15 October 2024 / 16 October 2023		
Gross/net distribution per unit (sen)	0.7000	0.3500
15 January 2025 / 22 January 2024		
Gross/net distribution per unit (sen)	0.7000	0.3500
15 April 2025 / 17 April 2024		
Gross/net distribution per unit (sen)	0.5000	0.3500

The composition of distribution payments sourced from income and capital are disclosed in below:

	Income RM	%	Capital RM	%
2025	6,298,121	100.00	-	-
2024	3,604,602	100.00	-	-

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

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

Included in the above distributions was an amount of RM1,625,584 (2024: RM114,190) derived from prior financial years' realised income.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of distribution available for unit holders.

There are unrealised losses of RM15,283,411 for the financial year ended 30 June 2025.

9. CASH AND CASH EQUIVALENTS

	2025 RM	2024 RM
Islamic deposits with licensed financial institutions	7,748,637	5,360,299
Cash at banks	140,302	221,960
	7,888,939	5,582,259

The weighted average effective rate of return per annum are as follows:

	2025 %	2024 %
Islamic deposits with licensed financial institutions	3.00	2.95

Islamic deposits with licensed financial institutions have an average remaining maturity of 1 day (2024: 1 day).

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

	2025 RM	2024 RM
Financial assets at FVTPL:		
Quoted Shariah-compliant equity securities	62,400,333	66,171,242
Unquoted sukuk	55,580,879	59,738,036
	117,981,212	125,909,278
Net (loss)/gain on financial assets at FVTPL:		
Realised gain on disposals	1,525,041	3,899,405
Changes in unrealised fair values	(15,288,312)	10,881,983
	(13,763,271)	14,781,388

Financial assets at FVTPL as at 30 June 2025 are as detailed below:

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES				
Main Market				
Construction				
Gamuda Berhad	506,561	2,466,257	2,426,427	1.93
IJM Corporation Berhad	1,200,000	3,032,610	3,144,000	2.50
	1,706,561	5,498,867	5,570,427	4.43
Consumer Products & Services				
AEON Co (M) Berhad	850,000	1,232,867	1,190,000	0.95
Farm Fresh Berhad	900,000	1,580,350	1,638,000	1.30
Sime Darby Berhad	1,100,000	2,880,710	1,815,000	1.45
Spritzer Berhad	985,400	1,517,284	1,507,662	1.20
	3,835,400	7,211,211	6,150,662	4.90
Energy				
Bumi Armada Berhad	4,500,000	2,299,500	2,025,000	1.61
Dayang Enterprise Holdings Berhad	1,230,000	2,309,561	2,263,200	1.80
Deleum Berhad	1,350,000	1,341,598	2,133,000	1.70
Dialog Group Berhad	1,850,000	4,351,860	2,923,000	2.33
Uzma Berhad	2,493,424	1,349,368	922,567	0.73
	11,423,424	11,651,887	10,266,767	8.17
Financial Services				
MBSB Berhad	1,475,000	1,167,551	1,010,375	0.80
Syarikat Takaful Malaysia Keluarga Berhad	680,200	2,587,418	2,319,482	1.85
	2,155,200	3,754,969	3,329,857	2.65
Health Care				
Hartalega Holdings Berhad	1,000,000	2,443,992	1,640,000	1.30
IHH Healthcare Berhad	400,000	2,521,770	2,728,000	2.17
Kossan Rubber Industries Berhad	1,100,000	2,265,936	1,628,000	1.30
	2,500,000	7,231,698	5,996,000	4.77
Industrial Products & Services				
Dufu Technology Corporation Berhad	1,780,000	2,154,794	2,207,200	1.76
EG Industries Berhad	1,850,000	1,635,164	2,072,000	1.65
Hiap Teck Venture Berhad	500,000	211,900	137,500	0.11
Press Metal Aluminium Holdings Berhad	264,000	1,560,658	1,367,520	1.09
SAM Engineering & Equipment (M) Berhad	300,000	1,359,771	1,245,000	0.99
Sunway Berhad	454,300	1,948,096	2,135,210	1.70
V.S. Industry Berhad	2,419,200	2,062,870	1,995,840	1.59
	7,567,500	10,933,253	11,160,270	8.89

	Quantity/ Nominal value Units/RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Property				
Eastern & Oriental Berhad	1,350,000	830,254	1,100,250	0.88
Sime Darby Property Berhad	1,300,000	1,944,439	1,872,000	1.49
	2,650,000	2,774,693	2,972,250	2.37
Technology				
Frontken Corporation Berhad	500,000	1,724,373	1,980,000	1.58
Malaysian Pacific Industries Berhad	30,000	788,065	636,000	0.50
Pentamaster Corporation Berhad	450,000	1,446,592	1,381,500	1.10
	980,000	3,959,030	3,997,500	3.18
Telecommunications & Media				
Axiata Group Berhad	1,000,000	2,059,025	2,310,000	1.84
Maxis Berhad	700,000	2,660,498	2,527,000	2.01
Telekom Malaysia Berhad	500,000	2,779,550	3,275,000	2.61
	2,200,000	7,499,073	8,112,000	6.46
Transportation & Logistics				
MISC Berhad	270,000	2,101,120	2,049,300	1.63
Utilities				
Gas Malaysia Berhad	200,000	838,230	854,000	0.68
Tenaga Nasional Berhad	135,000	1,376,145	1,941,300	1.55
	335,000	2,214,375	2,795,300	2.23
TOTAL QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES	**35,623,085**	**64,830,176**	**62,400,333**	**49.68**
UNQUOTED SUKUK				
Corporate Sukuk				
4.43% Bakun Hydro Power Generation Sdn Bhd (AAA) 11/08/2026 - Series 2	2,200,000	2,250,474	2,260,435	1.80
4.30% CIMB Group Holdings Berhad (AA2) 08/03/2028 | 08/03/2033 - T2 Sukuk Wakalah S4 T1	4,500,000	4,604,602	4,626,145	3.68
4.40% CIMB Group Holdings Berhad (AA2) 08/09/2027 | 08/09/2032 - T2 Sukuk Wakalah S2 T1	1,000,000	1,020,400	1,028,072	0.82
4.95% CIMB Group Holdings Berhad (AA2) 02/12/2027 | 02/12/2032 - T2 Sukuk Wakalah S3 T1	5,250,000	5,376,623	5,419,036	4.31
4.03% CIMB Islamic Bank Berhad (AAA) 27/03/2031 - IMTN Series 3 Tranche 3	2,000,000	2,021,199	2,058,359	1.64
4.50% Infracap Resources Sdn Bhd (AAA) 15/04/2032 - T1 S7	5,000,000	5,227,342	5,304,766	4.22

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
4.90% Infracap Resources Sdn Bhd (AAA) 15/04/2036 - T1 S11	550,000	596,228	613,001	0.49
4.40% Infracap Resources Sdn Bhd (AAA) 15/04/2031 - Murabahah T1 S6	500,000	513,032	524,901	0.42
3.75% Kuala Lumpur Kepong Berhad (AA1) 27/09/2029 - IMTN Tranche 1	150,000	150,026	151,928	0.12
3.90% Public Islamic Bank Berhad (AA1) 23/10/2029 | 23/10/2034 - T5 Sukuk Murabahah	5,000,000	5,036,863	5,083,313	4.05
4.38% RHB Bank Berhad (AA1) 17/11/2028 - IMTN	5,000,000	5,049,254	5,130,700	4.09
5.35% Samalaju Industrial Port Sdn Bhd (AA1) 28/12/2026 - IMTN Issue No.4	4,000,000	4,093,198	4,102,426	3.27
5.10% Sepangar Bay Power Sdn Bhd (AA1) 03/07/2026 - Series 12	5,000,000	5,175,506	5,194,605	4.14
4.58% TM Technology Services (AAA) 03.09.2027 - IMTN	200,000	205,789	207,362	0.17
5.29% TNB Western Energy Berhad (AAA) 28/01/2028 - Tranche 8	1,000,000	1,040,106	1,059,815	0.84
4.01% United Overseas Bank (M) Berhad (AA1) 08/02/2029 | 08/02/2034 - T2 Sukuk Wakalah	5,000,000	5,094,026	5,126,653	4.08
	46,350,000	47,454,668	47,891,517	38.14
Government Investment Issues				
3.422% Government of Malaysia 30/09/2027	1,000,000	1,017,720	1,015,672	0.81
3.635% Government of Malaysia 30/08/2030	4,000,000	4,101,864	4,116,464	3.28
4.070% Government of Malaysia 30/09/2026	2,500,000	2,544,356	2,557,226	2.03
	7,500,000	7,663,940	7,689,362	6.12
TOTAL UNQUOTED SUKUK	**53,850,000**	**55,118,608**	**55,580,879**	**44.26**
TOTAL SHARIAH-COMPLIANT INVESTMENTS		**119,948,784**	**117,981,212**	**93.94**
UNREALISED LOSS ON FINANCIAL ASSETS AT FVTPL		**(1,967,572)**		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		**117,981,212**		

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES				
Main Market				
Construction				
IJM Corporation Berhad	1,000,000	2,258,900	3,050,000	2.31
Consumer Products & Services				
Guan Chong Berhad	800,000	3,101,680	2,944,000	2.24
Sime Darby Berhad	600,000	1,581,540	1,572,000	1.19
	1,400,000	4,683,220	4,516,000	3.43
Energy				
Deleum Berhad	1,500,000	1,415,360	1,965,000	1.49
Uzma Berhad	2,350,000	1,693,690	2,679,000	2.03
	3,850,000	3,109,050	4,644,000	3.52
Financial Services				
Syarikat Takaful Malaysia Keluarga Berhad	360,200	1,376,180	1,343,546	1.02
Health Care				
Hartalega Holdings Berhad	850,000	1,891,270	2,788,000	2.12
Kossan Rubber Industries Berhad	1,100,000	2,339,350	2,585,000	1.96
	1,950,000	4,230,620	5,373,000	4.08
Industrial Products & Services				
Aurelius Technologies Berhad	800,000	2,221,220	2,936,000	2.23
Dufu Technology Corporation Berhad	1,000,000	1,923,558	2,570,000	1.95
EG Industries Berhad	1,750,000	2,686,575	3,587,500	2.72
Hiap Teck Venture Berhad	1,500,000	635,700	637,500	0.48
Press Metal Aluminium Holdings Berhad	200,000	1,158,232	1,152,000	0.87
SAM Engineering & Equipment (M) Berhad	350,000	1,586,400	2,152,500	1.63
Seng Fong Holdings Berhad	753,933	414,337	738,855	0.56
SKP Resources Berhad	200,000	221,415	230,000	0.18
V.S. Industry Berhad	1,700,000	1,404,540	2,159,000	1.64
	8,253,933	12,251,977	16,163,355	12.26
Property				
Eastern & Oriental Berhad	3,100,000	1,906,510	3,053,500	2.32
Technology				
Frontken Corporation Berhad	700,000	2,424,278	3,122,000	2.37
Malaysian Pacific Industries Berhad	70,000	1,846,264	2,759,400	2.09
Pentamaster Corporation Berhad	500,000	1,889,024	2,510,000	1.90
UWC Berhad	761,000	2,648,368	2,267,780	1.72
	2,031,000	8,807,934	10,659,180	8.08
Telecommunications & Media				
Telekom Malaysia Berhad	680,000	3,780,188	4,596,800	3.49
Utilities				
Tenaga Nasional Berhad	600,000	6,116,198	8,268,000	6.27

	Quantity/ Nominal value Units/RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
ACE Market				
Industrial Products & Services				
Coraza Integrated Technology Berhad	3,490,000	2,493,591	1,867,150	1.42
YBS International Berhad	3,424,300	2,094,833	2,636,711	2.00
	6,914,300	4,588,424	4,503,861	3.42
TOTAL QUOTED SHARIAH-COMPLIANT EQUITY SECURITIES	**30,139,433**	**53,109,201**	**66,171,242**	**50.20**
UNQUOTED SUKUK				
Corporate Sukuk				
4.43% Bakun Hydro Power Generation Sdn Bhd (AAA) 11/08/2026 - Series 2	2,200,000	2,262,062	2,268,553	1.72
4.95% CIMB Group Holdings Berhad (AA2) 02/12/2032 | 02/12/2027 - T2 Sukuk Wakalah S3 T1	5,000,000	5,156,189	5,188,658	3.94
3.80% CIMB Group Holdings Berhad (AA2) 29/12/2026 | 29/12/2031 - T2 Sukuk Wakalah S1 T1	5,000,000	4,964,150	4,994,962	3.79
4.03% CIMB Islamic Bank Berhad (AAA) 27/03/2031 - IMTN Series 3 Tranche 3	2,000,000	2,021,199	2,032,139	1.54
4.30% CIMB Group Holdings Berhad (AA2) 08/03/2028 | 08/03/2033 - T2 Sukuk Wakalah S4 T1	4,500,000	4,621,220	4,624,146	3.51
4.40% CIMB Group Holdings Berhad (AA2) 08/09/2027 | 08/09/2032 - T2 Sukuk Wakalah S2 T1	5,000,000	5,119,798	5,148,215	3.90
4.12% Infracap Resources Sdn Bhd (AAA) 14/04/2028 - T1 S4	5,000,000	5,061,871	5,099,858	3.87
5.25% Kimanis Power Sdn Bhd (AA) 08/08/2025 - IMTN Tranche No. 10	5,000,000	5,174,165	5,186,162	3.93
4.38% RHB Bank Berhad (AA1) 17/11/2028 - IMTN	3,500,000	3,518,900	3,593,100	2.73
5.35% Samalaju Industrial Port Sdn Bhd (AA1) 28/12/2026 - IMTN Issue No.4	4,000,000	4,153,656	4,149,759	3.15
5.10% Sepangar Bay Power Sdn Bhd (AA1) 03/07/2026 - Series 12	5,000,000	5,224,408	5,252,553	3.98
5.29% TNB Western Energy Berhad (AAA) 28/01/2028 - Tranche 8	1,000,000	1,047,081	1,064,969	0.81
	47,200,000	48,324,699	48,603,074	36.87

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Government Investment Issues				
3.422% Government of Malaysia 30/09/2027	1,000,000	1,021,600	1,005,432	0.76
3.726% Government of Malaysia 31/03/2026	5,000,000	5,076,860	5,073,079	3.85
4.070% Government of Malaysia 30/09/2026	2,500,000	2,558,928	2,558,951	1.94
	8,500,000	8,657,388	8,637,462	6.55
Islamic Commercial Paper				
Hong Leong Islamic Bank - Senior ICP 182D 12/07/2024 - Tranche 1 (Islamic)	2,500,000	2,497,250	2,497,500	1.90
TOTAL UNQUOTED SUKUK	**58,200,000**	**59,479,337**	**59,738,036**	**45.32**
TOTAL SHARIAH-COMPLIANT INVESTMENTS		**112,588,538**	**125,909,278**	**95.52**
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL		**13,320,740**		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL		**125,909,278**		

11. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

(a) Equity securities listed on Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission;

(b) Sukuk as per the list of sukuk available at Bond Info Hub, Fully Automated System for Issuing/Tendering of Bank Negara Malaysia and The Bond and Sukuk Information Exchange; and

(c) Cash placements and liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

12. UNITS IN CIRCULATION

	2025 No. of units	2024 No. of units
At the beginning of the financial year	232,368,628	146,753,379
Add: Creation of units during the financial year		
- Arising from applications	67,667,421	155,840,111
- Arising from distributions	10,436,587	5,802,959
Less: Cancellation of units during the financial year	(55,004,281)	(76,027,821)
At the end of the financial year	255,468,355	232,368,628

13. TOTAL EXPENSE RATIO ("TER")

	2025 %	2024 %
TER	1.60	1.63

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

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

Where;

A = Management fee
B = Trustee's fee
C = Auditors' remuneration
D = Tax agent's fee
E = Other expenses
F = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM126,725,054 (2024: RM117,447,486).

14. PORTFOLIO TURNOVER RATIO ("PTR")

	2025 Times	2024 Times
PTR	0.57	0.68

PTR is derived from the following calculation:

(Total acquisitions for the financial year + total disposals for the financial year) / 2
―――――――――――――――――――――――――――
Average net asset value of the Fund for the financial year calculated on a daily basis

Where;

total acquisitions for the financial year
= RM76,572,648 (2024: RM101,177,997)
total disposals for the financial year
= RM66,659,847 (2024: RM58,435,441)

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

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

Related parties	Relationships
Hong Leong Asset Management Bhd	The Manager
Hong Leong Islamic Asset Management Sdn Bhd	Subsidiary of the Manager
Hong Leong Capital Berhad	Holding company of the Manager
Hong Leong Financial Group Berhad ("HLFG")	Ultimate holding company of the Manager
HLB Nominees (Tempatan) Sdn Bhd	Subsidiary of the 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 related parties of the Manager

	2025		2024	
	Units	RM	Units	RM
HLB Nominees (Tempatan) Sdn Bhd	15,294,056	7,518,558	-	-
Hong Leong Assurance Berhad	20,222,057	9,941,163	-	-
Hong Leong MSIG Takaful Berhad	10,268,919	5,048,201	5,230,988	2,967,539
	45,785,032	22,507,922	5,230,988	2,967,539

The above units were transacted at the prevailing market price.

The units held by HLB Nominees (Tempatan) Sdn Bhd, a subsidiary of ultimate holding company of the Manager, is under the nominees structure.

No units were held by the Manager as at 30 June 2025 and 30 June 2024.

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.

	2025 RM	2024 RM
Related party balances		
Cash at bank:		
- Hong Leong Islamic Bank Berhad	1,154	5,418
Amount due from brokers/dealers:		
- Hong Leong Investment Bank Berhad	365,895	-
Islamic deposits with licensed financial institution:		
- Hong Leong Islamic Bank Berhad	7,748,637	5,360,299
	8,115,686	5,365,717
Related party transactions		
Profit income from Islamic deposits with licensed financial institution:		
- Hong Leong Islamic Bank Berhad	284,847	1,853

	2025 RM	2024 RM
Profit income from cash at bank:		
- Hong Leong Islamic Bank Berhad	839	685
Purchase of quoted Shariah-compliant equity securities:		
- Hong Leong Investment Bank Berhad	23,998,659	33,719,744
Purchase of unquoted sukuk:		
- Hong Leong Bank Berhad	771,382	2,454,500
- Hong Leong Investment Bank Berhad	1,527,960	-
- Hong Leong Islamic Bank Berhad	514,123	-
	2,813,465	2,454,500
Disposal of quoted Shariah-compliant equity securities:		
- Hong Leong Investment Bank Berhad	15,031,717	18,316,770
Disposal of unquoted sukuk:		
- Hong Leong Bank Berhad	5,021,068	-
- Hong Leong Investment Bank Berhad	9,660,978	2,033,115
	14,682,046	2,033,115

16. TRANSACTIONS WITH BROKERS/DEALERS

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2025				
Hong Leong Investment Bank Berhad*	50,219,314	35.91	97,537	40.41
Nomura Securities Malaysia Sdn Bhd	10,210,215	7.30	25,517	10.57
CLSA Securities Malaysia Sdn Bhd	9,827,149	7.03	24,570	10.18
CIMB Bank Berhad	9,145,872	6.54	-	-
CGS International Securities Malaysia Sdn Bhd	7,983,220	5.71	18,986	7.87
Maybank Investment Bank Berhad	7,183,671	5.14	17,958	7.44
Phillip Capital Sdn Bhd	6,860,634	4.90	17,189	7.12
MIDF Amanah Investment Bank Berhad	5,806,518	4.15	14,537	6.02
Hong Leong Bank Berhad*	5,792,450	4.14	-	-
JPMorgan Securities (Malaysia) Sdn Bhd	5,384,699	3.85	13,450	5.57
Others#	21,433,855	15.33	11,632	4.82
	139,847,597	100.00	241,376	100.00

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2024				
Hong Leong Investment Bank Berhad*	54,069,629	32.99	129,969	45.78
RHB Investment Bank Berhad	23,507,019	14.34	-	-
Nomura Securities Malaysia Sdn Bhd	16,611,580	10.14	41,497	14.61
MIDF Amanah Investment Bank Berhad	11,423,358	6.97	28,581	10.07
CIMB Islamic Bank Berhad	9,152,472	5.58	-	-
Phillip Capital Sdn Bhd	8,151,485	4.97	20,363	7.17
JPMorgan Securities (Malaysia) Sdn Bhd	6,944,545	4.24	17,373	6.12
CLSA Securities Malaysia Sdn Bhd	6,793,224	4.14	17,031	6.00
Maybank Investment Bank Berhad	5,995,751	3.66	14,993	5.28
United Overseas Bank (Malaysia) Berhad	5,120,935	3.12	-	-
Others^	16,138,858	9.85	14,103	4.97
	163,908,856	100.00	283,910	100.00

* Transactions with brokers/dealers related to the Manager.

Included in transactions by the Fund are trades with Hong Leong Islamic Bank Berhad, a related company to the Manager, of which the value of trades amounted to RM514,123 for the financial year ended 30 June 2025.

^ Included in transactions by the Fund are trades with Hong Leong Bank Berhad, a related company to the Manager, of which the value of trades amounted to RM2,454,500 for the financial year ended 30 June 2024.

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

17. SUBSEQUENT EVENT

The Manager proposed for the payment of a net distribution of RM1,283,252 at 0.5000 sen (gross and net) per unit in respect of the month of July 2025, which has been approved by the Board of Directors of the Manager. The distribution will be accrued for in the net assets attributable to unit holders as an appropriation of the retained earnings for the financial year ending 30 June 2026.

Performance Data

for the Financial Years Ended 30 June

				Financial Year 2025 %	Financial Year 2024 %	Financial Year 2023 %
A.	**(i)**	**Portfolio Compositions:**				
		Construction		**4.43**	2.31	-
		Consumer Products & Services		**4.90**	3.43	4.12
		Energy		**8.17**	3.52	3.96
		Financial Services		**2.65**	1.02	-
		Health Care		**4.77**	4.08	3.60
		Industrial Products & Services		**8.89**	15.68	19.20
		Plantation		**-**	-	1.92
		Property		**2.37**	2.32	2.17
		Technology		**3.18**	8.08	18.04
		Telecommunications & Media		**6.46**	3.49	-
		Transportation & Logistics		**1.63**	-	-
		Utilities		**2.23**	6.27	-
		Corporate Sukuk		**38.14**	36.87	17.90
		Government Investment Issues		**6.12**	6.55	23.20
		Islamic Commercial Paper		**-**	1.90	-
		Islamic Deposits & Cash Equivalents		**6.06**	4.48	5.89
	(ii)	**Total Net Asset Value**	(ex-distribution)	**RM125,590,419**	RM131,816,446	RM76,567,673
	(iii)	**Net Asset Value Per Unit**	(ex-distribution)	**RM0.4916**	RM0.5673	RM0.5217
		Units in Circulation	(ex-distribution)	**255,468,355**	232,368,628	146,753,379
	(iv)	**Highest/Lowest NAV Per Unit**	Highest NAV Per Unit	**RM0.5859**	RM0.5712	RM0.5665
		(ex-distribution)	Lowest NAV Per Unit	**RM0.4670**	RM0.4917	RM0.5008
	(v)	**Total Return of the Fund***		**-8.95%**	12.46%	6.42%
		- Capital Growth		**-13.34%**	8.74%	0.75%
		- Income Distribution		**4.39%**	3.72%	5.67%
	(vi)	**The distribution (gross) is made out of:-**				
		- The Fund's Capital		**2.6000 sen/unit**	0.0000 sen/unit	0.0000 sen/unit
		- The Fund's Income		**0.0000 sen/unit**	1.7500 sen/unit	2.9000 sen/unit
		- Total Distribution Amount		**2.6000 sen/unit**	1.7500 sen/unit	2.9000 sen/unit
		- The Fund's Capital (% of Total Distribution Amount)		**100%**	0%	0%
		- The Fund's Income (% of Total Distribution Amount)		**0%**	100%	100%
	(vii)	**Distribution Per Unit**	Additional Units	**–**	–	–
			Distribution (Gross)	**0.7000 sen/unit**	0.7000 sen/unit	0.8000 sen/unit
			Distribution (Net)	**0.7000 sen/unit**	0.7000 sen/unit	0.8000 sen/unit
			Distribution Date	**18/07/2024**	17/07/2023	21/07/2022
			Cum-Distribution NAV/Unit	**RM0.5807**	RM0.5353	RM0.5212
			Ex-Distribution NAV/Unit	**RM0.5737**	RM0.5283	RM0.5132
			Additional Units	**–**	–	–
			Distribution (Gross)	**0.7000 sen/unit**	0.3500 sen/unit	0.7000 sen/unit
			Distribution (Net)	**0.7000 sen/unit**	0.3500 sen/unit	0.7000 sen/unit
			Distribution Date	**15/10/2024**	16/10/2023	17/10/2022
			Cum-Distribution NAV/Unit	**RM0.5289**	RM0.5126	RM0.5132
			Ex-Distribution NAV/Unit	**RM0.5219**	RM0.5091	RM0.5062
			Additional Units	**–**	–	–
			Distribution (Gross)	**0.7000 sen/unit**	0.3500 sen/unit	0.7000 sen/unit
			Distribution (Net)	**0.7000 sen/unit**	0.3500 sen/unit	0.7000 sen/unit
			Distribution Date	**15/01/2025**	22/01/2024	13/01/2023
			Cum-Distribution NAV/Unit	**RM0.5182**	RM0.5032	RM0.5499
			Ex-Distribution NAV/Unit	**RM0.5112**	RM0.4997	RM0.5429

Performance Data

for the Financial Years Ended 30 June

		Financial Year 2025 %	Financial Year 2024 %	Financial Year 2023 %
	Additional Units	**–**	–	–
	Distribution (Gross)	**0.5000 sen/unit**	0.3500 sen/unit	0.7000 sen/unit
	Distribution (Net)	**0.5000 sen/unit**	0.3500 sen/unit	0.7000 sen/unit
	Distribution Date	**15/04/2025**	17/04/2024	17/04/2023
	Cum-Distribution NAV/Unit	**RM0.4844**	RM0.5272	RM0.5528
	Ex-Distribution NAV/Unit	**RM0.4794**	RM0.5237	RM0.5458
(viii)	**Total Expense Ratio (TER)**	**1.60%**	1.63%	1.66%
(ix)	**Portfolio Turnover Ratio (PTR) (times)**	**0.57#**	0.68	0.64
B.	**Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 30/06/2025)***			
	(i) One year	**-8.95%**		
	(ii) Three years	**2.99%**		
	(iii) Five years	**9.19%**		

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

\# The PTR decreased by 0.11 times (16.18%) to 0.57 times for the financial year ended 30 June 2025 versus 0.68 times for the financial year ended 30 June 2024 mainly due to lower level of rebalancing activities undertaken by the Fund.

Corporate Information

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

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

Executive Director/Chief Executive Officer
Mr. Chue Kwok Yan

External Fund Manager
Hong Leong Islamic Asset Management Sdn Bhd [198501008000 (140445-U)]

Trustee
Deutsche Trustees Malaysia Berhad

Auditor
PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Shariah Adviser
BIMB Securities Sdn Bhd

Distributors
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Affin Bank Berhad
Areca Capital Sdn Bhd
CIMB Investment Bank Berhad
iFAST Capital Sdn Bhd
Kenanga Investors Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
Phillip Mutual Berhad
Standard Chartered Bank Malaysia Berhad
TA Investment Management Berhad of Malaysia
United Overseas Bank (Malaysia) Berhad
UOB Kay Hian Securities (M) Sdn Bhd
Registered Independent Tied Agents with FiMM

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