

Hong Leong Asia Pacific Equity Fund

Annual Report

Financial Year Ended 31 October 2024

2023/2024

Audited



HONG LEONG ASIA PACIFIC EQUITY FUND

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Manager's Review and Report

I. FUND INFORMATION

Fund Name

Hong Leong Asia Pacific Equity Fund ("HLAPEF" or "the Fund")

Fund Category

Equity

Fund Type

Growth

Investment Objective

The Fund aims to achieve capital growth over the medium to long-term by investing primarily in equities listed in the Asia Pacific ex Japan region.

Duration of the Fund and its termination date, where applicable

Not Applicable

Benchmark

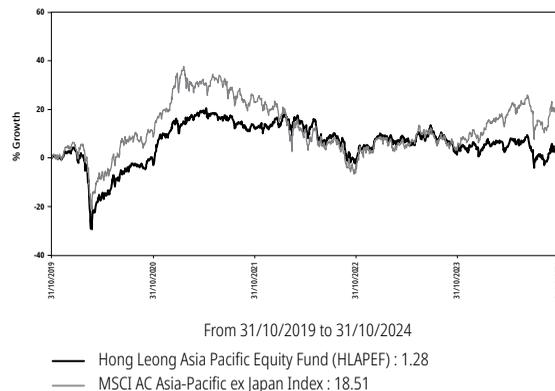
MSCI AC Asia Pacific ex Japan Index

Distribution Policy

The Fund intends to provide Unit holder with medium to long-term capital growth. As such, income distributions will be incidental to the overall capital growth objective. A substantial portion of the income returns from investments will be reinvested. The Fund may declare distributions in the form of additional Units to its Unit holders.

II. FUND PERFORMANCE

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



Source: Lipper for Investment Management, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLAPEF 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 November 2023 to 31 October 2024.

The Fund posted a return of -0.16% (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past twelve months while its benchmark the MSCI AC Asia-Pacific ex Japan Index registered a return of 15.00% (in Malaysian Ringgit terms). During the financial year under review, the Fund had distributed gross income distribution of 0.9000 sen per unit (net income distribution of 0.9000 sen per unit) on 24 July 2024. Prior to the income distribution, the cum-distribution Net Asset Value (NAV) per unit of the Fund was RM0.9267 while the ex-distribution NAV per unit was RM0.9177. Unit holders should note that income distribution has the effect of reducing the NAV per unit of the Fund after distribution.

For the five financial years ended 31 October 2024, the Fund posted a return of 1.28% compared to the benchmark's return of 18.51% while distributing a total gross income of 12.9000 sen per unit (net income of 12.1951 sen per unit).

Table 1: Performance of the Fund for the following periods as at 31 October 2024 (Source: Lipper for Investment Management)

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Launch
HLAPEF Return (%)	-1.32	-3.31	-0.16	-9.94	1.28	1.11
Benchmark (%)	-0.50	0.50	15.00	-3.57	18.51	21.72

Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 31 October 2023 to 31 October 2024 (Source: Lipper for Investment Management)

	31-Oct-24	31-Oct-23	Return (%)
NAV Per Unit	RM0.8912*	RM0.9014	-0.16#
Benchmark	2,585.47	2,248.25	15.00
vs Benchmark (%)	-	-	-15.16

* Based on the NAV Per Unit on 30 October 2024 as the above-mentioned reporting date fell on a non-business day.

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

Table 3: Financial Highlights

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

	31-Oct-24 (RM)	31-Oct-23 (RM)	Change (%)
Unit Holders' Capital	3,997,086	6,150,466	(35.01)
Retained Earnings	1,746,908	1,781,403	(1.94)
Net Asset Value	5,743,994	7,931,869	(27.58)
Units in Circulation	6,489,017	8,799,450	(26.26)

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 31 October

	Financial Year 2024	Financial Year 2023	Financial Year 2022
Highest NAV Per Unit (RM)	0.9726	1.0430	1.1851
Lowest NAV Per Unit (RM)	0.8440	0.9014	0.9207
Capital Growth (%)	-1.13	-2.10	-18.00
Income Distribution (%)	0.97	6.00	4.81
Total Return (%)	-0.16	3.90	-13.19

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

Table 5: Average Total Return of the Fund for the financial year ended 31 October 2024

	1 Year	3 Years	5 Years
Average Total Return (%)	-0.16	-3.31	0.26

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

Table 6: Annual Total Return of the Fund for the financial years ended 31 October

Financial Year	2024	2023	2022	2021	2020
Annual Total Return (%)	-0.16	3.90	-13.19	15.87	-2.94

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

III. INVESTMENT PORTFOLIO

Chart 2: Asset Allocation - November 2023 to October 2024

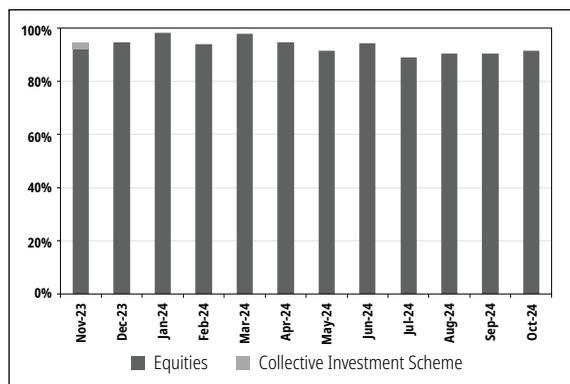


Chart 3: Sector Allocation as at 31 October 2024

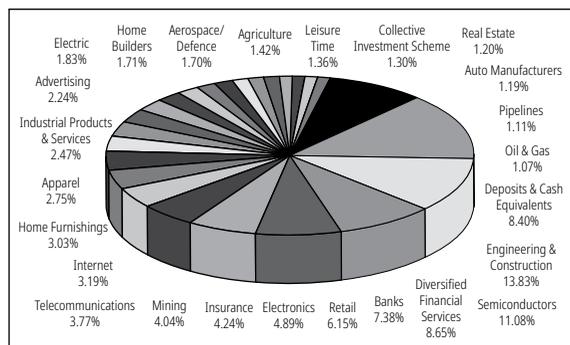
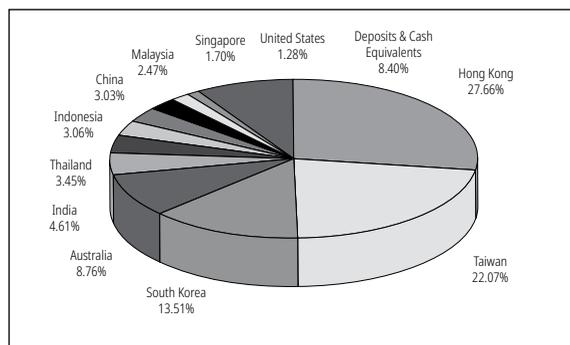


Chart 4: Geographical Allocation as at 31 October 2024



Strategies employed by the Fund during the period under review

During the financial year under review, the Fund maintained a strategy that focused on bottom-up stock pick based on: (1) long term capability of cash flow generation; (2) healthy balance sheet; and (3) reasonable valuations.

An explanation on the differences in portfolio composition

During the financial year under review, the Fund increased exposure to the engineering and construction sector given an optimistic view of capacity expansion by the semiconductor industry and data center. The Fund reduced exposure to electronics due to muted volume growth of smartphone phones shipment.

By country, the Fund increased exposure to Taiwan given its position as a key beneficiary of rising demand of semiconductor and technology hardware for Artificial Intelligence (AI). Lowered exposure to Korea due to weak demand for smartphones and related components.

Operational review of the Fund

The 2nd Supplemental Hong Leong Master Prospectus dated 5 January 2024 and 3rd Supplemental Hong Leong Master Prospectus dated 19 August 2024 were issued during the financial year under review to reflect various changes made to the Fund. Kindly refer to www.hlam.com.my for the full list of changes made to the Fund.

IV. MARKET REVIEW

During the financial year under review, Asia Pacific ex-Japan markets gained mainly due to: (1) surging demand of semiconductor and technology hardware for AI servers; (2) multiple monetary and fiscal policies launched by the Chinese government to support property market and domestic consumption; and (3) lower interest rate in United States (US) and some Asian countries.

Taiwan was the key outperformer due to: (1) continuous increase in demand of semiconductor and technology hardware driven by AI servers; and (2) decent growth in loan book and fee income of major banks.

V. FUTURE PROSPECTS AND PROPOSED STRATEGIES

We remain cautiously optimistic about the Asia equity market over the medium to long term. While the potential import tariff hike by the US may remain an overhang to the Asian equity market in near term, exporters already had the experience to deal with it. The actual impact to earnings could be smaller-than-expected. Meanwhile, AI data centers remain a structural growth story in the medium to long term and the component makers as well as the infrastructure providers should continue to benefit from the trend.

We recognize cash flow based valuation is particularly important in the current environment hence we continue focusing on: (1) sustainability of cash earnings growth; (2) shareholder return policy; and (3) valuations.

VI. SOFT COMMISSIONS

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

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

VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

VIII. CROSS TRADE TRANSACTIONS

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

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 15 to 58 are drawn up in accordance with the provision of the Deeds and give a true and fair view of the financial position of the Fund as at 31 October 2024 and of its financial performance, changes in equity and cash flows for the financial year ended 31 October 2024 in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

For and on behalf of the Manager,

Hong Leong Asset Management Bhd
(Company No.: 199401033034 (318717-M))

CHUE KWOK YAN

Chief Executive Officer/Executive Director

Kuala Lumpur
13 December 2024

TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF HONG LEONG ASIA PACIFIC EQUITY FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 October 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, **Hong Leong Asset Management Bhd** has operated and managed the Fund during the year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on 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 and on behalf of

CIMB Commerce Trustee Berhad

Datin Ezreen Eliza binti Zulkiplee

Chief Executive Officer

Kuala Lumpur, Malaysia
13 December 2024

INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF HONG LEONG ASIA PACIFIC EQUITY FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Hong Leong Asia Pacific Equity Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 October 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 October 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 15 to 58.

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
13 December 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

	Note	2024 RM	2023 RM
INVESTMENT INCOME			
Interest income from financial assets measured at amortised cost		9,787	12,378
Dividend income		316,615	512,130
Net gain on financial assets at fair value through profit or loss ("FVTPL")	9	718,232	1,102,854
Net loss on derivatives	10	(673,211)	(756,226)
Net foreign currency exchange loss		(40,682)	(25,381)
		<u>330,741</u>	<u>845,755</u>
EXPENDITURE			
Management fee	4	(121,928)	(170,506)
Trustee's fee	5	(18,000)	(18,000)
Auditors' remuneration		(11,300)	(10,500)
Tax agent's fee		(19,242)	(20,584)
Custodian fees		(44,871)	(39,506)
Transaction costs		(18,994)	(26,937)
Other expenses		(66,312)	(54,179)
		<u>(300,647)</u>	<u>(340,212)</u>
PROFIT BEFORE TAXATION		30,094	505,543
Taxation	6	(3,834)	(70,158)
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>26,260</u>	<u>435,385</u>
Profit after taxation is made up as follows:			
Realised amount		(432,843)	(689,065)
Unrealised amount		459,103	1,124,450
		<u>26,260</u>	<u>435,385</u>
Distribution for the financial year:			
Net distribution	7	<u>60,755</u>	<u>455,827</u>
Net distribution per unit (sen)	7	<u>0.9000</u>	<u>5.2951</u>
Gross distribution per unit (sen)	7	<u>0.9000</u>	<u>6.0000</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2024

	Note	2024 RM	2023 RM
ASSETS			
Cash and cash equivalents	8	601,918	856,953
Amount due from the Manager -creation of units		200	-
Dividends receivable		4,915	15,221
Financial assets at FVTPL	9	5,261,702	7,184,166
Tax recoverable		44,612	-
TOTAL ASSETS		<u>5,913,347</u>	<u>8,056,340</u>
LIABILITIES			
Amount due to the Manager -cancellation of units -management fee		-	851
Amount due to the Trustee		9,050	12,443
Derivatives	10	14,551	13,170
Other payables and accruals		127,163	68,980
Tax payable		18,589	17,765
		-	11,262
TOTAL LIABILITIES		<u>169,353</u>	<u>124,471</u>
NET ASSET VALUE OF THE FUND		<u>5,743,994</u>	<u>7,931,869</u>
EQUITY			
Unit holders' capital		3,997,086	6,150,466
Retained earnings		1,746,908	1,781,403
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>5,743,994</u>	<u>7,931,869</u>
UNITS IN CIRCULATION (UNITS)	11	<u>6,489,017</u>	<u>8,799,450</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.8852</u>	<u>0.9014</u>

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 31 OCTOBER 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 November 2023		6,150,466	1,781,403	7,931,869
Movement in net asset value:				
Creation of units from applications		222,281	-	222,281
Creation of units from distribution		60,755	-	60,755
Cancellation of units		(2,436,416)	-	(2,436,416)
Total comprehensive income for the financial year		-	26,260	26,260
Distribution for the financial year	7	-	(60,755)	(60,755)
Balance as at 31 October 2024		<u>3,997,086</u>	<u>1,746,908</u>	<u>5,743,994</u>
Balance as at 1 November 2022		7,875,793	1,801,845	9,677,638
Movement in net asset value:				
Creation of units from applications		487,751	-	487,751
Creation of units from distribution		455,827	-	455,827
Cancellation of units		(2,668,905)	-	(2,668,905)
Total comprehensive income for the financial year		-	435,385	435,385
Distribution for the financial year	7	-	(455,827)	(455,827)
Balance as at 31 October 2023		<u>6,150,466</u>	<u>1,781,403</u>	<u>7,931,869</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

	Note	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sales of financial assets at FVTPL		3,625,964	4,783,292
Purchase of financial assets at FVTPL		(1,004,262)	(1,916,443)
Realised loss on derivatives		(615,028)	(789,652)
Realised foreign exchange differences arising from operating activities		(47,224)	(16,332)
Interest income received from financial assets measured at amortised cost		9,787	12,378
Dividend income received		290,525	467,737
Management fee paid		(125,321)	(173,206)
Trustee's fee paid		(16,619)	(16,293)
Payment for other fees and expenses		(104,597)	(80,619)
Tax paid		(59,708)	(90,582)
Net cash generated from operating activities		<u>1,953,517</u>	<u>2,180,280</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		222,081	487,751
Payments for cancellation of units		(2,437,267)	(2,668,054)
Net cash used in financing activities		<u>(2,215,186)</u>	<u>(2,180,303)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(261,669)	(23)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		6,634	(8,891)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>856,953</u>	<u>865,867</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	<u>601,918</u>	<u>856,953</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2024

1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES

Hong Leong Asia Pacific Equity Fund (“the Fund”) was constituted pursuant to the execution of a Deed dated 17 December 2018 and Supplemental Deeds dated 5 July 2022 and 7 February 2024 between Hong Leong Asset Management Bhd (“the Manager”) and CIMB Commerce Trustee Berhad (“the Trustee”) for the unit holders of the Fund.

The Fund aims to achieve capital growth over the medium to long-term by investing primarily in equities listed in the Asia Pacific ex Japan region.

The Fund seeks to achieve its investment objective by investing primarily in equities which are listed and/or traded in the Asia Pacific ex Japan region. The Manager may also invest in equities of companies that are listed and/or traded outside the Asia Pacific ex Japan region which have substantial business in the Asia Pacific ex Japan region. These companies are defined as companies that have at least 50% of its revenues or profits derived from the Asia Pacific ex Japan region. The Fund will only invest in eligible markets. The Fund commenced operations on 25 March 2019 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.

Sumitomo Mitsui DS Asset Management (Hong Kong) Limited is the external fund manager appointed for Hong Leong Asia Pacific Equity Fund. The effective date for the appointment is at 18 March 2019.

The financial statements were authorised for issue by the Manager on 13 December 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of preparation

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

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

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

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

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

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

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

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

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

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

The amendment shall be applied retrospectively.

(b) Financial assets and financial liabilities

Classification

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

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

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

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

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

Recognition and measurement

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

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

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

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

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

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

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

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

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

Impairment

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

Significant increase in credit risk

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

Definition of default and credit-impaired financial assets

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

Write-off

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

(c) Foreign currency

Functional and presentation currency

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

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- The Fund's NAV per unit and the settlement of creation and cancellation are denominated in RM.
- The Fund's significant expenses are denominated in RM.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(d) Income recognition

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

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

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

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

Realised gain or loss on derivatives - unquoted forward currency contracts is measured by the net settlement as per the forward currency contracts.

(e) Cash and cash equivalents

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

(f) Amount due from/to brokers/dealers

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

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

(g) Taxation

Current tax expense is determined according to Malaysian tax laws at the prevailing tax rate based on the taxable profit earned during the financial year. Withholding taxes on investment income from foreign investments are based on the tax regime of the respective countries that the Fund invests in. Such withholding taxes are not “income tax” in nature and are recognised and measured based on the requirements of MFRS 137. They are presented within other expenses line in the statement of comprehensive income.

(h) Distribution

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) Derivatives

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

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

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

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

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

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

(l) 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, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control process adopted by the Manager and adherence to the investment restrictions as stipulated in the 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/ liabilities at FVTPL RM	Financial assets/ liabilities at amortised cost RM	Total RM
2024			
<u>Financial assets</u>			
Cash and cash equivalents (Note 8)	-	601,918	601,918
Amount due from the Manager			
-creation of units	-	200	200
Dividends receivable	-	4,915	4,915
Financial assets at FVTPL (Note 9)	5,261,702	-	5,261,702
	<u>5,261,702</u>	<u>607,033</u>	<u>5,868,735</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	9,050	9,050
Amount due to the Trustee	-	14,551	14,551
Derivatives (Note 10)	127,163	-	127,163
Other payables and accruals	-	18,589	18,589
	<u>127,163</u>	<u>42,190</u>	<u>169,353</u>
2023			
<u>Financial assets</u>			
Cash and cash equivalents (Note 8)	-	856,953	856,953
Dividends receivable	-	15,221	15,221
Financial assets at FVTPL (Note 9)	7,184,166	-	7,184,166
	<u>7,184,166</u>	<u>872,174</u>	<u>8,056,340</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	-	851	851
-management fee	-	12,443	12,443
Amount due to the Trustee	-	13,170	13,170
Derivatives (Note 10)	68,980	-	68,980
Other payables and accruals	-	17,765	17,765
	<u>68,980</u>	<u>44,229</u>	<u>113,209</u>

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

(a) Market risk

(i) Price risk

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

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

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

	2024 RM	2023 RM
<u>Financial assets at FVTPL:</u>		
- Quoted equity security - local	142,048	126,960
- Quoted equity securities - foreign	5,044,802	6,887,787
- Quoted collective investment scheme		
- foreign	74,852	169,419
	<u>5,261,702</u>	<u>7,184,166</u>
Derivatives	<u>(127,163)</u>	<u>(68,980)</u>
	<u>5,134,539</u>	<u>7,115,186</u>

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

% Change in price of financial assets at FVTPL	Market value RM	Impact on profit after taxation/ net asset value RM
2024		
-5%	4,877,812	(256,727)
0%	5,134,539	-
5%	5,391,266	256,727
2023		
-5%	6,759,427	(355,759)
0%	7,115,186	-
5%	7,470,945	355,759

(ii) Interest rate risk

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

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

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

(iii) Currency risk

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

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

	Cash and cash equivalents RM	Dividends receivable RM	Financial assets at FVTPL RM	Derivatives RM	Total RM
2024					
AUD	-	-	503,233	(1,411)	501,822
CNY	-	-	173,798	(2,365)	171,433
HKD	-	-	1,589,010	(43,188)	1,545,822
IDR	-	-	175,936	-	175,936
INR	3,427	1,048	264,121	-	268,596
KRW	-	3,867	776,692	(16,147)	764,412
SGD	-	-	97,587	(1,160)	96,427
THB	-	-	197,996	(3,409)	194,587
TWD	-	-	1,267,514	(36,454)	1,231,060
USD	213,037	-	73,767	(23,029)	263,775

	Cash and cash equivalents RM	Dividends receivable RM	Financial assets at FVTPL RM	Derivatives RM	Total RM
2023					
AUD	2,004	-	818,842	889	821,735
CNY	-	-	220,779	(915)	219,864
HKD	-	10,349	2,108,348	(11,749)	2,106,948
IDR	-	-	503,886	-	503,886
INR	-	1,025	161,089	-	162,114
KRW	-	3,847	1,230,811	(14,841)	1,219,817
SGD	-	-	458,905	(3,540)	455,365
THB	-	-	101,601	(2,004)	99,597
TWD	-	-	1,452,945	(22,411)	1,430,534
USD	134,374	-	-	(14,409)	119,965

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

	Change in foreign exchange rate %	Impact on profit after taxation/net asset value	
		2024 RM	2023 RM
AUD	5	12,044	21,757
CNY	5	3,712	5,093
HKD	5	39,499	47,279
IDR	5	8,797	25,194
INR	5	13,430	8,106
KRW	5	18,771	29,497
SGD	5	2,227	10,207
THB	5	5,080	2,474
TWD	5	33,104	31,589
USD	5	(42,819)	(70,256)

(b) Credit risk

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

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

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission Malaysia's Guidelines on 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 and respective foreign stock exchanges. The credit/default risk is minimal as all transactions in quoted investments 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 the Manager - creation of units RM	Dividends receivable RM	Total RM
2024				
- AAA	385,454	-	-	385,454
- A+	216,464	-	-	216,464
- NR	-	200	4,915	5,115
Total	601,918	200	4,915	607,033
2023				
- AAA	720,575	-	-	720,575
- A+	136,378	-	-	136,378
- NR	-	-	15,221	15,221
Total	856,953	-	15,221	872,174

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

(c) Liquidity risk

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

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

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

	Less than 1 month RM	1 month to 1 year RM	Total RM
2024			
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	9,050	-	9,050
Amount due to the Trustee	14,551	-	14,551
Derivatives	127,163	-	127,163
Other payables and accruals	-	18,589	18,589
Contractual cash out flows	150,764	18,589	169,353
2023			
<u>Financial liabilities</u>			
Amount due to the Manager			
-cancellation of units	851	-	851
-management fee	12,443	-	12,443
Amount due to the Trustee	13,170	-	13,170
Derivatives	68,980	-	68,980
Other payables and accruals	-	17,765	17,765
Contractual cash out flows	95,444	17,765	113,209

(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 investment activities of the Fund.

(e) Fair value estimation

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

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

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

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

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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

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

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

(i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
<u>Financial assets at FVTPL:</u>				
- Quoted equity security				
- local	142,048	-	-	142,048
- Quoted equity securities				
- foreign	5,044,802	-	-	5,044,802
- Quoted collective investment scheme - foreign	74,852	-	-	74,852
	<u>5,261,702</u>	<u>-</u>	<u>-</u>	<u>5,261,702</u>
<u>Financial liabilities:</u>				
- Derivatives	-	(127,163)	-	(127,163)
2023				
<u>Financial assets at FVTPL:</u>				
- Quoted equity security				
- local	126,960	-	-	126,960
- Quoted equity securities				
- foreign	6,887,787	-	-	6,887,787
- Quoted collective investment scheme - foreign	169,419	-	-	169,419
	<u>7,184,166</u>	<u>-</u>	<u>-</u>	<u>7,184,166</u>
<u>Financial liabilities:</u>				
- Derivatives	-	(68,980)	-	(68,980)

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities and listed collective investment scheme. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note 2(b).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include derivatives. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial liabilities are stated in Note 2(b) and 2(k).

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

4. MANAGEMENT FEE

In accordance with Division 13.1 of the Deeds, the Manager is entitled to a management fee of up to 3.00% per annum calculated daily based on the net asset value of the Fund.

For the financial year ended 31 October 2024, the management fee is recognised at a rate of 1.80% (2023: 1.80%) per annum.

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

5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deeds, the Trustee is entitled to a fee not exceeding 0.055% per annum subject to a minimum of RM18,000 per annum (excluding foreign custodian fees and charges) calculated daily based on the net asset value of the Fund.

For the financial year ended 31 October 2024, the Trustee's fee is computed at a rate of 0.055% (2023: 0.055%) per annum but recognised at RM18,000 which is the minimum fee per annum based on terms agreed with the Trustee.

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

6. TAXATION

	2024 RM	2023 RM
Tax charge for the financial year:		
Current taxation	3,834	72,994
Over provision of tax in prior year	-	(2,836)
	3,834	70,158

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

	2024 RM	2023 RM
Profit before taxation	30,094	505,543
Taxation at Malaysian statutory rate of 24% (2023: 24%)	7,223	121,330
Tax effects of:		
Investment income not subject to tax	(70,011)	(86,074)
Expenses not deductible for tax purposes	32,099	(71)
Restriction on tax deductible expenses for unit trust fund	34,523	37,809
Over provision of tax in prior year	-	(2,836)
Taxation	3,834	70,158

7. DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	2024 RM	2023 RM
Prior financial years' realised income	60,755	455,827
Net distribution amount	60,755	455,827

Date of Declaration

24 July 2024 / 20 July 2023

Net distribution per unit (sen)	0.9000	5.2951
Gross distribution per unit (sen)	0.9000	6.0000

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

	Income RM	%	Capital RM	%
2024	60,755	100.00	-	-
2023	455,827	100.00	-	-

Net distribution above is sourced from prior financial years' realised income. Gross distribution is derived using total income less total expenses.

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

8. CASH AND CASH EQUIVALENTS

	2024 RM	2023 RM
Deposits with licensed financial institutions	366,062	701,058
Cash at banks	235,856	155,895
	601,918	856,953

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

	2024 %	2023 %
Deposits with licensed financial institutions	3.10	3.00

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

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

	2024 RM	2023 RM
<u>Financial assets at FVTPL:</u>		
Quoted equity security - local	142,048	126,960
Quoted equity securities - foreign	5,044,802	6,887,787
Quoted collective investment scheme - foreign	74,852	169,419
	5,261,702	7,184,166
<u>Net gain on financial assets at FVTPL:</u>		
Realised gain on disposals	207,488	2,780
Changes in unrealised fair values	510,744	1,100,074
	718,232	1,102,854

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITY- LOCAL				
<u>Industrial Products & Services</u>				
Uchi Technologies Berhad	36,800	101,644	142,048	2.47
TOTAL QUOTED EQUITY SECURITY - LOCAL	36,800	101,644	142,048	2.47

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITIES - FOREIGN				
Australia				
<u>Banks</u>				
Macquarie Group Limited	220	79,912	145,916	2.54
<u>Mining</u>				
BHP Group Limited	1,900	185,771	232,103	4.04
<u>Oil & Gas</u>				
Woodside Energy Group Ltd	900	90,119	61,315	1.07
<u>Pipelines</u>				
APA Group	3,200	82,401	63,899	1.11
Total Australia	6,220	438,203	503,233	8.76
China				
<u>Home Furnishings</u>				
Gree Electric Appliances, Inc. of Zhuhai*	6,500	238,809	173,798	3.03
Total China	6,500	238,809	173,798	3.03
Hong Kong				
<u>Apparel</u>				
Shenzhen International Group Holdings Limited	2,000	76,176	67,536	1.18
Stella International Holdings	11,000	52,461	90,262	1.57
	13,000	128,637	157,798	2.75
<u>Banks</u>				
China Merchants Bank Company Limited#	8,000	162,913	171,091	2.98
<u>Diversified Financial Services</u>				
Far East Horizon Limited	30,000	120,270	92,356	1.61
<u>Engineering & Construction</u>				
China Communications Services Corporation Limited#	66,000	98,218	155,265	2.70
China State Construction International Holdings Limited	30,000	144,314	192,815	3.36
CK Infrastructure Holdings Limited	5,000	131,611	154,770	2.69
	101,000	374,143	502,850	8.75
<u>Insurance</u>				
China Pacific Insurance (Group) Co., Ltd.#	16,000	183,012	243,580	4.24
<u>Internet</u>				
SUNeVision Holdings Limited	50,000	139,078	109,465	1.91
<u>Retail</u>				
Bosideng International Holdings Limited	30,000	81,958	73,614	1.28
Pou Sheng International (Holdings) Limited	250,000	96,210	81,606	1.42
Topsports International Holdings Limited	33,000	59,467	47,917	0.83
	313,000	237,635	203,137	3.53

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Telecommunications</u>				
HKT Trust and HKT Limited - SS	20,000	101,195	108,733	1.89
Total Hong Kong	551,000	1,446,883	1,589,010	27.66
Indonesia				
<u>Banks</u>				
PT Bank Rakyat Indonesia Persero Tbk	80,000	100,311	106,982	1.86
<u>Real Estate</u>				
PT Puradelta Lestari Tbk	1,500,000	84,833	68,954	1.20
Total Indonesia	1,580,000	185,144	175,936	3.06
India				
<u>Agriculture</u>				
ITC Limited	3,200	83,607	81,336	1.42
<u>Electric</u>				
Mahanagar Gas Limited	1,400	82,775	104,948	1.83
<u>Leisure Time</u>				
Hero Motocorp Limited	300	83,214	77,837	1.36
Total India	4,900	249,596	264,121	4.61
Singapore				
<u>Aerospace/Defence</u>				
Singapore Technologies Engineering Limited	6,500	91,327	97,587	1.70
Total Singapore	6,500	91,327	97,587	1.70
South Korea				
<u>Advertising</u>				
CHEIL Worldwide Inc.	2,200	203,441	128,791	2.24
<u>Auto Manufacturers</u>				
Hyundai Motor Company	100	87,163	68,256	1.19
<u>Diversified Financial Services</u>				
KB Financial Group Inc.	800	108,236	229,340	3.99
<u>Semiconductors</u>				
Samsung Electronics Co., Ltd.	1,100	153,666	167,450	2.91
<u>Telecommunications</u>				
SK Telecom Co., Ltd	600	118,083	108,003	1.88
Total South Korea	4,800	670,589	701,840	12.21
Taiwan				
<u>Diversified Financial Services</u>				
Chailease Holding Company Limited	3,644	109,071	75,412	1.31
<u>Electronics</u>				
Hon Hai Precision Industry Co., Ltd	3,000	48,208	86,673	1.51
Taiwan Union Technology Corporation	4,000	36,947	88,517	1.54
Tripod Technology Corporation	4,000	52,859	105,455	1.84
	11,000	138,014	280,645	4.89

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Engineering & Construction</u>				
Acter Group Corporation Ltd	6,000	180,721	291,778	5.08
<u>Retail</u>				
Poya International Co., Ltd.	2,203	162,397	150,766	2.62
<u>Semiconductors</u>				
ASE Technology Holding Company Limited	6,000	112,911	128,677	2.24
MediaTek Inc.	1,000	88,113	176,214	3.07
Realtek Semiconductor Corp	1,000	72,118	65,363	1.14
United Microelectronics Corporation	15,000	95,558	98,659	1.72
	23,000	368,700	468,913	8.17
Total Taiwan	45,847	958,903	1,267,514	22.07
Thailand				
<u>Diversified Financial Services</u>				
TISCO Financial Group Public Company Limited^	8,000	92,781	99,741	1.74
<u>Home Builders</u>				
WHA Corporation Public Company Limited^	130,000	90,374	98,255	1.71
Total Thailand	138,000	183,155	197,996	3.45
United States				
<u>Internet</u>				
Autohome Inc+	600	76,544	73,767	1.28
Total United States	600	76,544	73,767	1.28
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	2,344,367	4,539,153	5,044,802	87.83
QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN				
South Korea				
<u>Listed Fund</u>				
Macquarie Korea Infrastructure Fund	1,978	76,110	74,852	1.30
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN	1,978	76,110	74,852	1.30
TOTAL INVESTMENTS	2,383,145	4,716,907	5,261,702	91.60
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL			544,795	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL			5,261,702	

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

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
QUOTED EQUITY SECURITY- LOCAL				
<u>Industrial Products & Services</u>				
Uchi Technologies Berhad	36,800	101,644	126,960	1.60
TOTAL QUOTED EQUITY SECURITY - LOCAL	36,800	101,644	126,960	1.60
QUOTED EQUITY SECURITIES - FOREIGN				
Australia				
<u>Banks</u>				
Commonwealth Bank of Australia	500	107,589	145,516	1.83
Macquarie Group Limited	220	79,912	106,743	1.35
	720	187,501	252,259	3.18
<u>Mining</u>				
BHP Group Limited	2,400	234,658	321,895	4.06
<u>Oil & Gas</u>				
Woodside Energy Group Ltd	1,600	160,212	165,215	2.08
<u>Pipelines</u>				
APA Group	3,200	82,400	79,473	1.00
Total Australia	7,920	664,771	818,842	10.32
China				
<u>Home Furnishings</u>				
Gree Electric Appliances, Inc. of Zhuhai*	10,000	367,398	220,779	2.78
Total China	10,000	367,398	220,779	2.78
Hong Kong				
<u>Apparel</u>				
Shenzhou International Group Holdings Limited	4,000	152,351	186,810	2.36
Stella International Holdings	20,000	95,384	107,583	1.36
	24,000	247,735	294,393	3.72
<u>Banks</u>				
China Merchants Bank Company Limited#	8,000	162,913	145,066	1.83
<u>Commercial Services</u>				
China Merchants Port Holdings Company Limited	16,000	94,008	96,873	1.22
<u>Diversified Financial Services</u>				
Far East Horizon Limited	44,000	192,942	147,525	1.86

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<u>Engineering & Construction</u>				
China Communications Services Corporation Limited#	66,000	98,218	128,515	1.62
China State Construction International Holdings Limited	50,000	240,524	254,961	3.21
CK Infrastructure Holdings Limited	5,000	131,611	110,291	1.39
NWS Holdings Limited	13,000	63,141	73,251	0.92
	134,000	533,494	567,018	7.14
<u>Insurance</u>				
China Pacific Insurance (Group) Co., Ltd.#	16,000	183,012	187,710	2.37
<u>Internet</u>				
SUNeVision Holdings Limited	50,000	139,078	88,537	1.12
<u>Real Estate</u>				
China Resources Land Limited	8,000	143,650	142,632	1.80
Yuexiu Property Company Limited	34,000	161,178	168,408	2.12
	42,000	304,828	311,040	3.92
<u>Retail</u>				
Pou Sheng International (Holdings) Limited	250,000	96,210	101,924	1.29
<u>Transportation</u>				
SITC International Holdings Company Limited	7,000	59,688	51,284	0.65
<u>Water</u>				
Guangdong Investment Limited	36,000	246,778	116,978	1.47
Total Hong Kong	627,000	2,260,686	2,108,348	26.59
Indonesia				
<u>Banks</u>				
PT Bank Rakyat Indonesia Persero Tbk	130,000	163,005	193,247	2.44
<u>Real Estate</u>				
PT Puradelta Lestari Tbk	3,000,000	169,666	153,746	1.94
<u>Telecommunications</u>				
PT Telekomunikasi Indonesia (Persero) Tbk	150,000	185,807	156,893	1.98
Total Indonesia	3,280,000	518,478	503,886	6.36
India				
<u>Agriculture</u>				
ITC Limited	3,200	83,607	78,414	0.99
<u>Electric</u>				
Mahanagar Gas Limited	1,400	82,775	82,675	1.04
Total India	4,600	166,382	161,089	2.03

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Singapore				
<u>Aerospace/Defence</u>				
Singapore Technologies Engineering Limited	15,000	181,322	195,979	2.47
<u>Electronics</u>				
Venture Corporation Limited	2,300	124,519	93,507	1.18
Total Singapore	17,300	305,841	289,486	3.65
South Korea				
<u>Advertising</u>				
CHEIL Worldwide Inc.	2,200	203,441	153,957	1.94
<u>Chemicals</u>				
LG Chem Ltd - Preference Shares	70	95,799	69,188	0.87
<u>Computers</u>				
LG Corp.	600	134,644	163,218	2.06
<u>Diversified Financial Services</u>				
KB Financial Group Inc.	1,500	202,942	272,206	3.43
<u>Machinery-Diversified</u>				
SFA Engineering Corp.	1,308	189,683	128,361	1.62
<u>Semiconductors</u>				
Samsung Electronics Co., Ltd.	1,800	251,454	339,967	4.29
<u>Telecommunications</u>				
SK Telecom Co., Ltd	600	118,083	103,914	1.31
Total South Korea	8,078	1,196,046	1,230,811	15.52
Taiwan				
<u>Diversified Financial Services</u>				
Chailease Holding Company Limited	6,528	200,441	168,298	2.12
<u>Electronics</u>				
Hon Hai Precision Industry Co., Ltd	15,000	241,040	212,638	2.68
Taiwan Union Technology Corporation	10,000	92,367	156,448	1.97
Tripod Technology Corporation	4,000	52,859	96,954	1.22
	29,000	386,266	466,040	5.87
<u>Home Furnishing</u>				
Lite-On Technology Corporation	9,000	85,776	132,210	1.67
<u>Retail</u>				
Poya International Co., Ltd.	2,182	162,397	159,467	2.01
<u>Semiconductors</u>				
ASE Technology Holding Company Limited	6,000	112,911	100,039	1.26
MediaTek Inc.	1,000	88,113	123,690	1.56
Novatek Microelectronics Corporation	2,000	141,636	133,532	1.68
United Microelectronics Corporation	25,000	159,264	169,669	2.14
	34,000	501,924	526,930	6.64
Total Taiwan	80,710	1,336,804	1,452,945	18.31

	Quantity Units	Aggregate cost RM	Fair value RM	Percentage of net asset value %
Thailand				
<u>Diversified Financial Services</u>				
TISCO Financial Group Public Company Limited [^]	8,000	92,781	101,601	1.28
Total Thailand	8,000	92,781	101,601	1.28
TOTAL QUOTED EQUITY SECURITIES - FOREIGN	4,043,608	6,909,187	6,887,787	86.84
QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN				
Singapore				
<u>Real Estate Investment Trust</u>				
Keppel DC REIT	28,850	139,284	169,419	2.13
TOTAL QUOTED COLLECTIVE INVESTMENT SCHEME - FOREIGN	28,850	139,284	169,419	2.13
TOTAL INVESTMENTS	4,109,258	7,150,115	7,184,166	90.57
UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL			34,051	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL			7,184,166	

* A Shares are shares of mainland China-based companies that trade on the two Chinese Stock Exchanges, the Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE). These shares are denominated in Renminbi.

+ ADR, or American depository receipt, is a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas. ADRs help to reduce administration and duty costs that would otherwise be levied on each transaction.

H Shares are shares of the companies incorporated in the Chinese mainland that is listed on the Hong Kong Stock Exchange. These shares are denominated in Hong Kong dollars and trade the same as other equities on the Hong Kong Stock Exchange.

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

10. DERIVATIVES

Derivatives comprise forward currency contracts. The negative fair value represents the unrealised loss on the revaluation of forward currency at the reporting date. The contract or underlying principal amount of the forward currency contracts and the corresponding gross negative fair value at the end of the reporting date is analysed below:

	2024 RM	2023 RM
<u>Derivative liabilities:</u>		
Forward currency contracts	127,163	68,980
<u>Net loss on derivatives:</u>		
Realised loss on disposals	(615,028)	(789,652)
Changes in unrealised fair values	(58,183)	33,426
	<u>(673,211)</u>	<u>(756,226)</u>

	Maturity date	Contract or underlying principal amounts	*Fair value RM
2024			
Australian Dollar	within 1 month	91,000	(1,411)
Hong Kong Dollar	within 1 month	1,416,000	(43,188)
New Taiwan Dollar	within 1 month	138,900#	(36,454)
Renminbi	within 1 month	162,000	(2,365)
Singapore Dollar	within 1 month	16,000	(1,160)
South Korean Won	within 1 month	89,115+	(16,147)
Thai Baht	within 1 month	741,000	(3,409)
United States Dollar	within 1 month	138,900	(12,209)
United States Dollar	within 1 month	89,115	(7,833)
United States Dollar	within 1 month	33,000	(2,987)
			<u>(127,163)</u>

	Maturity date	Contract or underlying principal amounts	*Fair value RM
2023			
Australian Dollar	within 1 month	127,000	889
Hong Kong Dollar	within 1 month	1,926,000	(11,749)
New Taiwan Dollar	within 1 month	167,868#	(22,411)
Renminbi	within 1 month	183,000	(915)
Singapore Dollar	within 1 month	73,000	(3,540)
South Korean Won	within 1 month	132,586+	(14,841)
Thai Baht	within 1 month	393,000	(2,004)
United States Dollar	within 1 month	167,868	(7,369)
United States Dollar	within 1 month	132,586	(5,821)
United States Dollar	within 1 month	23,000	(1,219)
			<u>(68,980)</u>

This is the equivalent US Dollar amount used to hedge TWD4,699,000 (2023: TWD5,590,000).

+ This is the equivalent US Dollar amount used to hedge KRW127,612,995 (2023: KRW182,968,997).

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

	Receivables RM	Payables RM	Fair value RM	Percentage of net asset value %
2024				
Hong Leong Bank Berhad	-	(78,417)	(78,417)	1.37
Hong Leong Investment Bank Berhad	-	(48,746)	(48,746)	0.85
	-	(127,163)	(127,163)	2.22
2023				
Hong Leong Bank Berhad	-	(53,361)	(53,361)	0.67
Hong Leong Investment Bank Berhad	889	(16,508)	(15,619)	0.20
	889	(69,869)	(68,980)	0.87

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

11. UNITS IN CIRCULATION

	2024 No. of units	2023 No. of units
At the beginning of the financial year	8,799,450	10,510,640
Add: Creation of units during the financial year		
- Arising from application	237,410	491,818
- Arising from distribution	66,925	464,988
Less: Cancellation of units during the financial year	(2,614,768)	(2,667,996)
At the end of the financial year	6,489,017	8,799,450

12. TOTAL EXPENSE RATIO ("TER")

	2024 %	2023 %
TER	3.55	2.84

Total expense ratio includes management fee, Trustee's fee, auditors' remuneration, tax agent's fee, custodian fees 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:

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

Where;

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM6,767,535 (2023: RM9,467,341).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2024 Times	2023 Times
PTR	0.33	0.35

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
= RM993,714 (2023: RM1,847,422)

total disposals for the financial year
= RM3,434,144 (2023: RM4,800,840)

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

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

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

No units were held by the Manager and parties related to the Manager as at 31 October 2024 and 31 October 2023.

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

	2024 RM	2023 RM
<u>Related party balances</u>		
Derivatives:		
- Hong Leong Bank Berhad	(78,417)	(53,361)
- Hong Leong Investment Bank Berhad	(48,746)	(15,619)
	(127,163)	(68,980)
<u>Related party transactions</u>		
Disposal of quoted equity securities:		
- Hong Leong Investment Bank Berhad	-	90,982

15. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2024				
Merrill Lynch (Asia Pacific) Limited	1,447,626	31.31	4,320	32.97
Daiwa Capital Markets Hong Kong Limited	946,320	20.47	2,444	18.65
J.P. Morgan Securities (Asia Pacific) Limited	840,977	18.19	2,085	15.91
Citigroup Global Markets Asia Limited	521,370	11.28	1,962	14.98
Instinet Pacific Limited	219,457	4.75	876	6.69
UBS Securities Asia Limited	206,015	4.46	496	3.79
Jefferies International Limited	160,059	3.46	320	2.44
CLSA Limited	142,775	3.09	321	2.45
Mizuho Securities Asia Limited	138,406	2.99	278	2.12
	4,623,005	100.00	13,102	100.00

	Values of trade RM	Percentage of total trade %	Brokerage fees RM	Percentage of total brokerage fees %
2023				
Merrill Lynch (Asia Pacific) Limited	1,488,416	22.42	3,997	22.08
Citigroup Global Markets Asia Limited	1,455,385	21.93	4,221	23.30
Daiwa Capital Markets Hong Kong Limited	1,007,708	15.18	2,758	15.23
Instinet Pacific Limited	901,476	13.58	2,820	15.58
Credit Suisse (Hong Kong) Limited	657,180	9.90	1,772	9.79
Mizuho Securities Asia Limited	500,325	7.54	999	5.52
J.P. Morgan Securities (Asia Pacific) Limited	269,828	4.07	776	4.29
Jefferies International Limited	171,635	2.59	344	1.90
CLSA Limited	94,386	1.42	190	1.05
Hong Leong Investment Bank Berhad*	90,982	1.37	228	1.26
	6,637,321	100.00	18,105	100.00

* Transactions with brokers/dealers related to the Manager.

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

Performance Data

for the Financial Years Ended 31 October

	Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
A. (i) Portfolio Compositions:			
By Sector:			
Advertising	2.24	1.94	1.85
Aerospace/Defence	1.70	2.47	–
Agriculture	1.42	0.99	–
Apparel	2.75	3.72	–
Auto Manufacturers	1.19	–	–
Banks	7.38	7.45	13.08
Chemicals	–	0.87	–
Commercial Services	–	1.22	0.91
Computers	–	2.06	2.47
Consumer Products & Services	–	–	4.17
Diversified Financial Services	8.65	8.69	11.64
Electrical Components & Equipment	–	–	0.85
Electric	1.83	1.04	–
Electronics	4.89	7.05	4.58
Engineering & Construction	13.83	7.14	5.63
Home Builders	1.71	–	–
Home Furnishings	3.03	4.45	1.92
Industrial Products & Services	2.47	1.60	6.69
Information Technology	–	–	1.46
Insurance	4.24	2.37	1.42
Internet	3.19	1.12	–
Leisure Time	1.36	–	–
Machinery-Diversified	–	1.62	1.71
Mining	4.04	4.06	3.85
Oil & Gas	1.07	2.08	2.87
Pipelines	1.11	1.00	–
Real Estate	1.20	5.86	6.13
Retail	6.15	3.30	1.20
Semiconductors	11.08	10.93	7.13
Telecommunications	3.77	3.29	5.64
Textiles	–	–	1.75
Transportation	–	0.65	1.12
Water	–	1.47	1.11
Collective Investment Scheme	1.30	2.13	3.56
Deposits & Cash Equivalents	8.40	9.43	7.26
By Country:			
Australia	8.76	10.32	15.91
China	3.03	2.78	1.92
Hong Kong	27.66	26.59	22.94
India	4.61	2.03	–
Indonesia	3.06	6.36	6.68
Malaysia	2.47	1.60	2.24
Singapore	1.70	5.78	9.79
South Korea	13.51	15.52	14.83
Taiwan	22.07	18.31	15.84
Thailand	3.45	1.28	2.59
United States	1.28	–	–
Deposits & Cash Equivalents	8.40	9.43	7.26

Performance Data

for the Financial Years Ended 31 October

		Financial Year 2024 %	Financial Year 2023 %	Financial Year 2022 %
(ii) Total Net Asset Value	(ex-distribution)	RM5,743,994	RM7,931,869	RM9,677,638
(iii) Net Asset Value Per Unit	(ex-distribution)	RM0.8912	RM0.9014	RM0.9207
	(ex-distribution)	6,489,017	8,799,450	10,510,640
(iv) Highest/Lowest NAV Per Unit	Highest NAV Per Unit	RM0.9726	RM1.0430	RM1.1851
	(ex-distribution)	RM0.8440	RM0.9014	RM0.9207
(v) Total Return of the Fund*		-0.16%	3.90%	-13.19%
- Capital Growth		-1.13%	-2.10%	-18.00%
- Income Distribution		0.97%	6.00%	4.81%
(vi) The distribution (gross) is made out of:-				
- The Fund's Capital		0.9000 sen/unit	1.9300 sen/unit	6.0000 sen/unit
- The Fund's Income		0.0000 sen/unit	4.0700 sen/unit	0.0000 sen/unit
- Total Distribution Amount		0.9000 sen/unit	6.0000 sen/unit	6.0000 sen/unit
- The Fund's Capital (% of Total Distribution Amount)		100%	32%	100%
- The Fund's Income (% of Total Distribution Amount)		0%	68%	0%
(vii) Distribution Per Unit	Additional Units	-	-	-
	Distribution (Gross)	0.9000 sen/unit	6.0000 sen/unit	6.0000 sen/unit
	Distribution (Net)	0.9000 sen/unit	5.2951 sen/unit	6.0000 sen/unit
	Distribution Date	24/07/2024	20/07/2023	21/07/2022
	Cum-Distribution NAV/Unit	RM0.9267	RM1.0319	RM1.0826
	Ex-Distribution NAV/Unit	RM0.9177	RM0.9789	RM1.0226
(viii) Total Expense Ratio (TER)		3.55%#	2.84%	2.42%
(ix) Portfolio Turnover Ratio (PTR) (times)		0.33##	0.35	0.23
B. Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 31/10/2024)*				
(i) One year		-0.16%		
(ii) Three years		-3.31%		
(iii) Five years		0.26%		

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

The TER was 0.71 percentage point higher as compared to 2.84% for the financial year ended 31 October 2024 mainly due to lower average net asset value of the Fund.

The PTR decreased by 0.02 times (5.71%) to 0.33 times for the financial year ended 31 October 2024 versus 0.35 times for the financial year ended 31 October 2023 mainly due to lower level of rebalancing activities undertaken by the Fund.

Corporate Information

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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

Sumitomo Mitsui DS Asset Management (Hong Kong) Limited

Trustee

CIMB Commerce Trustee Berhad

Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

Distributors

Hong Leong Bank Berhad
Registered Independent Tied Agents with FIMM

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