

EASTSPRING INVESTMENTS ASIA SELECT INCOME FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

First and foremost, we would like to take this opportunity to thank you for choosing to invest with Eastspring Investments Berhad.

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 June 2023.

You may also download these reports from our website at www.eastspring.com/my

Should you require any assistance, please do not hesitate to contact our Client Services at 03-2778 1000.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang Chee Kin'. The signature is fluid and cursive, with the first name 'Raymond' being the most prominent part.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

Name of Fund

Eastspring Investments Asia Select Income Fund (the "Fund")

**Fund Category/
Type**

Balanced/growth and income

Fund Objective

The Fund seeks to provide a stable income* stream and an opportunity for capital appreciation by investing primarily in a portfolio of Malaysian investment grade fixed income securities and a collective investment scheme, primarily the Eastspring Investments - Dragon Peacock Fund, which invests in equities and equity-related securities of corporations which are incorporated in, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from the People's Republic of China (PRC) and India.

* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.

Note: The Fund's focus is on income.

**ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE
WOULD REQUIRE UNIT HOLDERS' APPROVAL.**

FUND INFORMATION (CONTINUED)

Performance Benchmark

The performance benchmark of the Fund is 20% Morgan Stanley Capital International China Index ("MSCI China Index") +20% Morgan Stanley Capital International India Index ("MSCI India Index") +60% Quant Shop Malaysian Government Securities Medium Index ("Quant Shop MGS Medium Index"). The composite benchmark index is a reflection of the Fund's average asset allocation over the long-term of 40% of the Fund's NAV in collective investment schemes and the remaining of the Fund's NAV in fixed income securities and Deposits or liquid assets.

Source:

MSCI China Index (www.msci.com)

MSCI India Index (www.msci.com)

Quant Shop MGS Medium Index (www.quantshop.com)

The performance of the Fund against the benchmark is published in the Manager's monthly factsheet and is available from the Manager's website at www.eastspring.com/my

Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.

Fund Income Distribution Policy

At least once a year, subject to the availability of income.

KEY PERFORMANCE DATA FOR THE FINANCIAL YEAR ENDED

| Category | 2023 | 2022 | 2021 |
|---|---------------|---------------|---------------|
| | (%) | (%) | (%) |
| Collective investment scheme | 39.11 | 38.66 | 39.92 |
| Unquoted fixed income securities | 55.81 | 48.87 | 56.05 |
| | 94.92 | 87.53 | 95.97 |
| Cash and other assets | 5.08 | 12.47 | 4.03 |
| Total | 100.00 | 100.00 | 100.00 |
| Net Asset Value (NAV) (RM'000) | 46,372 | 48,079 | 58,186 |
| Units In Circulation (Units '000) | 61,151 | 63,688 | 70,384 |
| Net Asset Value Per Unit (RM) | 0.7583 | 0.7549 | 0.8267 |
| Highest Net Asset Value Per Unit (RM) [#] | 0.7629 | 0.7610 | 0.8296 |
| Lowest Net Asset Value Per Unit (RM) [#] | 0.7547 | 0.7457 | 0.8212 |
| Total Return (%) | | | |
| - Capital Growth | 0.45 | (8.69) | 10.65 |
| - Income Distribution | 3.54 | 3.08 | 3.04 |
| Total Return (%) | 4.01 | (5.87) | 14.02 |
| Gross Distribution Per Unit (RM) | 0.0270 | 0.0230 | 0.0250 |
| Net Distribution Per Unit (RM) | 0.0270 | 0.0230 | 0.0250 |
| Total Expense Ratio (TER) (%) [*] | 1.62 | 1.64 | 1.61 |
| Portfolio Turnover Ratio (PTR) (times) [^] | 0.06 | 0.04 | 0.27 |

[#] Figures shown as ex-distribution.

^{*} There were no significant changes to the TER during the period under review.

[^] There were no significant changes to the PTR during the period under review.

KEY PERFORMANCE DATA (CONTINUED)

| | 1 year 1.7.2022 to 30.6.2023 | 3 years 1.7.2020 to 30.6.2023 | 5 years 1.7.2018 to 30.6.2023 |
|----------------------|------------------------------------|-------------------------------------|-------------------------------------|
| | (%) | (%) | (%) |
| Average total return | 4.01 | 3.74 | 3.70 |

| Year ended | 1.7.2022 to 30.6.2023 | 1.7.2021 to 30.6.2022 | 1.7.2020 to 30.6.2021 | 1.7.2019 to 30.6.2020 | 1.7.2018 to 30.6.2019 |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | (%) | (%) | (%) | (%) | (%) |
| Annual total return | 4.01 | (5.87) | 14.02 | 1.57 | 5.77 |

Source: The above total return of the Fund was sourced from Lipper for Investment Management.

Bases of calculation and assumptions made in calculating returns:

$$\text{Percentage growth} = \frac{\text{NAV}_t}{\text{NAV}_0} - 1$$

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

$$\text{Performance annualised} = (1 + \text{Percentage Growth})^{1/n} - 1$$

Adjusted for unit split and distribution paid out for the period

$$n = \text{Number of years}$$

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

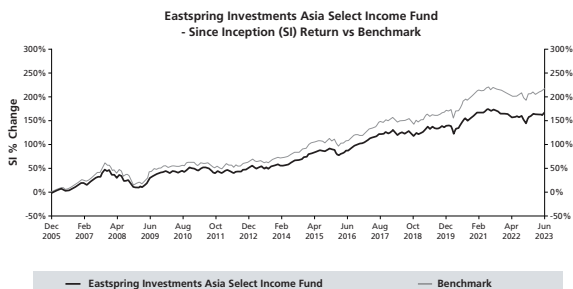
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund recorded a return of 19.93%, underperforming the benchmark return of 27.69% by 7.76%.

During the period under review, the Fund registered a return of 4.01%, underperforming the benchmark return of 5.44% by 1.43%.

The underperformance of the Fund for the period under review was due to the Dragon Peacock fund which underperformed its benchmark and the fund's overweight position in corporate bonds which underperformed the medium-term government bond index.



The performance is calculated on NAV-to-NAV basis with gross income or dividend reinvested.

Benchmark: 20% MSCI China Index + 20% MSCI India Index + 60% Quant Shop MGS Medium Index

Source: Lipper for Investment Management, www.msci.com and www.quantshop.com as at 30 June 2023.

Past performance of the Fund is not necessarily indicative of its future performance.

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 30 June 2023:

| Income Return | Capital Return* | Total Return | Total Return of Benchmark |
|---------------|-----------------|--------------|---------------------------|
| (%) | (%) | (%) | (%) |
| 3.54 | 0.45 | 4.01 | 5.44 |

* Capital return components (NAV per unit to NAV per unit).

Distribution/ Unit Split

| Ex-Date | 15-Jun-23 |
|-----------------------|-----------|
| Distribution Per Unit | (RM) |
| Gross | 0.0270 |
| Net | 0.0270 |

Impact on NAV arising from distribution for the financial year ended 30 June 2023.

| Ex-Date | 15-Jun-23 |
|-------------------------------------|---------------|
| | (RM per Unit) |
| Net Asset Value before distribution | 0.7889 |
| Less: distribution | (0.0270) |
| Net Asset Value after distribution | <u>0.7619</u> |

No unit split were declared for the financial year ended 30 June 2023.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

Bond Strategy EIMY

The Fund participated in selected quality bond issuances for yield pick-up, and traded on market volatility, subject to liquidity constraints.

Equity Strategy (Eastspring Investments Dragon Peacock Fund)

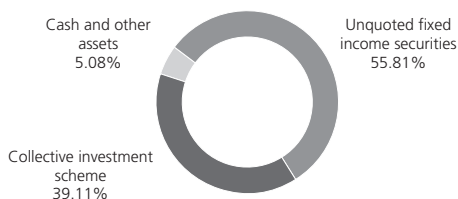
We remain bullish on China, particularly as recent earnings season has not been disappointing given broadly positive management commentary on outlook. On the policy front, policy moves were almost muted as the market hopes that the mid-year Politburo meeting in July will adjust the overall tone in 2H23 and introduce more supportive measures. Our view is that it is unlikely the policy will make a sharp turn. Despite that the recovery is losing steam, the base effect can still push up the year-on-year growth rate, hence the 5% GDP growth target for the whole year is still achievable. Any policy changes will be dependent on the evolution of systemic risk.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

| Asset Allocation | 30-Jun 2023 (%) | 30-Jun 2022 (%) | Changes (%) |
|----------------------------------|-----------------------|-----------------------|----------------|
| Collective investment scheme | 39.11 | 38.66 | 0.45 |
| Unquoted fixed income securities | 55.81 | 48.87 | 6.94 |
| Cash and other assets | 5.08 | 12.47 | (7.39) |

Asset Allocation as at 30 June 2023



There were no significant changes in asset allocation of the Fund for the period under review.

State of Affairs of the Fund

There have been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

MARKET REVIEW

Bond

The period under review saw the global economy confronted with a host of unusual occurrences. U.S. unemployment sits at its lowest point since 1968 and core inflation is higher than it was in 1983. The Federal Reserve and European Central Bank have raised rates at their fastest pace in 40 years and 30 years respectively, and, along with the Bank of Japan, are set to trim their balance sheets at a record pace.

To curtail the worst inflation in decades, Western developed central banks have moved aggressively to tighten monetary policy. This has helped exert downward pressure on inflation but has also brought about a meaningful slowdown in global growth and some financial accidents, including several US regional bank failures with Silicon Valley Bank (“SVB”) failing after a bank run in mid-March, marking the second largest bank failure by asset size in U.S. history. The collapse of SVB was due to the significant withdrawals from its technology and start-up depositors, as well as its over-exposure to investments that had suffered huge mark-to-market losses. Subsequently, Signature Bank was shut down, while First Republic Bank was “bailed out” by 11 banks with a total of USD30bn injection.

The Federal Reserve (“Fed”) raised its federal funds rate by 350 bps to 5.00%-5.25% as inflationary pressures proved to be stickier than initially expected. Fed Chairman Powell reiterated the Fed’s commitment to lower inflation to 2% but in its June Federal Open Market Committee (“FOMC”) meeting, the Fed left the federal funds rate unchanged yet signaled that another 50bps rate hike is expected in 2023. The “hawkish pause” is to allow the FOMC to assess additional information and its implications of its monetary policy.

In Malaysia, after staying pat for two consecutive Monetary Policy Committee (“MPC”) meetings, BNM surprisingly decided to hike the Overnight Policy Rate (“OPR”) by 25 bps from 2.75% to 3.00% in its May MPC Meeting. BNM expects growth in 2023 to be led by domestic demand while exports are expected to moderate. Risks to the domestic growth outlook are weighed to be relatively balanced, with upside risks to growth potentially coming from better-than-expected tourism activity and projects implementation, while downside risks may arise from slower-than-expected global growth and volatile global financial markets.

BNM forecasts that headline and core inflation rate will moderate in 2023, averaging between 2.8-3.8%. However, the central bank is of the view that the balance of risk for inflation is tilted to the upside. Given that BNM views domestic growth to be resilient, the central bank believes that it is timely to “further normalise the degree of monetary accommodation” and withdraw the monetary stimulus provided to support economic

recovery during the Covid-19 pandemic, to prevent future financial imbalances. The monetary policy stance is currently viewed as “slightly accommodative” and remains supportive of the economy.

Malaysia’s CPI and core CPI continued to retreat to 2.8% and 3.5% respectively in May, compared to April’s figure of 3.3% and 3.6% respectively. BNM’s international reserves decreased to US\$113.0bn as of mid-June (mid-May: US\$114.7bn). The reserves position is sufficient to finance 4.8 months of imports and is 1.0x of the total short-term external debt.

On the political front, the announcement of Datuk Seri Anwar Ibrahim as the 10th Prime Minister of Malaysia following the inconclusive results of GE 15 has resolved political uncertainty to a certain extent. The new ruling coalition appears to have a firm majority, as evidenced by the vote of confidence in December 2022, and market reaction has been positive to this development.

Prime Minister Anwar Ibrahim re-tabled an expansionary Budget 2023 entitled “Developing Malaysia MADANI” focused on the economy, institutional reform and social justice. The total allocation is revised upward to RM386.1 billion versus RM372.3 billion tabled by the previous government in October 2022. 2023 GDP is expected to grow at 4.5%, while inflation is expected to range between 2.8%-3.8% in 2023, which is wider than the 2.8-3.3% in the October 2022 budget. In line with the government’s commitment to fiscal consolidation, the fiscal deficit is expected to be at a lower 5.0% of GDP and forecasted to narrow to 3.2% of GDP by 2025. The government ended the speculation of the implementation of Goods & Services Tax (“GST”), but introduced instead a Luxury Goods Tax in 2023, although there are no details yet on the value and type of goods to be taxed, nor the tax rate. Capital Gains Tax on the disposal of unlisted shares is planned for implementation in 2024.

Malaysia’s MGS yield curve traded lower and flatter during the period with 3-, 5-, 10- and 15-year yields closed at 3.49%, 3.62%, 3.88% and 4.03%, respectively. The decrease in yields was driven by global inflation expectations declining, reduction in political risk and low prospects of further policy hike by BNM. MGII yields too ended the same across the curve with the 3-, 5-, 10- and 15-year MGII close at 3.47%, 3.70%, 3.89% and 3.98% respectively.

Equity

MSCI China dropped more than 16% in USD terms over the past 1 year as China's factory activity unexpectedly contracted due to subdued global demand and persistent property weakness, coupled with a high base effect from rapid post-COVID-19 recovery. China's weak macro data was perceived as a catalyst for strong stimulus through mid-June but policy actions by end-June disappointed. In particular, Chinese equity markets were quite weak during 3Q2022 when China was still in the middle of its COVID lockdown. Markets corrected by more than 18% during 3Q2022 with massive pullbacks across various sectors.

The MSCI India index gained over 14% in USD terms during the same period, as investors digested India's better-than-expected GDP growth released in 1Q2023, supporting investor sentiment. Quarterly GDP rose 6.1% year-on-year, well in excess of Bloomberg's 5.0% estimate based on its analyst poll. Private spending and investment were the two key growth drivers to the expansion, whilst the manufacturing sector reversed two consecutive quarters of declines, with the services sector output staying robust. In particular, Indian equity markets rallied in 2Q2023 with gains of nearly 18% during the quarter. Despite the concerns over the Adani group of companies, Indian equity markets recovered nicely as the economy continues to surprise on the upside.

REBATES AND SOFT COMMISSIONS

During the period under review, the Manager and its delegates (if any) did not receive any soft commissions from stockbrokers.

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

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EASTSPRING INVESTMENTS ASIA SELECT INCOME FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

STATEMENT BY THE MANAGER

We, Tang Chee Kin and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 20 to 61 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2023 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,

EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN

Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING

Independent, Non-Executive Director

Kuala Lumpur

Date: 23 August 2023

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASIA SELECT INCOME FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 June 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 23 August 2023

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASIA SELECT INCOME FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Asia Select Income Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 June 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2023 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 a summary of significant accounting policies, as set out on pages 20 to 61.

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 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
Date: 23 August 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Note | 2023 | 2022 |
|---|------|------------------|--------------------|
| | | RM | RM |
| INVESTMENT INCOME/(LOSS) | | | |
| Interest income from deposits | | | |
| with licensed financial institutions | | 82,245 | 63,641 |
| Interest income from unquoted | | | |
| fixed income securities | | 1,172,835 | 1,306,367 |
| Net gain/(loss) on financial assets | | | |
| at fair value through profit or loss | 7 | 1,347,656 | (3,658,885) |
| Net foreign currency exchange loss | | (6,669) | (4,997) |
| | | <u>2,596,067</u> | <u>(2,293,874)</u> |
| EXPENSES | | | |
| Management fee | 3 | (707,000) | (781,552) |
| Trustee fee | 4 | (32,993) | (36,472) |
| Audit fee | | (7,500) | (7,500) |
| Tax agent fee | | (5,294) | (3,400) |
| Other expenses | | (13,000) | (27,818) |
| | | <u>(765,787)</u> | <u>(856,742)</u> |
| PROFIT/(LOSS) BEFORE TAXATION | | 1,830,280 | (3,150,616) |
| TAXATION | 6 | - | - |
| PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) | | <u>1,830,280</u> | <u>(3,150,616)</u> |
| Profit/(loss) after taxation is made up | | | |
| of the following: | | | |
| Realised amount | | 977,889 | 1,518,026 |
| Unrealised amount | | 852,391 | (4,668,642) |
| | | <u>1,830,280</u> | <u>(3,150,616)</u> |

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

| | Note | 2023 | 2022 |
|--|------|-------------------|-------------------|
| | | RM | RM |
| ASSETS | | | |
| Cash and cash equivalents | 8 | 2,322,038 | 6,411,895 |
| Financial assets at fair value through profit or loss | 7 | 44,019,371 | 42,091,262 |
| Amount due from Manager | | 110,067 | 11,500 |
| TOTAL ASSETS | | <u>46,451,476</u> | <u>48,514,657</u> |
| LIABILITIES | | | |
| Accrued management fee | | 56,866 | 59,267 |
| Amount due to Manager | | 5,593 | 351,622 |
| Amount due to Trustee | | 2,654 | 2,766 |
| Other payables and accruals | | 14,468 | 22,290 |
| TOTAL LIABILITIES | | <u>79,581</u> | <u>435,945</u> |
| NET ASSET VALUE OF THE FUND | | <u>46,371,895</u> | <u>48,078,712</u> |
| EQUITY | | | |
| Unit holders' capital | | 22,510,847 | 24,455,204 |
| Retained earnings | | 23,861,048 | 23,623,508 |
| NET ASSET ATTRIBUTABLE TO UNIT HOLDERS | | <u>46,371,895</u> | <u>48,078,712</u> |
| NUMBER OF UNITS IN CIRCULATION | 9 | <u>61,150,699</u> | <u>63,688,333</u> |
| NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM) | | <u>0.7583</u> | <u>0.7549</u> |

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Note | Unit holders' capital RM | Retained earnings RM | Total RM |
|---|------|-----------------------------|-------------------------|-------------------|
| Balance as at 1 July 2022 | | 24,455,204 | 23,623,508 | 48,078,712 |
| Movement in unit holders' contribution: | | | | |
| Creation of units from applications | | 2,477,453 | - | 2,477,453 |
| Creation of units from distribution | | 1,553,030 | - | 1,553,030 |
| Cancellation of units | | (5,974,840) | - | (5,974,840) |
| Distribution (Gross/Net: 2.70 sen) | 5 | - | (1,592,740) | (1,592,740) |
| Total comprehensive income for the financial year | | - | 1,830,280 | 1,830,280 |
| Balance as at 30 June 2023 | | <u>22,510,847</u> | <u>23,861,048</u> | <u>46,371,895</u> |
| Balance as at 1 July 2021 | | 29,979,887 | 28,206,551 | 58,186,438 |
| Movement in unit holders' contribution: | | | | |
| Creation of units from applications | | 2,659,799 | - | 2,659,799 |
| Creation of units from distribution | | 1,399,790 | - | 1,399,790 |
| Cancellation of units | | (9,584,272) | - | (9,584,272) |
| Distribution (Gross/Net: 2.30 sen) | 5 | - | (1,432,427) | (1,432,427) |
| Total comprehensive loss for the financial year | | - | (3,150,616) | (3,150,616) |
| Balance as at 30 June 2022 | | <u>24,455,204</u> | <u>23,623,508</u> | <u>48,078,712</u> |

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

| | Note | 2023 | 2022 |
|---|------|--------------------|--------------------|
| | | RM | RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of investments | | 3,590,379 | 9,881,778 |
| Purchase of investments | | (4,200,000) | (2,196,079) |
| Interest received | | 1,284,248 | 1,589,458 |
| Management fee paid | | (709,401) | (793,960) |
| Trustee fee paid | | (33,105) | (37,051) |
| Payment for other fees and expenses | | (33,616) | (32,457) |
| Net realised foreign exchange loss | | (6,669) | (4,997) |
| Net cash (used in)/generated from operating activities | | <u>(108,164)</u> | <u>8,406,692</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash proceeds from units created | | 2,378,886 | 2,879,454 |
| Payments for cancellation of units | | (6,320,869) | (9,583,581) |
| Distribution paid | | (39,710) | (32,637) |
| Net cash used in financing activities | | <u>(3,981,693)</u> | <u>(6,736,764)</u> |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (4,089,857) | 1,669,928 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | | <u>6,411,895</u> | <u>4,741,967</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 8 | <u>2,322,038</u> | <u>6,411,895</u> |

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The following accounting policies have been used in dealing with items which are considered material in relation to the financial statements.

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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 the MFRS and IFRS require 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 revenues 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. 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 K.

- a. Standards and amendments to existing standards effective 1 January 2022:

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 July 2022 that have a material effect on the financial statements of the Fund.

- b. New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2022 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B. INCOME RECOGNITION

Interest income from short-term deposits placed with licensed financial institutions and unquoted fixed income securities are recognised on an accrual basis using the effective interest rate method.

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 investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, which is determined on a weighted average cost basis for collective investment scheme.

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

C. TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable income earned during the financial year.

D. 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.

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

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

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

ii. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value.

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

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category including the effect of currency translation are presented in the statement of comprehensive income within "net gain/(loss) on financial assets at fair value through profit or loss" in the financial year in which they arise.

Collective investment scheme are valued based on the last published net asset value per unit or share of such collective investment scheme or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in selling in such selling price).

Unquoted fixed income securities are carried at cost and adjusted for any amortisation of premium or accretion of discount from acquisition date to maturity date. The carrying cost is revalued to reflect its fair value on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the Securities Commission’s (“SC”) as per the SC Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities 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.

If a valuation based on the market price does not represent the fair value of the securities, 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 securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Financial assets and other financial liabilities are subsequently carried at amortised cost using the effective interest rate method.

iii. Impairment for assets carried at amortised costs

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 close 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 months expected credit losses as any such impairment would be wholly insignificant to the Fund.

iv. 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.

v. Definition of default and credit-impaired financial assets

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

vi. 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 debtor's sources of income or assets to generate sufficient future cash flows to repay 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.

F. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and deposits with licensed financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

G. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions in the Fund are translated into the functional currency using the exchange rates prevailing at the transaction dates. 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 the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

H. AMOUNT DUE FROM/(TO) BROKERS

Amount due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amount due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 months expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due.

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

I. 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 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 are no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year 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 or 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.

J. DISTRIBUTION

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

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts 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 the Trustee 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 SC's Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. INFORMATION ON THE FUND

Eastspring Investments Asia Select Income Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 27 October 2005, Master Supplemental Deed dated 12 July 2007, Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Berhad ("HSBC Trustee") and Eastspring Investments Berhad (the "Manager"). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the "Trustee") effective 1 October 2010. A Supplemental Master Deed was entered into between the Manager and the Trustee on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by the Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, Eighth Supplemental Master Deed dated 25 January 2017, Ninth Supplemental Master Deed dated 11 December 2017, Tenth Supplemental Master Deed dated 4 June 2018, Eleventh Supplemental Master Deed dated 30 September 2021, Twelfth Supplemental Master Deed dated 29 June 2022 and Thirteenth Supplemental Master Deed dated 29 November 2022 (collectively referred to as the "Deeds").

The Fund commenced operations on 18 November 2005 and will continue its operations until terminated by the Manager or the Trustee as provided under Part 12 of the Deed.

The Fund invests in a portfolio of Malaysian investment grade fixed income securities; and a collective investment scheme namely the Eastspring Investments - Dragon Peacock Fund (the "target fund"), incorporated in Luxembourg.

The objective of the Fund is to provide a stable income stream and an opportunity for capital appreciation by investing primarily in a portfolio of Malaysian investment grade fixed income securities and a collective investment scheme primarily the Eastspring Investments – Dragon Peacock Fund, which invests in equities and equity-related securities of corporations which are incorporated in, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations, derive substantial revenue from the People's Republic of China ("PRC") and India.

All investments will be subjected to the Securities Commission's ("SC") Guidelines on Unit Trust Funds, the Deeds and the Fund's objective.

The Manager is a company incorporated in Malaysia and is related to Prudential Plc., a public listed company in the United Kingdom. The principal activity of the Manager is the establishment and management of unit trust funds and asset management.

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to market risk (inclusive of price risk, interest rate risk and foreign exchange/currency risk), liquidity risk, credit/default risk, stock/issuer risk, fund management risk, non-compliance risk and capital risk.

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

Financial instruments of the Fund are as follows:

| | Note | Financial assets at amortised cost RM | Financial assets at fair value through profit or loss RM | Total RM |
|----------------------------------|------|--|---|-------------------|
| <u>2023</u> | | | | |
| Cash and cash equivalents | 8 | 2,322,038 | - | 2,322,038 |
| Collective investment scheme | 7 | - | 18,136,946 | 18,136,946 |
| Unquoted fixed income securities | 7 | - | 25,882,425 | 25,882,425 |
| Amount due from Manager | | 110,067 | - | 110,067 |
| | | <u>2,432,105</u> | <u>44,019,371</u> | <u>46,451,476</u> |

| | Note | Financial assets at amortised cost | Financial assets at fair value through profit or loss | Total |
|----------------------------------|------|------------------------------------|---|-------------------|
| | | RM | RM | RM |
| <u>2022</u> | | | | |
| Cash and cash equivalents | 8 | 6,411,895 | - | 6,411,895 |
| Collective investment scheme | 7 | - | 18,589,183 | 18,589,183 |
| Unquoted fixed income securities | 7 | - | 23,502,079 | 23,502,079 |
| Amount due from Manager | | 11,500 | - | 11,500 |
| | | <u>6,423,395</u> | <u>42,091,262</u> | <u>48,514,657</u> |

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

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 table below shows assets of the Fund as at 30 June which are exposed to price risk:

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| Collective investment scheme | 18,136,946 | 18,589,183 |
| Unquoted fixed income securities* | 25,882,425 | 23,502,079 |
| | <u>44,019,371</u> | <u>42,091,262</u> |

* Includes interest receivables of RM402,197 (2022: RM360,071).

The following table summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to movements in prices of collective investment scheme and unquoted fixed income securities at the end of each reporting financial year. The analysis is based on the assumptions that the market price of the collective investment scheme and unquoted fixed income securities increased by 5% and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the collective investment scheme and unquoted fixed income securities, having regard to the historical volatility of the prices.

| % Change in price | Market value | Impact on profit/(loss) after tax and net asset value |
|-------------------|--------------|---|
| | RM | RM |
| <u>2023</u> | | |
| +5% | 45,798,033 | 2,180,859 |
| -5% | 41,436,315 | (2,180,859) |
| <hr/> | | |
| <u>2022</u> | | |
| +5% | 43,817,751 | 2,086,560 |
| -5% | 39,644,631 | (2,086,560) |
| <hr/> | | |

ii. Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements. Therefore, as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

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

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2022: 1%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

| | 2023 | 2022 |
|---|--|--|
| % Change in interest rate of unquoted fixed income securities | Impact on profit after tax and net asset value | Impact on loss after tax and net asset value |
| | RM | RM |
| +1% (2022: +1%) | (59,479) | (56,283) |
| -1% (2022: -1%) | 59,713 | 56,543 |

The Fund's investments in deposits with licensed financial institutions are short term in nature. Therefore, exposure to interest rate fluctuations is minimal.

iii. Foreign exchange/Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign exchange/currency risk concentrations and counterparties of the Fund.

| | Financial assets at fair value through profit or loss | Total |
|-------------|--|--------------|
| | RM | RM |
| <u>2023</u> | | |
| USD | 18,136,946 | 18,136,946 |
| <u>2022</u> | | |
| USD | 18,589,183 | 18,589,183 |

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to changes in foreign exchange movements at the end of each reporting financial year. The analysis is based on the assumption that the foreign exchange rate changes by each currency's respective historical volatility, with all 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/ (loss) after tax | Impact on net asset value |
|-------------|--|---|--------------------------------------|
| | % | RM | RM |
| <u>2023</u> | | | |
| USD | 5.82 | 1,055,570 | 1,055,570 |
| <u>2022</u> | | | |
| USD | 5.00 | 929,459 | 929,459 |

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. Generally, all investments are subject to a certain degree of liquidity risk depending on the nature of the investment instruments, market, sector and other factors. For the purpose of the Fund, the Manager will attempt to balance the entire portfolio by investing in a mix of assets with satisfactory trading volume and those that occasionally could encounter poor liquidity. This is expected to reduce the risks for the entire portfolio without limiting the Fund's growth potentials.

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise bank balances and deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

| | Less than 1 month | Between 1 month to 1 year | Total |
|--|------------------------------|--|--------------|
| | RM | RM | RM |
| <u>2023</u> | | | |
| Accrued management fee | 56,866 | - | 56,866 |
| Amount due to Manager | 5,593 | - | 5,593 |
| Amount due to Trustee | 2,654 | - | 2,654 |
| Other payables and accruals | - | 14,468 | 14,468 |
| Contractual undiscounted cash outflows | 65,113 | 14,468 | 79,581 |
| <u>2022</u> | | | |
| Accrued management fee | 59,267 | - | 59,267 |
| Amount due to Manager | 351,622 | - | 351,622 |
| Amount due to Trustee | 2,766 | - | 2,766 |
| Other payables and accruals | - | 22,290 | 22,290 |
| Contractual undiscounted cash outflows | 413,655 | 22,290 | 435,945 |

Credit/Default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of interest income, principals and proceeds from realisation of investments.

Credit risk arising from cash and bank balances is managed by ensuring that they are held by parties with credit rating of AA1 or higher.

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 SC's Guidelines on Unit Trust Funds.

For unquoted fixed income securities, the Manager regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described by the Deeds and SC's Guidelines on Unit Trust Funds.

The following table sets out the credit risk concentrations and counterparties of the Fund.

| | Financial assets at fair value through profit or loss | Cash and cash equivalents | Amount due from Manager | Total |
|----------------------------------|--|----------------------------------|--------------------------------|-------------------|
| | RM | RM | RM | RM |
| <u>2023</u> | | | | |
| Financial Services | | | | |
| - AAA | - | 2,280,191 | - | 2,280,191 |
| - AA1 | - | 41,847 | - | 41,847 |
| Unquoted Fixed Income Securities | | | | |
| - AA1 | 6,384,360 | - | - | 6,384,360 |
| - AA1 (S) | 4,916,920 | - | - | 4,916,920 |
| - AA | 5,123,034 | - | - | 5,123,034 |
| - AA3 | 805,953 | - | - | 805,953 |
| - AA- IS | 5,362,572 | - | - | 5,362,572 |
| - NR | 3,289,586 | - | - | 3,289,586 |
| Other | | | | |
| - NR | - | - | 110,067 | 110,067 |
| | <u>25,882,425</u> | <u>2,322,038</u> | <u>110,067</u> | <u>28,314,530</u> |

| | Financial assets at fair value through profit or loss | Cash and cash equivalents | Amount due from Manager | Total |
|-------------------------------------|--|---------------------------------|-------------------------------|------------|
| | RM | RM | RM | RM |
| <u>2022</u> | | | | |
| Financial Services | | | | |
| - AAA | - | 6,370,358 | - | 6,370,358 |
| - AA1 | - | 41,537 | - | 41,537 |
| Unquoted fixed income securities | | | | |
| - AAA (S) | 410,896 | - | - | 410,896 |
| - AA1 | 2,024,912 | - | - | 2,024,912 |
| - AA1 (S) | 4,751,610 | - | - | 4,751,610 |
| - AA | 5,155,766 | - | - | 5,155,766 |
| - AA3 | 801,881 | - | - | 801,881 |
| - AA- IS | 5,259,716 | - | - | 5,259,716 |
| - A1 | 2,034,513 | - | - | 2,034,513 |
| - NR | 3,062,785 | - | - | 3,062,785 |
| Other | | | | |
| - NR | - | - | 11,500 | 11,500 |
| | 23,502,079 | 6,411,895 | 11,500 | 29,925,474 |

None of these financial assets are past due or impaired.

Stock/Issuer risk

This risk refers to the individual risk of the respective companies issuing the securities. Specific risk includes but is not limited to changes in consumer tastes and demand, legal suits, competitive operating environments, changing industry conditions and management omissions and errors. However, this risk is minimised through investing in a wide range of companies in different sectors and thus function independently from one another.

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Funds. With close monitoring by the investment committee, back office system being incorporated with limits and controls, and regular reporting to the senior management team, the management company is able to manage such risk. The Trustee has an oversight function over management of the Fund by the management company to safeguard the interest of unit holders.

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund are not compliant to the rules set out in the Fund's constitution or the laws that govern the Fund or applicable internal control procedures or acts of fraudulence or dishonesty.

Non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM22,510,847 (2022: RM24,455,204) and retained earnings of RM23,861,048 (2022: RM23,623,508). 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.

Fair value estimation

Fair value is defined as 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 (i.e. an exit price).

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the financial year end 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 representative of the fair value.

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 ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

i. Fair value hierarchy

The following table analyses financial instruments carried at fair value by valuation method.

The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

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 require 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 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 | Level 2 | Level 3 | Total |
|--|-------------------|-------------------|----------|-------------------|
| | RM | RM | RM | RM |
| <u>2023</u> | | | | |
| Financial assets at fair value through profit or loss: | | | | |
| Collective investment scheme | 18,136,946 | - | - | 18,136,946 |
| Unquoted fixed income securities | - | 25,882,425 | - | 25,882,425 |
| | <u>18,136,946</u> | <u>25,882,425</u> | <u>-</u> | <u>44,019,371</u> |

2022

Financial assets at fair value through profit or loss:

| | | | | |
|----------------------------------|-------------------|-------------------|----------|-------------------|
| Collective investment scheme | 18,589,183 | - | - | 18,589,183 |
| Unquoted fixed income securities | - | 23,502,079 | - | 23,502,079 |
| | <u>18,589,183</u> | <u>23,502,079</u> | <u>-</u> | <u>42,091,262</u> |

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include investment in collective investment scheme, i.e. unit trust funds whose values are based on published prices in active markets. 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 E to the financial statements.

Financial instruments that trade in markets that are 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. This include unquoted fixed income securities. 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 E to the financial statements.

- ii. The carrying value of cash and cash equivalents, amount due from Manager and all liabilities are a reasonable approximation of their fair values due to their short term nature.

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 2.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

For the financial year ended 30 June 2023, the management fee is recognised at a rate of 1.50% (2022: 1.50%) per annum on the net asset value of the Fund, calculated on daily basis.

There will be no further liability to the Manager in respect of the management fee other than the amounts recognised above.

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum and a maximum fee of RM350,000 per annum.

For the financial year ended 30 June 2023, the Trustee fee is recognised at a rate of 0.07% (2022: 0.07%) per annum on the net asset value of the Fund, calculated on daily basis.

There will be no further liability to the Trustee in respect of the trustee fee other than the amounts recognised above.

5. DISTRIBUTION

| | 2023 | 2022 |
|---|---------------------|---------------------|
| | RM | RM |
| Distribution to unit holders is from the following sources: | | |
| Prior years' realised income | 399,922 | 547,312 |
| Interest income | 1,255,080 | 1,370,008 |
| Net realised gain on sale of investments | 495,265 | - |
| Gross realised income | <u>2,150,267</u> | <u>1,917,320</u> |
| Less: Expenses | <u>(557,527)</u> | <u>(484,893)</u> |
| | <u>1,592,740</u> | <u>1,432,427</u> |
| Gross distribution per unit (sen) | <u>2.70</u> | <u>2.30</u> |
| Net distribution per unit (sen) | <u>2.70</u> | <u>2.30</u> |
| Ex-Date | <u>15 June 2023</u> | <u>20 June 2022</u> |

Gross distribution is derived using total income less total expenses. The distribution is made from current and prior financial years' realised income.

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

During the financial year ended 30 June 2022, the Fund incurred unrealised losses of RM4,668,642.

6. TAXATION

| | 2023 | 2022 |
|-------------------------------------|------|------|
| | RM | RM |
| Tax charged for the financial year: | | |
| Current taxation | - | - |

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

| | 2023 | 2022 |
|--|-----------|-------------|
| | RM | RM |
| Profit/(loss) before taxation | 1,830,280 | (3,150,616) |
| Tax at Malaysian statutory rate of 24% (2022: 24%) | 439,267 | (756,148) |
| Tax effects of: | | |
| (Investment income not subject to tax)/ investment loss not deductible for tax purposes | (623,056) | 550,529 |
| Expenses not deductible for tax purposes | 12,309 | 16,246 |
| Restriction on tax deductible expenses for Unit Trust Funds | 171,480 | 189,373 |
| Taxation | - | - |

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2023 | 2022 |
|---|-------------------|--------------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| Collective investment scheme (Note 7(i)) | 18,136,946 | 18,589,183 |
| Unquoted fixed income securities (Note 7(ii)) | 25,882,425 | 23,502,079 |
| | <u>44,019,371</u> | <u>42,091,262</u> |
| Net gain/(loss) on financial assets at fair value through profit or loss: | | |
| Realised gain on disposals | 495,265 | 1,009,757 |
| Change in unrealised fair value gain/(loss) | 852,391 | (4,668,642) |
| | <u>1,347,656</u> | <u>(3,658,885)</u> |

 i. Collective investment scheme

| Name of counter | Quantity | Aggregate cost | Fair value as at | Percentage of net asset value of the Fund |
|---------------------------------|----------|----------------|------------------|---|
| | | | 30.6.2023 | |
| | Units | RM | RM | % |
| Eastspring Investments | | | | |
| - Dragon Peacock Fund - Class D | 79,028 | 10,337,321 | 18,136,946 | 39.11 |

**ACCUMULATED
UNREALISED GAIN ON
FINANCIAL ASSETS AT
FAIR VALUE THROUGH
PROFIT OR LOSS**
7,799,625
**TOTAL FAIR VALUE OF
FINANCIAL ASSETS AT
FAIR VALUE THROUGH
PROFIT OR LOSS**
18,136,946

i. Collective investment scheme

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.6.2022 | Percentage of net asset value of the Fund |
|---|----------|------------------|----------------------------|---|
| | Units | RM | RM | % |
| Eastspring Investments - Dragon Peacock Fund - Class D | 84,342 | 11,032,434 | 18,589,183 | 38.66 |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>7,556,749</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | <u>18,589,183</u> | |

The Fund primarily invests in the Eastspring Investments - Dragon Peacock Fund – Class D, which is one of the sub-funds of the Eastspring Investments Funds (the “SICAV”, an abbreviation Société d’ Investissement à Capital Variable) domiciled in Luxembourg. The SICAV is an open-ended investment company registered on the official list of collective investment undertakings pursuant to Part I of the Luxembourg law of 30 March 1988 on collective investment undertakings. The investment manager of the Target fund is Eastspring Investments (Singapore) Limited. Eastspring Investments (Singapore) Limited is a wholly owned subsidiary of Prudential Plc.

The investment objective of Eastspring Investments - Dragon Peacock Fund is to maximise long-term total return by investing primarily in equity and equity-related securities of corporations which are incorporated in, or listed in, or operating principally from, or carrying on significant business in, or derive substantial revenue from, or whose subsidiaries, related or associated corporations derive substantial revenue from the People’s Republic of China (“PRC”) and India.

ii. Unquoted fixed income securities

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.6.2023 | Percentage of net asset value of the Fund |
|--|---------------|----------------|----------------------------|---|
| | RM | RM | RM | % |
| 4.88% CIMB Group Holdings Berhad 13.9.2024 (AA) | 5,000,000 | 5,073,534 | 5,123,034 | 11.05 |
| 5.30% GENM Capital Berhad 11.7.2028 (AA1 (S)) | 3,000,000 | 3,308,083 | 3,103,380 | 6.69 |
| 4.38% Genting RMTN Berhad 8.11.2034 (AA1 (S)) | 2,000,000 | 2,012,960 | 1,813,540 | 3.91 |
| 3.85% Hong Leong Assurance Berhad 31.1.2030 (AA3) | 800,000 | 812,489 | 805,953 | 1.74 |
| 5.24% Lebuhraya Duke Fasa 3 Sdn Berhad 23.8.2027 (AA- IS) | 4,200,000 | 4,346,478 | 4,317,037 | 9.31 |
| 4.895% Government of Malaysia 8.5.2047 (NR) | 1,000,000 | 1,083,006 | 1,113,573 | 2.40 |
| 4.90% Perbadanan Tabung Pendidikan Tinggi Nasional 21.1.2033 (NR) | 2,000,000 | 2,045,863 | 2,176,013 | 4.69 |
| 4.40% Public Islamic Bank Berhad 28.7.2032 (AA1) | 4,200,000 | 4,276,958 | 4,315,514 | 9.31 |

ii. Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.6.2023 | Percentage of net asset value of the Fund |
|---|-------------------|-------------------|----------------------------------|--|
| | RM | RM | RM | % |
| 5.09% Southern Power Generation Sdn Bhd 30.4.2029 (AA- IS) | 1,000,000 | 1,008,925 | 1,045,535 | 2.25 |
| 5.05% YTL Power International Berhad 3.5.2027 (AA1) | 2,000,000 | 2,070,944 | 2,068,846 | 4.46 |
| TOTAL UNQUOTED FIXED INCOME SECURITIES | <u>25,200,000</u> | 26,039,240 | <u>25,882,425</u> | 55.81 |
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>(156,815)</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | | <u>25,882,425</u> | |

ii. Unquoted fixed income securities

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.6.2022 | Percentage of net asset value of the Fund |
|--|---------------|----------------|----------------------------|---|
| | RM | RM | RM | % |
| 5.03% Affin Bank Berhad 20.9.2022 (A1) | 2,000,000 | 2,028,113 | 2,034,513 | 4.23 |
| 4.88% CIMB Group Holdings Berhad 13.9.2024 (AA) | 5,000,000 | 5,072,866 | 5,155,766 | 10.72 |
| 5.30% GENM Capital Berhad 11.7.2028 (AA1 (S)) | 3,000,000 | 3,349,568 | 3,044,730 | 6.33 |
| 4.38% Genting RMTN Berhad 8.11.2034 (AA1 (S)) | 2,000,000 | 2,012,720 | 1,706,880 | 3.55 |
| 3.85% Hong Leong Assurance Berhad 31.1.2030 (AA3) | 800,000 | 812,489 | 801,881 | 1.67 |
| 5.24% Lebuhraya Duke Fasa 3 Sdn Berhad 23.8.2027 (AA- IS) | 4,200,000 | 4,361,292 | 4,239,211 | 8.82 |
| 4.895% Government of Malaysia 8.5.2047 (NR) | 1,000,000 | 1,084,783 | 984,263 | 2.05 |
| 4.90% Perbadanan Tabung Pendidikan Tinggi Nasional 21.1.2033 (NR) | 2,000,000 | 2,046,434 | 2,078,522 | 4.32 |
| 5.09% Southern Power Generation Sdn Bhd 30.4.2029 (AA- IS) | 1,000,000 | 1,008,785 | 1,020,505 | 2.12 |

ii. Unquoted fixed income securities (continued)

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.6.2022 | Percentage of net asset value of the Fund |
|---|-------------------|-------------------|----------------------------------|--|
| | RM | RM | RM | % |
| 4.65% Toyota Capital Malaysia Sdn Berhad 24.1.2023 (AAA (S)) | 400,000 | 408,118 | 410,896 | 0.85 |
| 5.05% YTL Power International Berhad 3.5.2027 (AA1) | 2,000,000 | 2,083,241 | 2,024,912 | 4.21 |
| TOTAL UNQUOTED FIXED INCOME SECURITIES | <u>23,400,000</u> | 24,268,409 | <u>23,502,079</u> | 48.87 |
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>(766,330)</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>23,502,079</u> | | |

The effective weighted average interest rate of unquoted fixed income securities per annum as at the date of the statement of financial position are as follows:

| | 2023 | 2022 |
|----------------------------------|------|------|
| | % | % |
| Unquoted fixed income securities | 4.53 | 5.13 |

8. CASH AND CASH EQUIVALENTS

| | 2023 | 2022 |
|--|------------------|------------------|
| | RM | RM |
| Bank balances with a licensed bank | 41,847 | 41,537 |
| Deposits with licensed financial institution | 2,280,191 | 6,370,358 |
| | <u>2,322,038</u> | <u>6,411,895</u> |

The effective weighted average interest rate of short-term deposits with licensed financial institution per annum as at the date of statement of financial position are as follows:

| | 2023 | 2022 |
|--|-------------|-------------|
| | % | % |
| Deposits with licensed financial institution | <u>3.05</u> | <u>2.05</u> |

The deposits have an average maturity of 3 days (2022: 1 day).

9. UNITS IN CIRCULATION

| | 2023 | 2022 |
|---|---------------------|---------------------|
| | No. of units | No. of units |
| At the beginning of the financial year | 63,688,333 | 70,383,673 |
| Creation of units during the financial year: | | |
| Arising from applications | 3,264,391 | 3,292,587 |
| Arising from distribution | 2,038,364 | 1,876,897 |
| Cancellation of units during the financial year | (7,840,389) | (11,864,824) |
| At the end of the financial year | <u>61,150,699</u> | <u>63,688,333</u> |

10. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the brokers and dealers are as follows:

| Name of brokers/dealers | Value of trades RM | Percentage of total trades % |
|--|-----------------------|---------------------------------|
| <u>2023</u> | | |
| Public Investment Bank Berhad | 4,200,000 | 77.92 |
| Eastspring Investments (Singapore) Limited # | 1,190,379 | 22.08 |
| | 5,390,379 | 100.00 |
| <u>2022</u> | | |
| Hong Leong Bank Berhad | 2,167,600 | 49.47 |
| Eastspring Investments (Singapore) Limited # | 2,111,918 | 48.20 |
| RHB Investment Bank Berhad | 102,260 | 2.33 |
| | 4,381,778 | 100.00 |

Included in transactions by the Fund are trades conducted with Eastspring Investments (Singapore) Limited, a related party of the Manager amounting to RM1,190,379 (2022: RM2,111,918).

There are no brokerage fees charged by the brokers/dealers.

11. UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

| Related parties | Relationship |
|--|--|
| Director of Eastspring Investments Berhad | Director of the Manager |
| Eastspring Investments Berhad | The Manager |
| Eastspring Investments - Dragon Peacock Fund - Class D | Collective investment scheme managed by Eastspring Investments (Singapore) Limited |
| Eastspring Investments Group Private Limited | Immediate holding company of the Manager |
| Prudential Plc | Ultimate holding company of the Manager |

Units held by Manager:

| | 2023 | | 2022 | |
|-------------------------------|--------------|-------|--------------|-------|
| | No. of units | RM | No. of units | RM |
| Eastspring Investments Berhad | 1,430 | 1,085 | 1,381 | 1,043 |

The above units were transacted at the prevailing market price.

The units are held legally and beneficially by the Manager and are within the prescribed limit allowed by SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the Directors or parties related to the Manager.

Significant related parties transactions

| | 2023 | 2022 |
|---|-------------|-------------|
| | RM | RM |
| Purchase of units in collective investment scheme managed by Eastspring Investments (Singapore) Limited | - | - |
| Sales of units in collective investment scheme managed by Eastspring Investments (Singapore) Limited | 1,190,379 | 2,111,918 |

In addition to related parties disclosures mentioned in the financial statements, there were no other significant related party transactions. The Manager is of the opinion that all transactions with the related party have been entered into in the normal course of business at agreed terms between the related party.

12. TOTAL EXPENSE RATIO ("TER")

| | 2023 | 2022 |
|-----|-------------|-------------|
| | % | % |
| TER | 1.62 | 1.64 |

TER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses

F = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM47,147,923 (2022: RM52,135,722).

13. PORTFOLIO TURNOVER RATIO ("PTR")

| | 2023 | 2022 |
|-------------|------|------|
| PTR (times) | 0.06 | 0.04 |

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM4,200,000 (2022: Nil)

total disposals for the financial year = RM1,190,379 (2022: RM4,381,778)

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 23 August 2023.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

Level 25, Menara Hong Leong

No. 6, Jalan Damanela

Bukit Damansara

50490 Kuala Lumpur

BUSINESS OFFICE

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

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FAX NO.

603-2789 7220

EMAIL

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TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE

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FAX NO.

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SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

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Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 1000

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ENQUIRIES

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