

# Hong Leong Dana Al-Safa'

**Semi-Annual Report**  
**Financial Period Ended 31 August 2024**

**2024**  
**Unaudited**





# HONG LEONG DANA AL-SAFA'

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# **Manager's Review and Report**

## **I. FUND INFORMATION**

### **Fund Name**

Hong Leong Dana Al-Safa' ("HLDASA" or "the Fund")

### **Fund Category**

Fixed Income (Islamic)

### **Fund Type**

Income

### **Investment Objective**

The Fund aims to provide investors with a low risk investment portfolio offering a regular stream of income\* while adhering to Shariah requirements.

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

Not Applicable

### **Benchmark**

Malayan Banking Berhad 12-Month Islamic Fixed Deposit-i

### **Distribution Policy**

The Fund intends to provide Unit holders with regular income. As such, income distributions will be on a monthly basis, subject to availability of income and the amount of income available for distribution may fluctuate from time to time.

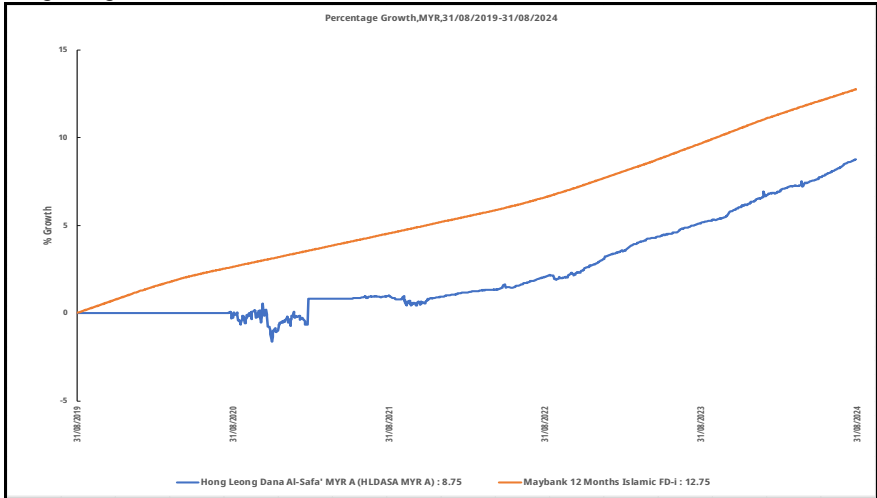
Note:

\* Income may be distributed in the form of cash and/or additional Units.

## II. FUND PERFORMANCE

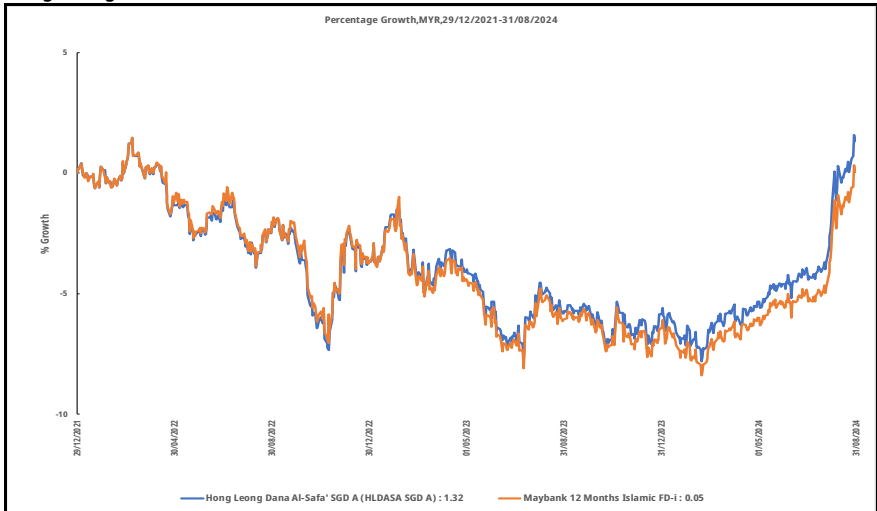
**Chart 1: Performance of the Fund versus the benchmark**

Hong Leong Dana Al-Safa' MYR A



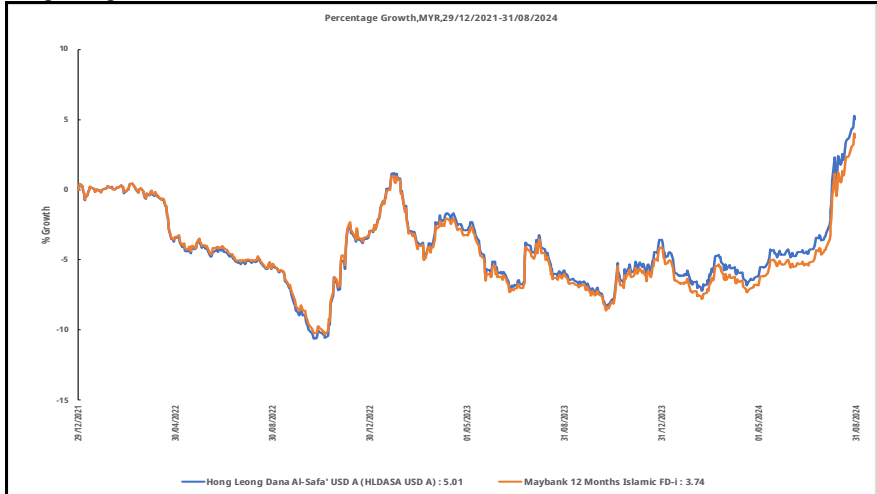
Source: Lipper for Investment Management, in Malaysian Ringgit terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA MYR A reinvested.

Hong Leong Dana Al-Safa' SGD A



Source: Lipper for Investment Management, in Singapore Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA SGD A reinvested.

## Hong Leong Dana Al-Safa' USD A



Source: Lipper for Investment Management, in US Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA USD A reinvested.

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

### Performance Review

This Semi-Annual Report covers the six-month financial period from 1 March 2024 to 31 August 2024.

For Hong Leong Dana Al-Safa' MYR A, the Fund posted a return of 1.72% (in MYR terms) (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the Malayan Banking Berhad (Maybank) 12-Month Islamic Fixed Deposit-i (FD-i) registered a return of 1.33%. During the financial period under review, the Fund has distributed 6 times of income distributions to its Unit holders. For the five-year financial periods ended 31 August 2024, the Fund has posted a return of 8.75% compared to the benchmark's return of 12.75% while distributing a total gross income of 8.4320 sen per unit (net income of 8.4320 sen per unit).

For Hong Leong Dana Al-Safa' SGD A, the Fund posted a return of 8.35% (in SGD terms) (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the Maybank 12-Month Islamic FD-i registered a return of 7.84%. Since 29 December 2021, the Fund has registered a return of 1.32% compared to the benchmark's return of 0.05%.

For Hong Leong Dana Al-Safa' USD A, the Fund posted a return of 11.76% (in USD terms) (based on NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from the Fund reinvested) in the past six months while its benchmark the Maybank 12-Month Islamic FD-i registered a return of 11.24%. Since 29 December 2021, the Fund has registered a return of 5.01% compared to the benchmark's return of 3.74%.

Unit holders should note that income distributions have the effect of reducing the Net Asset Value (NAV) per unit of the Fund after distributions. For a full description of the income distributions, cum-distributions and ex-distributions NAV per unit of the Fund, kindly refer to section entitled 'Performance Data' at page 34-43.

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

	3 Months	6 Months	1 Year	3 Years	5 Years	Since Launch
HLDASA MYR A Return (%)	1.03	1.72	3.48	7.68	8.75	8.75
Benchmark (%)	0.66	1.33	2.83	7.86	12.75	12.89

	3 Months	6 Months	1 Year	Since Launch
HLDASA SGD A Return (%)	6.22	8.35	7.58	1.32
Benchmark (%)	5.70	7.84	6.54	0.05

	3 Months	6 Months	1 Year	Since Launch
HLDASA USD A Return (%)	10.11	11.76	11.39	5.01
Benchmark (%)	9.61	11.24	10.38	3.74



**Table 2: Return of the Fund based on NAV Per Unit-to-NAV Per Unit basis for the period 29 February 2024 to 31 August 2024 (Source: Lipper for Investment Management)**

HLDASA MYR A	31-Aug-24	29-Feb-24	Return (%)
NAV Per Unit	RM0.9993*	RM0.9980	1.72#
Benchmark	2.60%	2.70%	1.33
<b>vs Benchmark (%)</b>	-	-	0.39

HLDASA SGD A	31-Aug-24	29-Feb-24	Return (%)
NAV Per Unit	SGD1.0133*	SGD0.9352	8.35
Benchmark	2.60%	2.70%	7.84
<b>vs Benchmark (%)</b>	-	-	0.51

HLDASA USD A	31-Aug-24	29-Feb-24	Return (%)
NAV Per Unit	USD1.0502*	USD0.9397	11.76
Benchmark	2.60%	2.70%	11.24
<b>vs Benchmark (%)</b>	-	-	0.52

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

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

**Table 3: Financial Highlights**

The Fair Value of Outstanding Units are represented by:

	<b>31-Aug-24</b>	<b>29-Feb-24</b>	<b>Change</b>
	<b>(RM)</b>	<b>(RM)</b>	<b>(%)</b>
MYR Class A	29,732,031	28,229,280	5.32
SGD Class A	3,358	3,296	1.88
USD Class A	4,537	4,454	1.86

**Units in Circulation:**

MYR Class A	29,750,750	28,285,775	5.18
SGD Class A	1,000	1,000	-
USD Class A	1,000	1,000	-

**Table 4: The Highest and Lowest NAV Per Unit, Total Return of the Fund and the breakdown into Capital Growth and Income Distribution for the financial period ended 31 August and financial years ended 28/29 February**

	<b>Financial Period</b>	<b>Financial Year</b>	<b>Financial Year</b>	<b>Financial Year</b>
HLDASA MYR A	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Highest NAV Per Unit (RM)	1.0019	1.0005	0.9984	1.0020
Lowest NAV Per Unit (RM)	0.9958	0.9946	0.9919	0.9957
Capital Growth (%)	0.13	0.23	-	-0.43
Income Distribution (%)	1.59	3.00	2.38	0.78
<b>Total Return (%)</b>	<b>1.72</b>	<b>3.23</b>	<b>2.38</b>	<b>0.35</b>

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

	<b>Financial Period</b>	<b>Financial Year</b>	<b>Financial Year</b>	<b>Financial Period</b>
HLDASA SGD A	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2022*</b>
Highest NAV Per Unit (SGD)	1.0160	0.9686	1.0148	1.0044
Lowest NAV Per Unit (SGD)	0.9336	0.9217	0.9268	0.9938
Capital Growth (%)	8.35	-2.17	-4.75	0.35
Income Distribution (%)	-	-	-	-
<b>Total Return (%)</b>	<b>8.35</b>	<b>-2.17</b>	<b>-4.75</b>	<b>0.35</b>

\* The figure shown is for the period since Fund launch (29 December 2021 to 28 February 2022).

Source: Lipper for Investment Management, in Singapore Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA SGD A reinvested.

HLDASA USD A	Financial Period	Financial Year	Financial Year	Financial Period
	2024	2024	2023	2022*
Highest NAV Per Unit (USD)	1.0529	0.9835	1.0119	1.0043
Lowest NAV Per Unit (USD)	0.9321	0.9153	0.8941	0.9927
Capital Growth (%)	11.76	-2.07	-3.95	-0.10
Income Distribution (%)	-	-	-	-
<b>Total Return (%)</b>	<b>11.76</b>	<b>-2.07</b>	<b>-3.95</b>	<b>-0.10</b>

\* The figure shown is for the period since Fund launch (29 December 2021 to 28 February 2022).

Source: Lipper for Investment Management, in US Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA USD A reinvested.

**Table 5: Average Total Return of the Fund for the financial period ended 31 August 2024**

	1 Year	3 Years	5 Years
Average Total Return – HLDASA MYR A (%)	3.48	2.56	1.75
Average Total Return – HLDASA SGD A (%)	7.58	-	-
Average Total Return – HLDASA USD A (%)	11.39	-	-

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

**Table 6: Annual Total Return of the Fund for the financial period and years ended 28/29 February**

<b>Financial Year</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Annual Total Return - HLDASA MYR A (%)	3.23	2.38	0.35	0.80

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 HLDASA MYR A reinvested.

<b>Financial Period/Year</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Annual Total Return - HLDASA SGD A (%)	-2.17	-4.75	0.35*

\* The figure shown is for the period since Fund launch (29 December 2021 to 28 February 2022).

Source: Lipper for Investment Management, in Singapore Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA SGD A reinvested.

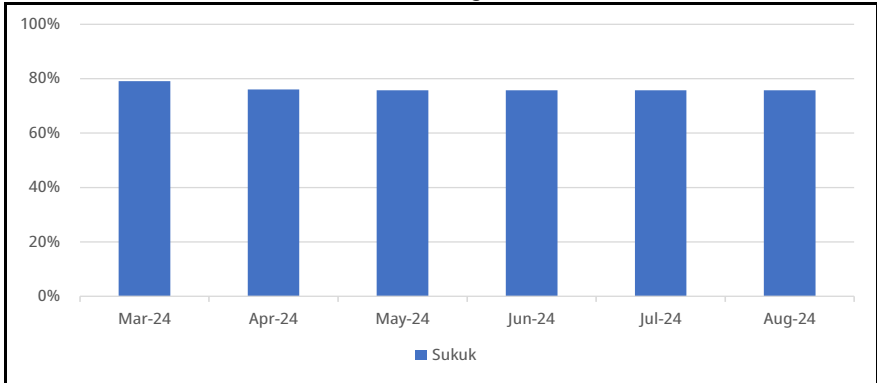
<b>Financial Period/Year</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Annual Total Return - HLDASA USD A (%)	-2.07	-3.95	-0.10*

\* The figure shown is for the period since Fund launch (29 December 2021 to 28 February 2022).

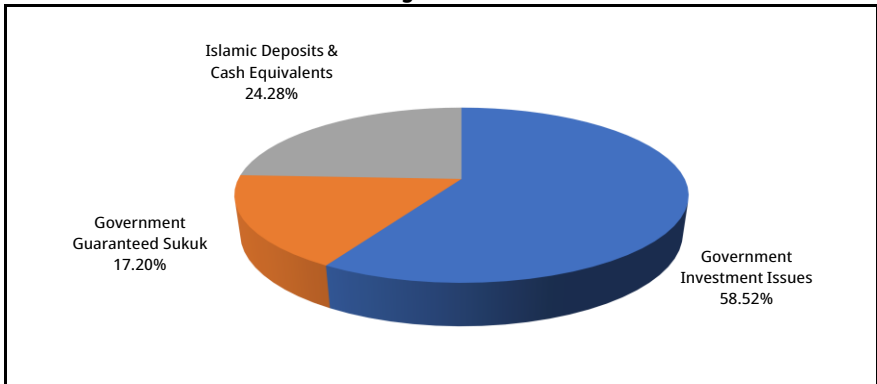
Source: Lipper for Investment Management, in US Dollar terms, ex-distribution, NAV Per Unit-to-NAV Per Unit basis with gross income (if any) from HLDASA USD A reinvested.

### III. INVESTMENT PORTFOLIO

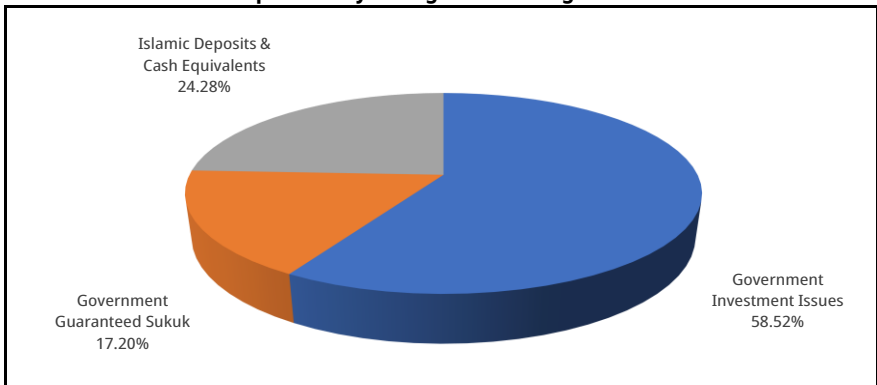
**Chart 2: Asset Allocation - March 2024 to August 2024**



**Chart 3: Sector Allocation as at 31 August 2024**



**Chart 4: Portfolio Composition by Ratings as at 31 August 2024**



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

The Fund adopted a defensive duration strategy during the financial period under review to reduce adverse sensitivity of the Fund's valuation holdings to higher policy rate and volatile rates arising from monetary tightening actions. These defensive strategies include shortening the average remaining maturities for the sukuk which in turn reduces the price sensitivity of sukuk to market rate changes. Notwithstanding duration management during period of higher policy rate, the Fund shall opportunistically lengthen its duration in the event of yields uptick amid increased volatility in the short term as risky assets constantly repricing pre- and post-released of key economic data and less attractive relative value on the long end given relatively flat term structure.

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

The Fund's composition continues to adhere to its investment policy and objective by investing a minimum of 50% of its NAV in sukuk issued or guaranteed by the Government of Malaysia and a maximum of 50% of its NAV in Islamic deposits and Islamic money market instruments.

### **Operational review of the Fund**

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

## **IV. MARKET REVIEW**

During the financial period under review, the United States (US) Federal Open Market Committee (FOMC) members had shifted their Federal Funds Rate (FFR) cut expectations earlier as compared to the start of the year's neutral stance after key inflation data had showed with confidence that inflation is progressing towards FOMC inflation objective which warranted easing in September meeting. Post-July FOMC, the 10-Year US Treasury (UST) benchmark yields rallied from 4.499% to 3.903% signalling that the US Federal Reserve (Fed) might begin its easing cycle from the third quarter of 2024 onwards and through 2025. US headline inflation month-on-month (MoM) had been steady at 0.2% with core inflation averaging 3.3% year-on-year (YoY) as compared to 4.8% YoY in preceding year reflecting firm disinflationary trend towards the Fed's target inflation range. Labour market has been relatively robust but tight with US unemployment on steady trend averaging 4.1% YoY despite initial jobless claims at 231,000, an increased from last year's released indicating diminishing slacks in labour demand-supply.

On local front, Malaysia's second quarter of 2024 Gross Domestic Product (GDP) registered a robust quarter-on-quarter (QoQ) growth of 5.9% as compared to 4.2% in the first quarter of 2024 (Fourth quarter of 2023: 2.9%) driven by strong private consumption and further trade expansion arising from global tech upcycle. Headline and core inflation edged higher to 1.9% (First quarter of 2024: 1.7% and 1.8% respectively) underpinned by higher housing and utilities during the financial period but are still relatively subdued despite electricity tariffs and diesel subsidy rationalization. During the same period, the Ringgit had aggressively appreciated by 8.7% against the US Dollar (USD) and 5.3% on a nominal effective exchange rate basis. The appreciation was driven by growing expectations on US policy rate cuts thereby narrowing policy rate differentials and in turn alleviated pressure on regional currencies, including the Ringgit. Going forward, domestic growth theme in the second half of 2024 will be predominantly driven by domestic consumption, favourable external trade sentiment, recovery in tourist arrivals and catalytic themes such as surged foreign direct interests and investments specifically on Data Centres (DC), Johor-Singapore Special Economic Zone etc. On markets rates, local government bond yields and short term deposit rates inched lower 3 months Kuala Lumpur Interbank Offer Rate (KLIBOR) benchmark rate posted 6 basis points (bps) (0.06%) decline to 3.53%. while KLIBOR 6 months slipped from 3.64% to 3.61%.

Bank Negara Malaysia's (BNM) Overnight Policy Rate (OPR) is likely to remain at 3.00% until first half of next year as the strengthening of Ringgit had lifted pressures on the central bank having to cope with the possibility of imported inflationary effect and the policy rate conduciveness in support of its assessment of inflation and growth prospects.

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

On forward-looking basis, we expect BNM to maintain its OPR at 3.00% throughout 2024 with slight bias of easing in 2025 of 25 bps (0.25%) in tandem with global central banks easing of their respective policy rates (with exception to Bank of Japan (BoJ) and Reserve Bank of Australia). We are of the view that rates likely to be volatile driven by US rates sentiment amid heightened geopolitical tensions in the Middle East, increasing trade nationalism and global slowdown in manufacturing and technology. China's prolonged structural real estate issues, Japan's potential change in Premiership and regional South China Sea tensions as well as Taiwan's ongoing liberalization rhetoric from Beijing may exacerbate the volatility of risky assets going forward. Therefore, the Fund continues to tilt on defensive strategy and style arising from increased volatility expectations given the market tendency to pre-emptively trade ahead of any anticipated releases in data and the constant repricing of risky assets in lieu of pre- and post-released of key economic data that could recalibrate market's expectations of Fed's rate cut dimension.

## **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 period under review, the Fund has not received goods or services by way of soft commissions.

## **VII. SECURITIES LENDING OR REPURCHASE TRANSACTIONS**

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

## **VIII. CROSS TRADE TRANSACTIONS**

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



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**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 accompanying unaudited condensed financial statements set out on pages 16 to 33 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 August 2024 and of its financial performance, changes in net assets attributable to unit holders and cash flows for the financial period ended 31 August 2024 in accordance with the Malaysian Financial Reporting Standard 134 “Interim Financial Reporting” and International Accounting Standard 34 “Interim Financial Reporting”.

For and on behalf of the Manager,

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

**CHUE KWOK YAN**

Chief Executive Officer/Executive Director

Kuala Lumpur

21 October 2024

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**TRUSTEE'S REPORT****TO THE UNIT HOLDERS OF HONG LEONG DANA AL-SAFA' ("Fund")**

We have acted as Trustee of the Fund for the financial period ended 31 August 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 period covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;
2. Valuation and pricing is carried out in accordance with the deed; and
3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

We are of the opinion that the distributions of income by the Fund are appropriate and reflect the investment objective of the Fund.

For and on behalf of,

**CIMB Islamic Trustee Berhad**

**Datin Ezreen Eliza binti Zulkiplee**

Chief Executive Officer

Kuala Lumpur, Malaysia

21 October 2024

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**SHARIAH ADVISER'S REPORT  
TO THE UNIT HOLDERS OF HONG LEONG DANA AL-SAFA' ("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 semi-annual period ended 31 August 2024, 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**

**NURUL AQILA SUFIYAH LOKMAN**  
Designated Shariah Officer

Kuala Lumpur  
21 October 2024

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME** *(Unaudited)*  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024**

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Profit income from financial assets measured at fair value through profit or loss ("FVTPL")		386,759	692,385
Profit income from financial assets measured at amortised cost		118,879	422,913
Net gain/(loss) on financial assets at FVTPL	9	34,880	(12,932)
Net foreign currency exchange (loss)/gain		(632)	253
		<u>539,886</u>	<u>1,102,619</u>
<b>EXPENDITURE</b>			
Management fee	4	(29,477)	(69,853)
Trustee's fee	5	(1,474)	(3,493)
Auditors' remuneration		(3,231)	(3,268)
Tax agent's fee		(1,512)	(1,509)
Other Expenses		(2,996)	(3,933)
		<u>(38,690)</u>	<u>(82,056)</u>
<b>NET PROFIT BEFORE FINANCE COST AND TAXATION</b>		501,196	1,020,563
Finance cost	6	(460,978)	(992,755)
<b>NET PROFIT BEFORE TAXATION</b>		<u>40,218</u>	<u>27,808</u>
Taxation	7	-	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>40,218</u>	<u>27,808</u>
Increase in net assets attributable to unit holders consists of:			
Realised amount		5,970	36,418
Unrealised amount		34,248	(8,610)
		<u>40,218</u>	<u>27,808</u>

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

**CONDENSED STATEMENT OF FINANCIAL POSITION (Unaudited)**  
**AS AT 31 AUGUST 2024**

	Note	31.08.2024 RM	29.02.2024 RM
<b>ASSETS</b>			
Cash and cash equivalents	8	7,241,110	5,727,389
Financial assets at FVTPL	9	22,519,692	22,533,448
<b>TOTAL ASSETS</b>		<u>29,760,802</u>	<u>28,260,837</u>
<b>LIABILITIES</b>			
Amount due to the Manager			
- management fee		5,043	4,469
Amount due to the Trustee		252	6,915
Other payables and accruals		15,581	12,423
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>20,876</u>	<u>23,807</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>29,739,926</u>	<u>28,237,030</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>29,739,926</u>	<u>28,237,030</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (RM)</b>			
- MYR Class A		29,732,031	28,229,280
- SGD Class A		3,358	3,296
- USD Class A		4,537	4,454
		<u>29,739,926</u>	<u>28,237,030</u>
<b>UNITS IN CIRCULATION (UNITS)</b>			
- MYR Class A		29,750,750	28,285,775
- SGD Class A		1,000	1,000
- USD Class A		1,000	1,000
	11	<u>29,752,750</u>	<u>28,287,775</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- MYR Class A		0.9994	0.9980
- SGD Class A		3.3581	3.2964
- USD Class A		4.5368	4.4542
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
- MYR Class A		RM0.9994	RM0.9980
- SGD Class A		SGD1.0134	SGD0.9352
- USD Class A		USD1.0503	USD0.9397

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

**CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO  
UNIT HOLDERS FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024** *(Unaudited)*

	<b>01.03.2024 to 31.08.2024 RM</b>	<b>01.03.2023 to 31.08.2023 RM</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	28,237,030	70,616,444
Movement due to units created and cancelled during the financial period:		
Creation of units from applications	1,001,700	2,000,000
Creation of units from distributions	460,978	992,755
Cancellation of units	-	(14,951,000)
	1,462,678	(11,958,245)
Increase in net assets attributable to unit holders	40,218	27,808
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	29,739,926	58,686,007

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

**CONDENSED STATEMENT OF CASH FLOWS (Unaudited)**  
**FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sales of financial assets at FVTPL	-	12,144,604
Proceeds from redemptions of financial assets at FVTPL	-	10,000,000
Purchase of financial assets at FVTPL	-	(10,128,686)
Profit income received from financial assets measured at FVTPL and amortised cost	554,274	1,364,140
Management fee paid	(28,903)	(28,903)
Trustee's fee paid	(8,137)	(8,137)
Payment for other fees and expenses	(4,581)	(4,581)
Net cash generated from operating activities	<u>512,653</u>	<u>13,338,437</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	<u>1,001,700</u>	<u>1,002,901</u>
Net cash generated from financing activities	<u>1,001,700</u>	<u>1,002,901</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,514,353	14,341,338
<b>EFFECTS OF FOREIGN EXCHANGE RATE CHANGES</b>	(632)	254
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>5,727,389</u>	<u>5,727,389</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>7,241,110</u></u>	<u><u>20,068,981</u></u>

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

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Unaudited )  
FOR THE FINANCIAL PERIOD ENDED 31 AUGUST 2024**

**1. THE FUND, THE MANAGER AND THEIR PRINCIPAL ACTIVITIES**

Hong Leong Dana Al-Safa' ("the Fund") was constituted pursuant to the execution of a Deed dated 11 June 2019, First Supplemental Deed dated 20 January 2021 and Second Supplemental Deed dated 16 January 2023 ("the Deeds"), between Hong Leong Asset Management Bhd ("the Manager") and CIMB Islamic Trustee Berhad ("the Trustee") for the unit holders of the Fund.

The Fund aims to provide investors with a low risk investment portfolio offering a regular stream of income while adhering to Shariah requirements.

The Fund intends to invest a minimum of 50% of its net asset value in sukuk issued or guaranteed by the Government of Malaysia and a maximum of 50% of its net asset value in Islamic money market instruments, Islamic deposits and Investment Account. The Fund commenced operations on 16 August 2019 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Manager of the Fund is Hong Leong Asset Management Bhd, a company incorporated in Malaysia. The principal activity of the Manager is the management of unit trust funds, 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 Al-Safa'. The effective date for the appointment is at 5 October 2020. HLISAM is a wholly own subsidiary of the Manager, in November 2019, HLISAM was issued with an Islamic fund management license by the Securities Commission Malaysia to undertake the regulated activity of Islamic fund management.

The financial statements were authorised for issue by the Manager on 21 October 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 condensed financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard 134 "Interim Financial Reporting" and International Accounting Standard 34 "Interim Financial Reporting".

The condensed financial statements should be read in conjunction with the audited financial statements of the Fund for the financial year ended 29 February 2024 which have been prepared in accordance with the provisions of the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

**(b) Financial assets and financial liabilities**

Classification

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

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



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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<sup>1</sup> as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities<sup>2</sup> are solely principal and profit, 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 as financial asset measured at amortised cost as this financial asset is held to collect contractual cash flows consisting of the amount outstanding.

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

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value.

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

Financial assets are derecognised when the rights to receive cash flows from the 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 including the effects of currency translation are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the period which they arise.

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 Islamic financial institutions and Islamic money market instruments 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 and Islamic money market instruments, which is a close estimate of their fair value due to the short term nature of the Islamic deposits and Islamic money market instruments. Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective profit rate method.

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<sup>1</sup> For the purposes of the investments made by the Fund, equity securities refer to Shariah-compliant equity securities.

<sup>2</sup> For the purposes of the investments made by the Fund, debt securities refer to sukuk.

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### Impairment

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

### Significant increase in credit risk

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

### Definition of default and credit-impaired financial assets

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

### Write-off

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

## **(c) Foreign currency**

### Functional and presentation currency

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

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its 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 investments are denominated in RM.
- The Fund's significant expenses are denominated in RM.

### Transactions and balances

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

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**(d) Income recognition**

Profit income from Islamic deposits with licensed Islamic financial institutions, Islamic money market instruments 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 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 bank 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 period.

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**(h) Unit holders' capital**

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

The Fund issues cancellable units, in three (29.02.2024: three) classes of units, known respectively as the MYR Class A, SGD Class A and USD Class A (29.02.2024: MYR Class A, SGD Class A and USD Class A) which are cancelled at the unit holder's option, and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unit holders exercises the right to put back the unit to the Fund.

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

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

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

**(j) Finance cost**

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

A proposed distribution is recognised as a financial liability in the period in which it is approved by the Board of Directors of the Manager.

**(k) Fair value of financial instruments**

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

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

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

	<b>Financial assets at FVTPL RM</b>	<b>Financial assets/ liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>31.08.2024</b>			
<u>Financial assets</u>			
Cash and cash equivalents (Note 8)	-	7,241,110	7,241,110
Financial assets at FVTPL (Note 9)	22,519,692	-	22,519,692
	<u>22,519,692</u>	<u>7,241,110</u>	<u>29,760,802</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	5,043	5,043
Amount due to the Trustee	-	252	252
Other payables and accruals	-	15,581	15,581
	<u>-</u>	<u>20,876</u>	<u>20,876</u>
<b>29.02.2024</b>			
<u>Financial assets</u>			
Cash and cash equivalents (Note 8)	-	5,727,389	5,727,389
Financial assets at FVTPL (Note 9)	22,533,448	-	22,533,448
	<u>22,533,448</u>	<u>5,727,389</u>	<u>28,260,837</u>
<u>Financial liabilities</u>			
Amount due to the Manager			
-management fee	-	4,469	4,469
Amount due to the Trustee	-	6,915	6,915
Other payables and accruals	-	12,423	12,423
	<u>-</u>	<u>23,807</u>	<u>23,807</u>

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

**(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 Funds' 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.

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### 3. FAIR VALUE ESTIMATION

The fair value of financial assets traded in active market (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 period end date. Valuation techniques used for non-standardised financial instruments such as Islamic options, currency swaps and other over-the-counter Islamic 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 Shariah-compliant equity and sukuk instruments for which market were or have been inactive during the financial period. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

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

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

#### (i) Fair value hierarchy

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

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

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>31.08.2024</b>				
<u>Financial assets at FVTPL:</u>				
- Unquoted sukuk	-	22,519,692	-	22,519,692
<b>29.02.2024</b>				
<u>Financial assets at FVTPL:</u>				
- Unquoted sukuk	-	22,533,448	-	22,533,448

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 Islamic money market instrument and 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. MANAGEMENT FEE

In accordance with Division 13.1 of the Deed, 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 period ended 31 August 2024, the management fee is recognised at 0.20% (2023: 0.20%) per annum for MYR Class A. The fee was waived by the Manager for SGD Class A and USD Class A.

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

#### 5. TRUSTEE'S FEE

In accordance with Division 13.2 of the Deed, the Trustee is entitled to a fee not exceeding 0.01% subject to a minimum of RM12,000 per annum and capped at a maximum of RM500,000 per annum calculated daily based on the net asset value of the Fund.

For the financial period ended 31 August 2024, the Trustee's fee is recognised at a rate of 0.01% (2023: 0.01%) per annum.

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

## 6. FINANCE COST

Distributions to unit holders are derived from the following sources:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Prior financial year's realised income	5,756	5,340
Profit income from financial assets measured at FVTPL and amortised cost	492,855	1,056,765
Less: Expenses	(37,633)	(69,350)
Net distributions amount	<u>460,978</u>	<u>992,755</u>
Gross/net distribution amount - MYR Class A	<u>1.5720</u>	<u>1.4360</u>
<b>Date of Declaration</b>		
<b>25 March 2024 / 25 March 2023</b>		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2420</u>	<u>0.2370</u>
<b>25 April 2024 / 25 April 2023</b>		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2570</u>	<u>0.2340</u>
<b>27 May 2024 / 25 May 2023</b>		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2710</u>	<u>0.2450</u>
<b>25 June 2024 / 26 June 2023</b>		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2550</u>	<u>0.2600</u>
<b>25 July 2024 / 25 July 2023</b>		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2640</u>	<u>0.2290</u>
<b>26 August 2024 / 25 August 2023</b>		
Gross/net distribution per unit (sen) - MYR Class A	<u>0.2830</u>	<u>0.2310</u>

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

	<b>Income</b>		<b>Capital</b>	
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
<b>2024</b>	<u>460,978</u>	<u>100.00</u>	<u>-</u>	<u>-</u>
<b>2023</b>	<u>992,755</u>	<u>100.00</u>	<u>-</u>	<u>-</u>

Net distributions above are sourced from prior year's and current financial period'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.

The above distributions have been proposed before taking into account the unrealised gain of RM34,248 (2023: unrealised loss of RM8,610) which is carried forward to the next financial period.



## 7. TAXATION

	2024 RM	2023 RM
Tax charge for the financial period:		
Current taxation	-	-

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

	2024 RM	2023 RM
Profit before finance cost and taxation	501,196	1,020,563
Taxation at Malaysian statutory rate of 24% (2023: 24%)	120,287	244,935
Tax effects of:		
Investment income not subject to tax	(129,573)	(264,629)
Expenses not deductible for tax purposes	1,423	2,120
Restriction on tax deductible expenses for unit trust fund	7,863	17,574
Taxation	-	-

## 8. CASH AND CASH EQUIVALENTS

	31.08.2024 RM	29.02.2024 RM
Islamic deposits with licensed Islamic financial institutions	7,212,597	5,698,382
Cash at bank	28,513	29,007
	7,241,110	5,727,389

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

	31.08.2024 %	29.02.2024 %
Islamic deposits with licensed Islamic financial institutions	3.46	3.95

Islamic deposits with licensed Islamic financial institutions have an average remaining maturity of 34 days for financial period ended 31 August 2024 (29.02.2024: 18 days).

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

	31.08.2024 RM	29.02.2024 RM
<u>Financial assets at FVTPL:</u>		
Unquoted sukuk	22,519,692	22,533,448
	2024 RM	2023 RM
<u>Net gain/(loss) on financial assets at FVTPL:</u>		
Realised loss on investments	-	(4,068)
Changes in unrealised fair values	34,880	(8,864)
	34,880	(12,932)

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

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED SUKUK</b>				
<u>Government Investment Issue</u>				
3.726% Government of Malaysia 31/03/2026	10,000,000	10,209,738	10,225,877	34.38
3.990% Government of Malaysia 15/10/2025	5,000,000	5,102,657	5,117,366	17.21
4.070% Government of Malaysia 30/09/2026	1,000,000	1,030,148	1,031,925	3.47
4.258% Government of Malaysia 26/07/2027	1,000,000	1,025,370	1,027,821	3.46
	<u>17,000,000</u>	<u>17,367,913</u>	<u>17,402,989</u>	<u>58.52</u>
<u>Sukuk Guaranteed by Government of Malaysia</u>				
4.320% Danainfra Nasional Berhad 26/11/2025 - IMTN Tranche No 80	5,000,000	5,100,385	5,116,703	17.20
<b>TOTAL UNQUOTED SUKUK</b>	<b><u>22,000,000</u></b>	<b><u>22,468,298</u></b>	<b><u>22,519,692</u></b>	<b><u>75.72</u></b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>		<b><u>51,394</u></b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b><u>22,519,692</u></b>		

Financial assets at FVTPL as at 29 February 2024 are as detailed below:

	Nominal value RM	Aggregate cost RM	Fair value RM	Percentage of net asset value %
<b>UNQUOTED SUKUK</b>				
<u>Government Investment Issues</u>				
3.726% Government of Malaysia 31/03/2026	10,000,000	10,225,059	10,220,059	36.19
3.990% Government of Malaysia 15/10/2025	5,000,000	5,113,912	5,124,622	18.15
4.070% Government of Malaysia 30/09/2026	1,000,000	1,033,045	1,031,714	3.65
4.258% Government of Malaysia 26/07/2027	1,000,000	1,028,647	1,027,734	3.64
	<u>17,000,000</u>	<u>17,400,663</u>	<u>17,404,129</u>	<u>61.63</u>
<u>Sukuk Guaranteed by Government of Malaysia</u>				
4.32% Danainfra Nasional Berhad 26/11/2025 - IMTN Tranche No 80	5,000,000	5,116,271	5,129,319	18.17
<b>TOTAL UNQUOTED SUKUK</b>	<b><u>22,000,000</u></b>	<b><u>22,516,934</u></b>	<b><u>22,533,448</u></b>	<b><u>79.80</u></b>
<b>UNREALISED GAIN ON FINANCIAL ASSETS AT FVTPL</b>		<b><u>16,514</u></b>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FVTPL</b>		<b><u>22,533,448</u></b>		

## 10. SHARIAH INFORMATION OF THE FUND

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

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

## 11. UNITS IN CIRCULATION

		<b>01.03.2024 to 31.08.2024 No. of units</b>	<b>01.03.2023 to 29.02.2024 No. of units</b>
MYR Class A	(i)	29,750,750	28,285,775
SGD Class A	(ii)	1,000	1,000
USD Class A	(iii)	1,000	1,000
		<u>29,752,750</u>	<u>28,287,775</u>
 (i) MYR Class A			
	At the beginning of the financial period/year	28,285,775	70,910,887
	Add: Creation of units during the financial period/year		
	- Arising from applications	1,002,901	3,007,765
	- Arising from distributions	462,074	1,524,389
	Less: Cancellation of units during the financial period/year	-	(47,157,266)
	At the end of the financial period/year	<u>29,750,750</u>	<u>28,285,775</u>
 (ii) SGD Class A			
	At the beginning/end of the financial period/year	<u>1,000</u>	<u>1,000</u>
 (iii) USD Class A			
	At the beginning/end of the financial period/year	<u>1,000</u>	<u>1,000</u>

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

	2024 %	2023 %
TER (annualised)	0.26	0.23

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

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

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 period calculated on a daily basis is RM29,252,312 (2023: RM69,415,698).

## 13. PORTFOLIO TURNOVER RATIO ("PTR")

	2024 Times	2023 Times
PTR	-	0.16

PTR is derived from the following calculation:

$$\frac{(\text{Total acquisitions for the financial period} + \text{total disposals for the financial period}) / 2}{\text{Average net asset value of the Fund for the financial period calculated on a daily basis}}$$

Where;

- total acquisitions for the financial period = NIL (2023: RM10,044,800)
- total disposals for the financial period = NIL (2023: RM12,106,877)

## 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

### Units held by the Manager

	31.08.2024		29.02.2024	
	Units	RM	Units	RM
The Manager				
- SGD Class A	1,000	3,358	1,000	3,296
- USD Class A	1,000	4,537	1,000	4,454
	2,000	7,895	2,000	7,750

The above units were transacted at the prevailing market price.

No units were held by parties related to the Manager as at 31 August 2024 and 29 February 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.

	<b>31.08.2024</b>	<b>29.02.2024</b>
	<b>RM</b>	<b>RM</b>
<u>Related party balances</u>		
Cash at bank:		
- Hong Leong Islamic Bank Berhad	28,513	29,007
Short term Islamic deposits with licensed Islamic financial institution:		
- Hong Leong Islamic Bank Berhad	998,162	3,021,904
	<u>1,026,675</u>	<u>3,050,911</u>
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<u>Related party transactions</u>		
Profit income from Islamic deposits with licensed Islamic financial institution:		
- Hong Leong Islamic Bank Berhad	44,223	77,263
Profit income from Islamic money market instrument:		
- Hong Leong Islamic Bank Berhad	-	8,920
	<u>44,223</u>	<u>86,183</u>

#### 15. TRANSACTIONS WITH BROKERS/DEALERS

Detail of transactions with brokers/dealers are as follows:

	<b>Values of trade RM</b>	<b>Percentage of total trade %</b>
<b>2024</b>		
NIL	-	-
<b>2023</b>		
JP Morgan Chase Bank Berhad	<u>16,296,088</u>	<u>100.00</u>

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 Period Ended 31 August and Financial Years Ended 28/29 February

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<b>A (i) Portfolio Compositions:</b>	
Government Guaranteed Sukuk	
Government Investment Issues	
<b>Islamic Deposits &amp; Cash Equivalents</b>	
<b>(ii) Total Net Asset Value</b> (ex-distribution)	<b>MYR Class A</b> <b>SGD Class A</b> <b>USD Class A</b>
<b>(iii) Net Asset Value Per Unit</b> (ex-distribution)	<b>MYR Class A</b> <b>SGD Class A</b> <b>USD Class A</b>
<b>Units in Circulation</b> (ex-distribution)	<b>MYR Class A</b> <b>SGD Class A</b> <b>USD Class A</b>
<b>(iv) Highest/Lowest NAV Per Unit</b> (ex-distribution)	<b>MYR Class A:</b> Highest NAV Per Unit Lowest NAV Per Unit <b>SGD Class A:</b> Highest NAV Per Unit Lowest NAV Per Unit <b>USD Class A:</b> Highest NAV Per Unit Lowest NAV Per Unit
<b>(v) Total Return of the Fund*</b> - Capital Growth - Income Distribution	<b>MYR Class A</b> <b>MYR Class A</b> <b>MYR Class A</b>
<b>Total Return of the Fund*</b> - Capital Growth - Income Distribution	<b>SGD Class A</b> <b>SGD Class A</b> <b>SGD Class A</b>
<b>Total Return of the Fund*</b> - Capital Growth - Income Distribution	<b>USD Class A</b> <b>USD Class A</b> <b>USD Class A</b>

<b>Financial Period</b>	<b>Financial Year</b>	<b>Financial Year</b>	<b>Financial Year</b>
<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>17.20</b>	18.17	-	-
<b>58.52</b>	61.63	64.98	53.08
<b>24.28</b>	20.20	35.02	46.92
<b>RM29,732,031</b>	RM28,229,280	RM70,608,957	RM45,138,099
<b>RM3,358</b>	RM3,296	RM3,184	RM3,103
<b>RM4,537</b>	RM4,454	RM4,303	RM4,193
<b>RM0.9993</b>	RM0.9980	RM0.9957	RM0.9957
<b>SGD1.0133</b>	SGD0.9352	SGD0.9559	SGD1.0036
<b>USD1.0502</b>	USD0.9397	USD0.9596	USD0.9991
<b>29,750,750</b>	28,285,775	70,910,887	45,334,513
<b>1,000</b>	1,000	1,000	1,000
<b>1,000</b>	1,000	1,000	1,000
<b>RM1.0019</b>	RM1.0005	RM0.9984	RM1.0020
<b>RM0.9958</b>	RM0.9946	RM0.9919	RM0.9957
<b>SGD1.0160</b>	SGD0.9686	SGD1.0148	SGD1.0044
<b>SGD0.9336</b>	SGD0.9217	SGD0.9268	SGD0.9938
<b>USD1.0529</b>	USD0.9835	USD1.0119	USD1.0043
<b>USD0.9321</b>	USD0.9153	USD0.8941	USD0.9927
<b>1.72%</b>	3.23%	2.38%	0.35%
<b>0.13%</b>	0.23%	-	-0.43%
<b>1.59%</b>	3.00%	2.38%	0.78%
<b>8.35%</b>	-2.17%	-4.75%	0.35%
<b>8.35%</b>	-2.17%	-4.75%	0.35%
<b>-</b>	-	-	-
<b>11.76%</b>	-2.07%	-3.95%	-0.10%
<b>11.76%</b>	-2.07%	-3.95%	-0.10%
<b>-</b>	-	-	-

## **Performance Data**

**for the Financial Period Ended 31 August and Financial Years Ended 28/29 February**

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

- The Fund's Capital
- The Fund's Income
- Total Distribution Amount
- The Fund's Capital (% of Total Distribution Amount)
- The Fund's Income (% of Total Distribution Amount)

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

- The Fund's Capital
- The Fund's Income
- Total Distribution Amount
- The Fund's Capital (% of Total Distribution Amount)
- The Fund's Income (% of Total Distribution Amount)

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

- The Fund's Capital
- The Fund's Income
- Total Distribution Amount
- The Fund's Capital (% of Total Distribution Amount)
- The Fund's Income (% of Total Distribution Amount)

**(vii) Distribution Per Unit MYR Class A**

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit



<b>Financial Period</b>	<b>Financial Year</b>	<b>Financial Year</b>	<b>Financial Year</b>
<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>0.0000 sen/unit</b>	0.0000 sen/unit	0.0000 sen/unit	0.4300 sen/unit
<b>1.5720 sen/unit</b>	2.9430 sen/unit	2.3420 sen/unit	0.3520 sen/unit
<b>1.5720 sen/unit</b>	2.9430 sen/unit	2.3420 sen/unit	0.7820 sen/unit
<b>0%</b>	0%	0%	55%
<b>100%</b>	100%	100%	45%
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<b>0.2420 sen/unit</b>	0.2370 sen/unit	0.1210 sen/unit	0.2300 sen/unit
<b>0.2420 sen/unit</b>	0.2370 sen/unit	0.1210 sen/unit	0.2300 sen/unit
<b>25/03/2024</b>	27/03/2023	25/03/2022	25/11/2021
<b>RM1.0005</b>	RM0.9990	RM0.9966	RM0.9980
<b>RM0.9981</b>	RM0.9966	RM0.9954	RM0.9957
-	-	-	-
<b>0.2570 sen/unit</b>	0.2340 sen/unit	0.1440 sen/unit	0.2850 sen/unit
<b>0.2570 sen/unit</b>	0.2340 sen/unit	0.1440 sen/unit	0.2850 sen/unit
<b>25/04/2024</b>	25/04/2023	25/04/2022	24/12/2021
<b>RM0.9984</b>	RM0.9993	RM0.9962	RM0.9986
<b>RM0.9959</b>	RM0.9969	RM0.9948	RM0.9957
-	-	-	-
<b>0.2710 sen/unit</b>	0.2450 sen/unit	0.1400 sen/unit	0.1510 sen/unit
<b>0.2710 sen/unit</b>	0.2450 sen/unit	0.1400 sen/unit	0.1510 sen/unit
<b>27/05/2024</b>	25/05/2023	25/05/2022	25/01/2022
<b>RM0.9995</b>	RM0.9984	RM0.9961	RM0.9974
<b>RM0.9967</b>	RM0.9960	RM0.9947	RM0.9958

## Performance Data

for the Financial Period Ended 31 August and Financial Years Ended 28/29 February

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Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

<b>Financial Period</b>	<b>Financial Year</b>	<b>Financial Year</b>	<b>Financial Year</b>
<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
-	-	-	-
<b>0.2550 sen/unit</b>	0.2600 sen/unit	0.1640 sen/unit	0.1160 sen/unit
<b>0.2550 sen/unit</b>	0.2600 sen/unit	0.1640 sen/unit	0.1160 sen/unit
<b>25/06/2024</b>	26/06/2023	27/06/2022	25/02/2022
<b>RM1.0001</b>	RM0.9978	RM0.9955	RM0.9968
<b>RM0.9975</b>	RM0.9952	RM0.9938	RM0.9957
-	-	-	-
<b>0.2640 sen/unit</b>	0.2290 sen/unit	0.1250 sen/unit	-
<b>0.2640 sen/unit</b>	0.2290 sen/unit	0.1250 sen/unit	-
<b>25/07/2024</b>	25/07/2023	25/07/2022	-
<b>RM1.0008</b>	RM0.9982	RM0.9960	-
<b>RM0.9981</b>	RM0.9959	RM0.9947	-
-	-	-	-
<b>0.2830 sen/unit</b>	0.2310 sen/unit	0.1910 sen/unit	-
<b>0.2830 sen/unit</b>	0.2310 sen/unit	0.1910 sen/unit	-
<b>26/08/2024</b>	25/08/2023	25/08/2022	-
<b>RM1.0019</b>	RM0.9981	RM0.9972	-
<b>RM0.9991</b>	RM0.9958	RM0.9953	-
-	-	-	-
-	0.2430 sen/unit	0.2190 sen/unit	-
-	0.2430 sen/unit	0.2190 sen/unit	-
-	25/09/2023	26/09/2022	-
-	RM0.9976	RM0.9941	-
-	RM0.9951	RM0.9919	-
-	-	-	-
-	0.2220 sen/unit	0.2210 sen/unit	-
-	0.2220 sen/unit	0.2210 sen/unit	-
-	25/10/2023	25/10/2022	-
-	RM0.9969	RM0.9940	-
-	RM0.9946	RM0.9918	-
-	-	-	-
-	0.2770 sen/unit	0.2450 sen/unit	-
-	0.2770 sen/unit	0.2450 sen/unit	-
-	27/11/2023	25/11/2022	-
-	RM0.9995	RM0.9946	-
-	RM0.9967	RM0.9921	-

## **Performance Data**

for the Financial Period Ended 31 August and Financial Years Ended 28/29 February

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Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

### **Distribution Per Unit SGD Class A**

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

### **Distribution Per Unit USD Class A**

Additional Units  
Distribution (Gross)  
Distribution (Net)  
Distribution Date  
Cum-Distribution NAV/Unit  
Ex-Distribution NAV/Unit

**(viii) Total Expense Ratio (TER)**

**(ix) Portfolio Turnover Ratio (PTR) (times)**



## **Performance Data**

**for the Financial Period Ended 31 August and Financial Years Ended 28/29 February**

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### **B Average Total Return, NAV Per Unit-to-NAV Per Unit basis (as at 31/08/2024)\***

#### **MYR Class A:**

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

#### **SGD Class A:**

- (i) One year

#### **USD Class A:**

- (i) One year

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

# The PTR decreased by 0.41 times (100%) to 0 times for the financial period from 1 March 2024 to 31 August 2024 versus 0.41 times for the financial year ended 29 February 2024 mainly due to lower level of rebalancing activities undertaken by the Fund and decreased by 0.16 times (100%) as compared to 0.16 times for the financial period from 1 March 2023 to 31 August 2023 mainly due to lower level of rebalancing activities undertaken by the Fund.

<b>Financial Period</b>	<b>Financial Year</b>	<b>Financial Year</b>	<b>Financial Year</b>
<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>

**3.48%**

**2.56%**

**1.75%**

**7.58%**

**11.39%**

## Corporate Information

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### Manager

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

### Registered Office

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

### Head Office

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

### Board of Directors

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

### Executive Director / Chief Executive Officer

Mr. Chue Kwok Yan

### External Fund Manager

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

### Trustee

CIMB Islamic Trustee Berhad

### Auditor

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146)

### Shariah Adviser

BIMB Securities Sdn Bhd

### Distributor

iFAST Capital Sdn Bhd



## Corporate Directory

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### Headquarters

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