

EASTSPRING INVESTMENTS SMALL-CAP FUND

SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
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', written in a cursive style.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

TABLE OF CONTENTS

Fund Information	1
Key Performance Data	2
Manager's Report	5
Market Review	8
Rebates and Soft Commissions	9
Securities Lending or Repurchase Transactions	9
Statement by the Manager	12
Trustee's Report to the Unit Holders of Eastspring Investments Small-cap Fund	13
Unaudited Statement of Comprehensive Income	14
Unaudited Statement of Financial Position	15
Unaudited Statement of Changes in Equity	16
Unaudited Statement of Cash Flows	17
Summary of Significant Accounting Policies	18
Notes to the Unaudited Financial Statements	26
Corporate Directory	60

FUND INFORMATION

Name of Fund	Eastspring Investments Small-cap Fund (the "Fund")
Fund Category/ Type	Equity (small-cap)/growth
Fund Objective	<p>The Fund seeks to provide investors with maximum capital appreciation by investing principally in small market capitalisation companies which will appreciate in value.</p> <p>Note: The Fund will invest in small market capitalisation companies at the point of acquisition.</p> <p>ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is FTSE Bursa Malaysia Small Cap Index ("FBMSC").</p> <p>Source: www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Incidental

KEY PERFORMANCE DATA FOR THE FINANCIAL PERIOD ENDED

Category	2023	2022	2021
	(%)	(%)	(%)
Quoted securities			
Construction	2.41	3.52	3.98
Consumer Products & Services	23.09	19.43	18.55
Energy	0.80	2.97	0.90
Financial Services	4.43	3.86	4.25
Health Care	2.31	2.68	1.27
Industrial Products & Services	16.84	20.43	21.18
Plantation	3.62	3.00	0.85
Property	4.19	3.62	2.12
Real Estate Investment Trust	1.98	2.47	3.22
Technology	21.63	21.65	21.30
Telecommunications & Media	0.88	1.50	0.22
Transportation & Logistics	0.45	0.30	-
Utilities	2.08	2.61	2.68
	84.71	88.04	80.52
Cash and other assets	15.29	11.96	19.48
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	2023	2022	2021
Net Asset Value (NAV) (RM'000)	827,112	797,718	833,975
Units In Circulation (Units '000)	1,284,509	1,229,493	1,121,338
Net Asset Value Per Unit (RM)	0.6439	0.6488	0.7437
Highest Net Asset Value Per Unit (RM)	0.6865	0.7646	0.7902
Lowest Net Asset Value Per Unit (RM)	0.6338	0.6232	0.7037
Total Return (%)			
- Capital Growth	(1.26)	(14.18)	2.55
- Income Distribution	-	-	-
Total Return (%)	(1.26)	(14.18)	2.55
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Total Expense Ratio (TER) (%)*	0.79	0.79	0.79
Portfolio Turnover Ratio (PTR) (times)^	0.21	0.21	0.21

* 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	3.71	5.02	4.47
----------------------	------	------	------

Year ended	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	1.1.2018 to 31.12.2018
	(%)	(%)	(%)	(%)	(%)

Annual total return	(9.86)	8.83	19.36	18.03	(18.97)
---------------------	--------	------	-------	-------	---------

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

Bases of calculation and assumptions made in calculating returns:

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

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 = 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.

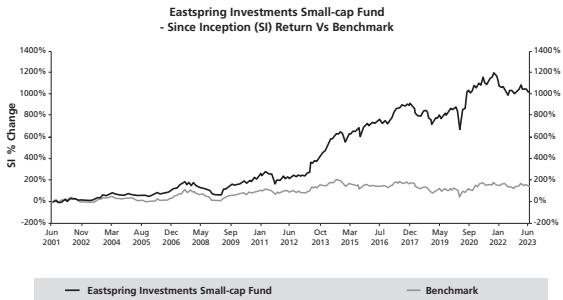
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund recorded a return of 24.45%, outperforming the benchmark return of 5.98% by 18.47%.

During the period under review, the Fund recorded a return of -1.26%, underperforming the benchmark return of -0.49% by 0.77%.

The underperformance was mainly due to underweight in oil & gas and property stocks.



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

Benchmark: FTSE Bursa Malaysia Small Cap Index ("FBMSC")

Source: Lipper for Investment Management and www.bursamalaysia.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 period ended 30 June 2023:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	(1.26)	(1.26)	(0.49)

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

Distribution/ Unit Split

No distribution or unit split were declared for the financial period ended 30 June 2023.

Investment Strategy During the Period Under Review

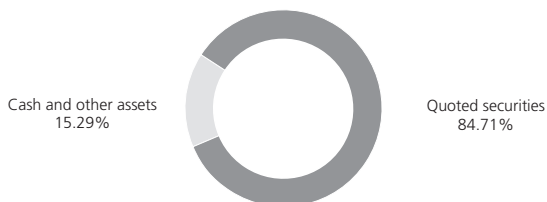
The period under review was challenging on slowing global growth. We maintained high cash holding for the period under review in view of highly uncertain market conditions. Corporate earnings were weak amid weak demand and escalating costs. Our holdings in high dividend stocks helped us to weather this difficult period. We continue to adopt a bottom-up approach in stock selection and avoid companies with weak balance sheet.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2023	31-Dec 2022	Changes
	(%)	(%)	(%)
Quoted securities	84.71	83.17	1.54
Cash and other assets	15.29	16.83	(1.54)

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

Malaysian equities started 1Q2023 with a relatively short trading month as Chinese New Year fell on 22-23 January. Nevertheless, the start of the year was an eventful month for Malaysian politics, as UMNO which is part of PM Anwar Ibrahim's unity government, expelled former health minister Khairy Jamaluddin, while former defense minister Hishammuddin Hussein was among a number of politicians suspended from the party. A total of 4 UMNO members were suspended, whilst 42 others were sacked from the party. BNM surprised the market by keeping the OP unchanged at 2.75% at the January MPC, after four consecutive hikes.

By mid-1Q2023 equity markets corrected in line with global and regional markets. Investors were cautious ahead of Budget 2023 which was read on 24 February 2023, which failed to provide any positive catalysts for the market. The economy and cost of living issues remain a priority in Budget 2023, the government announced lower taxes for the M40 while the T20 would see higher taxes and there was also an announcement of a tax on luxury goods (details to release later).

By the end of 1Q2023, Malaysian equity markets posted its third consecutive month of decline in, as investor sentiment remained weak due to concerns over a potential global banking crisis, following the collapse of the Silicon Valley Bank, Signature Bank and the takeover of the Credit Suisse by UBS Bank. As a result, foreign investors remained net sellers in the month of March of RM1.4b, and have been net sellers for 7 consecutive months. EPF declared the dividend for 2022 of 5.35% for Conventional Savings and 4.75% dividend rate for Shariah Savings.

Malaysian equity markets posted its fourth consecutive month of decline in April 2023, despite posting a small rally for most of the month outperforming the region, before giving up the gains towards the end of the month. The news was fairly light during the month with some focus on OPEC+ and crude oil prices initially spiking to USD85/bbl, post the announcement by OPEC+ to indicate continued production cuts in coming months. However, the International Energy Agency ("IEA") came out with a statement that the surprise cut (by OPEC+) risked exacerbating global supply deficits in oil and could impact global economic growth. Brent crude oil prices subsequently ended the month below USD80/bbl. Domestically, PM Anwar made an official visit to China, and secured RM170b in investment pledges. Malaysian equity markets continued its decline for the fifth consecutive month in May 2023, in tandem with regional markets which were also lackluster. The focus for the month of May was around corporate earnings, with most reporting earnings below consensus expectations. News flow was light during the month, with some focus on interest rates in Malaysia as BNM raised OPR by 25bps. Malaysian Ringgit also saw a lot of pressure versus the US dollar, weakening to above RM4.60/USD.

Malaysian equity markets closed lower for the sixth consecutive month in June. Foreign investors continued to be net sellers of equities for the month of June and have been for the tenth consecutive month. During the month, Bank Negara Malaysia announced that the Yang di-Pertuan Agong has consented to the appointment of Datuk Shaik Abdul Rasheed bin Abdul Ghaffour as Governor for a five-year term effective 1 July 2023 to 30 June 2028.

The FBM KLCI closed the period under review at 1,376.68 points, down 7.94%. The broader FBM Emas ("FBMEmas") Index closed the period under review lower by 5.23%. The MSCI Asia Pacific ex-Japan Index rose by 1.65% in USD terms.¹

REBATES AND SOFT COMMISSIONS

During the period under review, the Manager, and its delegates (if any) received soft commissions from brokers/dealers in the form of goods and services which directly assist the investment management of the Fund, including research and advisory services, market analyses, data and quotation services, and computer hardware and software used for and/or in support of the investment process of fund managers. Such soft commissions received are utilised in the investment management of the Fund and are of demonstrable benefit to the Fund and Unitholders. There were no churning of trades.

The Manager and its delegates (if any) have not received any rebates or shared any commissions from any brokers during the same period under review.

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

¹ Source: Bloomberg: World indices

This page is intentionally left blank.

EASTSPRING INVESTMENTS SMALL-CAP FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD 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 unaudited financial statements set out on pages 14 to 59 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 six months financial period 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 SMALL-CAP FUND ("Fund")

We have acted as Trustee of the Fund for the financial period 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 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.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 23 August 2023

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023

	Note	6-months financial period ended 30.6.2023	6-months financial period ended 30.6.2022
		RM	RM
INVESTMENT LOSS			
Gross dividend income		13,961,555	12,981,757
Interest income from deposits with licensed financial institutions		1,999,747	940,829
Net loss on financial assets at fair value through profit or loss	6	(18,867,503)	(133,612,307)
		<u>(2,906,201)</u>	<u>(119,689,721)</u>
EXPENSES			
Management fee	3	(6,292,224)	(6,111,918)
Trustee fee	4	(335,585)	(325,969)
Audit fee		(4,165)	(4,100)
Tax agent fee		(1,687)	(1,687)
Other expenses		(53,754)	(104,828)
Transaction cost		(1,065,564)	(1,022,150)
		<u>(7,752,979)</u>	<u>(7,570,652)</u>
LOSS BEFORE TAXATION		(10,659,180)	(127,260,373)
TAXATION	5	-	-
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS		<u>(10,659,180)</u>	<u>(127,260,373)</u>
Loss after taxation is made up of the following:			
Realised amount		14,170,689	4,615,085
Unrealised amount		(24,829,869)	(131,875,458)
		<u>(10,659,180)</u>	<u>(127,260,373)</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023	2022
		RM	RM
ASSETS			
Cash and cash equivalents	7	118,579,005	98,845,061
Financial assets at fair value through profit or loss	6	700,638,227	702,534,664
Amount due from Manager		1,846,846	2,517,078
Amount due from brokers		5,947,456	1,699,062
Dividends receivable		2,315,542	3,222,990
TOTAL ASSETS		829,327,076	808,818,855
LIABILITIES			
Accrued management fee		1,022,333	1,001,637
Amount due to Manager		1,121,579	521,359
Amount due to Trustee		54,524	53,421
Amount due to brokers		-	9,500,860
Other payables and accruals		17,060	23,730
TOTAL LIABILITIES		2,215,496	11,101,007
NET ASSET VALUE OF THE FUND		827,111,580	797,717,848
EQUITY			
Unit holders' capital		644,998,628	624,779,986
Retained earnings		182,112,952	172,937,862
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		827,111,580	797,717,848
NUMBER OF UNITS IN CIRCULATION	8	1,284,509,289	1,229,493,240
NET ASSET VALUE PER UNIT (RM)		0.6439	0.6488

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 January 2023	649,290,277	192,772,132	842,062,409
Movement in unit holders' contribution:			
Creation of units from applications	54,774,447	-	54,774,447
Cancellation of units	(59,066,096)	-	(59,066,096)
Total comprehensive loss for the financial period	-	(10,659,180)	(10,659,180)
Balance as at 30 June 2023	<u>644,998,628</u>	<u>182,112,952</u>	<u>827,111,580</u>
Balance as at 1 January 2022	578,349,574	300,198,235	878,547,809
Movement in unit holders' contribution:			
Creation of units from applications	87,357,814	-	87,357,814
Cancellation of units	(40,927,402)	-	(40,927,402)
Total comprehensive loss for the financial period	-	(127,260,373)	(127,260,373)
Balance as at 30 June 2022	<u>624,779,986</u>	<u>172,937,862</u>	<u>797,717,848</u>

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

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023

	6-months financial period ended 30.6.2023	6-months financial period ended 30.6.2022
Note	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	166,048,359	141,212,865
Purchase of investments	(193,144,722)	(192,411,493)
Dividends received	14,630,153	11,899,095
Interest received from deposits with licensed financial institutions	1,999,747	940,829
Management fee paid	(6,343,397)	(6,205,911)
Trustee fee paid	(338,315)	(330,982)
Payment for other fees and expenses	(39,022)	(115,989)
Net cash used in operating activities	<u>(17,187,197)</u>	<u>(46,011,586)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	55,233,821	88,314,106
Payments for cancellation of units	<u>(58,668,050)</u>	<u>(41,585,289)</u>
Net cash (used in)/generated from financing activities	<u>(3,434,229)</u>	<u>46,728,817</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(20,621,426)	717,231
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>139,200,431</u>	<u>98,127,830</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7 <u>118,579,005</u>	<u>98,845,061</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE SIX MONTHS FINANCIAL PERIOD 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 requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. 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 J.

- a. Standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 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 deposits placed with licensed financial institutions is 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).

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

Realised gain or loss on disposal of quoted securities 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.

C. TAXATION

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

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 to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash 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. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from brokers and dividends receivable 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, amount due to brokers and other payables and accruals 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 and transaction costs are expensed in the statement of comprehensive income.

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 quoted financial instrument.

Financial liabilities are derecognised when it is 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 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 period in which they arise.

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

Quoted securities in Malaysia are valued at the last done market price quoted on the Bursa Malaysia Securities Berhad (“Bursa Securities”) at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the 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 quoted 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.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits.

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 that 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 period.

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

G. 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 period 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.

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. TRANSACTION COSTS

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

J. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information 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 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's ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2023

1. INFORMATION ON THE FUND

Eastspring Investments Small-cap Fund (the “Fund”) was constituted pursuant to the execution of Master Deed dated 4 May 2001, Supplemental Master Deed dated 26 May 2003, Supplemental Master Deed dated 15 February 2006, Master Supplemental Deed dated 25 July 2007 and Second Supplemental Master Deed dated 30 November 2009 between BHLB Trustee Berhad (“BHLB Trustee”) and Eastspring Investments Berhad (the “Manager”). The Fund replaced BHLB Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) on 30 July 2010 to effect the change of trustee from BHLB Trustee to the Trustee, followed by 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 was launched on 29 May 2001 and will continue its operations until terminated as provided under Part 12 of the Deed.

The main objective of the Fund seeks to provide investors with maximum capital appreciation by investing principally in small market capitalisation companies which will appreciate in value.

The Fund will principally invest in small market capitalisation companies.

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

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 a variety of risks which include market risk (inclusive of price risk and interest rate risk), stock/issuer risk, fund management risk, liquidity risk, non-compliance risk, credit/default 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	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2023</u>				
Cash and cash equivalents	7	118,579,005	-	118,579,005
Quoted securities	6	-	700,638,227	700,638,227
Amount due from Manager		1,846,846	-	1,846,846
Amount due from brokers		5,947,456	-	5,947,456
Dividends receivable		2,315,542	-	2,315,542
		<u>128,688,849</u>	<u>700,638,227</u>	<u>829,327,076</u>
<u>2022</u>				
Cash and cash equivalents	7	98,845,061	-	98,845,061
Quoted securities	6	-	702,534,664	702,534,664
Amount due from Manager		2,517,078	-	2,517,078
Amount due from brokers		1,699,062	-	1,699,062
Dividends receivable		3,222,990	-	3,222,990
		<u>106,284,191</u>	<u>702,534,664</u>	<u>808,818,855</u>

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

Market risk

i. Price risk

Price risk is the risk that the fair value of the investment in quoted securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's net asset value and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and asset allocation whereby the quoted securities exposure will be reduced in the event of anticipated market weakness.

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:		
Quoted securities	<u>700,638,227</u>	<u>702,534,664</u>

The following table summarises the sensitivity of the Fund's loss after tax and net asset value to movements in prices of quoted securities at the end of each reporting financial period. The analysis is based on the assumptions that the market price of the quoted 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 quoted securities, having regard to the historical volatility of the prices.

% Change in price	Market value	Impact on loss after tax and net asset value
	RM	RM
<u>2023</u>		
+5%	735,670,138	35,031,911
-5%	665,606,316	(35,031,911)
<hr/>		
<u>2022</u>		
+5%	737,661,397	35,126,733
-5%	667,407,931	(35,126,733)
<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.

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

As at the end of the financial period, the Fund does not hold any other financial instruments that expose it to interest rate risk.

Stock/Issuer risk

The Fund is restricted to investment in securities issued by and securities relating to any issuer of not more than ten percent (10%) of its net asset value. Furthermore, the Fund is restricted to invest in securities issued by and securities relating to any group of companies of not more than twenty percent (20%) of its net asset value. Under such restrictions, the exposure risk to the securities of any single issuer or any one group of companies is minimised.

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.

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	1,022,333	-	1,022,333
Amount due to Manager	1,121,579	-	1,121,579
Amount due to Trustee	54,524	-	54,524
Other payables and accruals	-	17,060	17,060
Contractual undiscounted cash outflows	<u>2,198,436</u>	<u>17,060</u>	<u>2,215,496</u>
<u>2022</u>			
Accrued management fee	1,001,637	-	1,001,637
Amount due to Manager	521,359	-	521,359
Amount due to Trustee	53,421	-	53,421
Amount due to brokers	9,500,860	-	9,500,860
Other payables and accruals	-	23,730	23,730
Contractual undiscounted cash outflows	<u>11,077,277</u>	<u>23,730</u>	<u>11,101,007</u>

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.

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.

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. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The credit/default risk is minimal as all transactions in quoted securities are settled/paid upon delivery using approved brokers. 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.

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

	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Amount due from brokers	Total
	RM	RM	RM	RM	RM
2023					
Construction					
- NR	-	375,981	-	-	375,981
Consumer Products & Services					
- NR	-	551,206	-	-	551,206
Energy					
- NR	-	57,445	-	-	57,445
Financial Services					
- AAA	116,717,687	-	-	-	116,717,687
- AA1	1,861,318	-	-	-	1,861,318
Industrial Products & Services					
- NR	-	316,662	-	-	316,662
Plantation					
- NR	-	522,866	-	-	522,866
Property					
- NR	-	61,250	-	-	61,250
Technology					
- NR	-	430,132	-	-	430,132
Other					
- NR	-	-	1,846,846	5,947,456	7,794,302
	<u>118,579,005</u>	<u>2,315,542</u>	<u>1,846,846</u>	<u>5,947,456</u>	<u>128,688,849</u>

	Cash and cash equivalents		Dividends receivable		Amount due from Manager		Amount due from brokers		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
<u>2022</u>										
Construction										
- NR	-		375,981		-		-			375,981
Consumer Products & Services										
- NR	-		389,263		-		-			389,263
Energy										
- NR	-		100,000		-		-			100,000
Financial Services										
- AA1	899,426		-		-		-			899,426
- AA2	97,945,635		-		-		-			97,945,635
Industrial Products & Services										
- NR	-		1,329,225		-		-			1,329,225
Plantation										
- NR	-		3,126		-		-			3,126
Property										
- NR	-		68,055		-		-			68,055
Technology										
- NR	-		482,089		-		-			482,089
Utilities										
- NR	-		475,251		-		-			475,251
Other										
- NR	-		-		2,517,078		1,699,062			4,216,140
	<u>98,845,061</u>		<u>3,222,990</u>		<u>2,517,078</u>		<u>1,699,062</u>			<u>106,284,191</u>

None of these financial assets are past due or impaired.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM644,998,628 (2022: RM624,779,986) and retained earnings of RM182,112,952 (2022: RM172,937,862). 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 period 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:				
Quoted securities	700,638,227	-	-	700,638,227
<u>2022</u>				
Financial assets at fair value through profit or loss:				
Quoted securities	702,534,664	-	-	702,534,664

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active quoted securities.

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.

- ii. The carrying value of cash and cash equivalents, amount due from Manager, amount due from brokers, dividends receivable 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 3.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

For the financial period 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 RM35,000 per annum.

For the financial period ended 30 June 2023, the Trustee fee is recognised at a rate of 0.08% (2022: 0.08%) per annum on the net asset value of the Fund, inclusive of local custodian fee, 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. TAXATION

	6-months financial period ended 30.6.2023	6-months financial period ended 30.6.2022
	RM	RM

Tax charged for the financial period:

Current taxation

-

-

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

	6-months financial period ended 30.6.2023	6-months financial period ended 30.6.2022
	RM	RM
Loss before taxation	(10,659,180)	(127,260,373)
Tax at Malaysian statutory rate of 24% (2022: 24%)	(2,558,203)	(30,542,490)
Tax effects of:		
Investment loss not deductible for tax purposes	697,488	28,725,534
Expenses not deductible for tax purposes	349,582	349,112
Restriction on the tax deductible expenses for Unit Trust Funds	1,511,133	1,467,844
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted securities	700,638,227	702,534,664
Net loss on financial assets at fair value through profit or loss:		
Realised gain/(loss) on disposals	5,962,366	(1,736,849)
Change in unrealised fair value loss	(24,829,869)	(131,875,458)
	<u>(18,867,503)</u>	<u>(133,612,307)</u>

Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
	Units	RM	30.6.2023 RM	%
<u>Construction</u>				
Kerjaya Prospek Group Berhad	18,799,058	16,606,697	19,927,001	2.41

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 30.6.2023	
	Units	RM	RM	%
<u>Consumer Products & Services</u>				
Berjaya Food Berhad	10,606,700	6,819,725	6,470,087	0.78
Bermaz Auto Berhad	7,494,740	14,786,790	16,713,270	2.02
DKSH Holdings (Malaysia) Berhad	1,725,200	7,846,456	8,643,252	1.04
DRB-HICOM Berhad	3,277,000	6,397,236	4,391,180	0.53
DXN Holdings (Malaysia) Berhad	5,199,100	3,639,370	3,795,343	0.46
Farm Fresh Berhad	5,810,600	9,006,230	7,321,356	0.89
Guan Chong Berhad	1,614,400	4,362,377	3,729,264	0.45
Hong Leong Industries Berhad	3,026,000	31,212,264	27,112,960	3.28
InNature Berhad	14,386,400	6,975,363	7,552,860	0.91
Magni-Tech Industries Berhad	9,500,133	18,188,991	17,860,250	2.16
Oriental Food Industries Holdings Berhad	9,246,600	10,837,660	9,801,396	1.19
Padini Holdings Berhad	5,185,800	17,555,900	20,120,904	2.43
Poh Huat Resources Holdings Berhad	7,350,500	10,963,063	9,555,650	1.16
Power Root Berhad	4,822,500	10,033,806	9,982,575	1.21
Senheng New Retail Berhad	10,323,100	8,533,562	3,767,932	0.46
Sports Toto Berhad	11,336,074	19,956,338	15,076,978	1.82
Three-A Resources Berhad	17,239,275	18,865,994	13,101,849	1.58
Young Onn Corporation Berhad	4,448,500	5,869,584	5,916,505	0.72
	132,592,622	211,850,709	190,913,611	23.09

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage
	Units	RM	30.6.2023 RM	of net asset value of the Fund %
<u>Energy</u>				
Hibiscus Petroleum Berhad	7,659,300	8,151,273	6,625,295	0.80
<u>Financial Services</u>				
AEON Credit Service (M) Berhad	157,700	1,844,911	1,775,702	0.21
Alliance Bank Malaysia Berhad	5,273,100	15,737,057	17,559,423	2.12
Kenanga Investment Bank Berhad	6,888,200	10,322,898	5,958,293	0.72
RCE Capital Berhad	5,170,000	4,411,376	11,425,700	1.38
	<u>17,489,000</u>	<u>32,316,242</u>	<u>36,719,118</u>	<u>4.43</u>
<u>Health Care</u>				
Duopharma Biotech Berhad	5,390,454	7,819,568	7,007,590	0.85
Kossan Rubber Industries Berhad	5,506,500	9,112,818	7,103,385	0.86
Nova Wellness Group Berhad	7,160,900	6,381,431	4,941,021	0.60
	<u>18,057,854</u>	<u>23,313,817</u>	<u>19,051,996</u>	<u>2.31</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Industrial Products & Services</u>				
Ancom Nylex Berhad	14,420,000	13,529,000	13,699,000	1.66
BP Plastics Holding Berhad	3,962,700	5,914,287	4,794,867	0.58
Cape EMS Berhad	4,619,400	5,242,260	6,005,220	0.73
Chin Well Holdings Berhad	5,902,000	9,710,336	7,790,640	0.94
Dufu Technology Corp. Berhad	8,465,600	9,043,966	16,084,640	1.94
Malaysia Smelting Corporation Berhad	2,358,000	4,733,758	4,621,680	0.56
P.I.E. Industrial Berhad	3,832,800	12,684,234	11,230,104	1.36
Rohas Tecnic Berhad	6,663,700	6,422,611	1,732,562	0.21
SAM Engineering & Equipment (M) Berhad	1,000,000	4,500,000	4,590,000	0.55
Scicom (MSC) Berhad	7,101,400	7,895,810	8,237,624	1.00
SKP Resources Berhad	10,742,100	19,501,746	11,708,889	1.42
SLP Resources Berhad	10,004,200	13,604,114	8,753,675	1.06
Thong Guan Industries Berhad	10,376,200	20,804,245	22,205,068	2.68
United U-Li Corporation Berhad	10,449,250	13,192,467	10,449,250	1.26
V.S. Industry Berhad	8,079,700	10,038,825	7,352,527	0.89
	<u>107,977,050</u>	<u>156,817,659</u>	<u>139,255,746</u>	<u>16.84</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
	Units	RM	30.6.2023 RM	%
<u>Plantation</u>				
Hap Seng Plantations Holdings Berhad	5,436,000	14,923,513	10,110,960	1.22
Sarawak Oil Palms Berhad	2,452,650	6,528,675	6,008,993	0.73
TSH Resources Berhad	15,028,300	17,005,466	13,826,036	1.67
	<u>22,916,950</u>	<u>38,457,654</u>	<u>29,945,989</u>	<u>3.62</u>
<u>Property</u>				
Eco World Development Group Berhad	16,311,200	12,649,268	13,212,072	1.60
Eco World Development Group Berhad - Warrant	4,872,820	520,119	536,010	0.06
Matrix Concepts Holdings Berhad	2,722,200	3,008,851	3,838,302	0.46
Sime Darby Property Berhad	36,877,700	21,320,892	17,148,131	2.07
	<u>60,783,920</u>	<u>37,499,130</u>	<u>34,734,515</u>	<u>4.19</u>
<u>Real Estate Investment Trust</u>				
Axis Real Estate Investment Trust	3,085,753	5,386,197	5,646,928	0.68
Sunway Real Estate Investment Trust	6,912,300	11,085,394	10,783,188	1.30
	<u>9,998,053</u>	<u>16,471,591</u>	<u>16,430,116</u>	<u>1.98</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Cnenergiz Berhad	10,951,700	9,414,819	9,473,221	1.15
CTOS Digital Berhad	2,538,800	3,471,125	3,528,932	0.43
Genetec Technology Berhad	1,890,300	4,660,177	4,385,496	0.53
Globetronics Technology Berhad	7,166,200	12,982,198	9,029,412	1.09
Inari Amertron Berhad	14,233,213	11,583,021	38,999,004	4.72
ITMax System Berhad	5,749,500	8,052,919	8,049,300	0.97
Malaysian Pacific Industries Berhad	1,341,400	13,060,885	37,317,748	4.51
Oppstar Berhad	2,046,100	2,378,884	3,867,129	0.47
TT Vision Holdings Berhad	5,377,100	5,989,535	5,753,497	0.70
Unisem (M) Berhad	4,243,700	12,225,991	12,688,663	1.53
ViTrox Corporation Berhad	5,073,800	14,435,092	40,488,924	4.90
Vstecs Berhad	3,843,500	5,197,777	5,227,160	0.63
	<u>64,455,313</u>	<u>103,452,423</u>	<u>178,808,486</u>	<u>21.63</u>
<u>Telecommunications & Media</u>				
Astro Malaysia Holdings Berhad	12,077,900	10,708,085	7,246,740	0.88

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Transportation & Logistics</u>				
Tasco Berhad	4,510,500	3,876,492	3,743,714	0.45
<u>Utilities</u>				
Gas Malaysia Berhad	5,745,300	16,561,267	17,235,900	2.08
TOTAL QUOTED SECURITIES	<u>483,062,820</u>	676,083,039	<u>700,638,227</u>	84.71
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>24,555,188</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>700,638,227</u>	

Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Gabungan AQRS Berhad	2,451,500	972,050	784,480	0.10
GDB Holdings Berhad	20,862,000	10,247,572	6,362,910	0.80
Kerjaya Prospek Group Berhad	18,799,058	16,606,697	20,866,954	2.62
	<u>42,112,558</u>	<u>27,826,319</u>	<u>28,014,344</u>	<u>3.52</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer Products & Services</u>				
Berjaya Food Berhad	1,482,100	5,921,716	6,150,715	0.77
Bermaz Auto Berhad	7,494,740	14,786,790	12,741,058	1.60
DKSH Holdings (Malaysia) Berhad	1,623,400	7,398,462	6,996,854	0.88
DRB-HICOM Berhad	2,898,700	5,890,390	3,478,440	0.44
Farm Fresh Berhad	4,606,400	7,409,196	7,462,368	0.94
Guan Chong Berhad	1,580,900	4,287,672	3,983,868	0.50
Hong Leong Industries Berhad	3,026,000	31,212,264	26,356,460	3.30
InNature Berhad	15,047,400	7,288,065	7,448,463	0.93
Magni-Tech Industries Berhad	9,500,133	18,188,991	18,145,254	2.27
Oriental Food Industries Holdings Berhad	7,635,200	8,748,759	7,253,440	0.91
Padini Holdings Berhad	2,628,600	8,761,239	8,411,520	1.05
Poh Huat Resources Holdings Berhad	6,654,800	10,001,768	9,449,816	1.18
Senheng New Retail Berhad	10,323,100	8,533,562	6,503,553	0.82
Sports Toto Berhad	4,124,900	8,345,425	7,548,567	0.95
Three-A Resources Berhad	17,149,075	18,789,146	14,662,459	1.84
UMW Holdings Berhad	1,112,100	3,350,535	3,447,510	0.43
Young Onn Corporation Berhad	4,448,500	5,869,584	4,982,320	0.62
	<u>101,336,048</u>	<u>174,783,564</u>	<u>155,022,665</u>	<u>19.43</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Energy</u>				
Dayang Enterprise Holdings Berhad	8,736,700	11,114,890	8,474,599	1.06
Hibiscus Petroleum Berhad	10,000,000	10,853,000	10,000,000	1.25
Velesto Energy Berhad	50,381,300	5,529,443	5,290,037	0.66
	<u>69,118,000</u>	<u>27,497,333</u>	<u>23,764,636</u>	<u>2.97</u>
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	5,077,000	15,119,342	16,144,860	2.02
Kenanga Investment Bank Berhad	6,888,200	10,322,898	6,199,380	0.78
RCE Capital Berhad	5,045,800	4,184,090	8,426,486	1.06
	<u>17,011,000</u>	<u>29,626,330</u>	<u>30,770,726</u>	<u>3.86</u>
<u>Health Care</u>				
Duopharma Biotech Berhad	5,090,327	7,377,450	6,108,392	0.77
Kossan Rubber Industries Berhad	6,748,200	12,390,779	8,907,624	1.12
Nova Wellness Group Berhad	7,160,900	6,381,431	6,301,592	0.79
	<u>18,999,427</u>	<u>26,149,660</u>	<u>21,317,608</u>	<u>2.68</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Industrial Products & Services</u>				
BP Plastics Holding Berhad	3,782,400	5,671,874	4,879,296	0.61
Chin Well Holdings Berhad	7,037,700	11,578,860	11,964,090	1.50
Dufu Technology Corp. Berhad	12,125,300	12,953,695	34,072,093	4.27
MTAG Group Berhad	22,864,100	16,157,177	10,631,807	1.33
Pestech International Berhad	10,469,900	12,245,144	4,606,756	0.58
Rohas Tecnic Berhad	7,740,400	7,460,357	2,167,312	0.27
SKP Resources Berhad	10,742,100	19,501,746	16,865,097	2.11
SLP Resources Berhad	10,004,200	13,604,114	9,003,780	1.13
Success Transformer Corporation Berhad	2,033,400	1,500,456	1,514,883	0.19
Thong Guan Industries Berhad	10,376,200	20,804,245	23,450,212	2.94
Uchi Technologies Berhad	8,548,800	20,207,272	25,475,424	3.19
United U-Li Corporation Berhad	10,370,150	13,106,295	10,370,150	1.30
V.S. Industry Berhad	8,079,700	10,038,825	8,039,302	1.01
	<u>124,174,350</u>	<u>164,830,060</u>	<u>163,040,202</u>	<u>20.43</u>
<u>Plantation</u>				
Hap Seng Plantations Holdings Berhad	4,897,400	13,676,091	11,264,020	1.41
Sarawak Oil Palms Berhad	635,100	2,651,175	2,546,751	0.32
TSH Resources Berhad	9,542,700	11,414,178	10,115,262	1.27
	<u>15,075,200</u>	<u>27,741,444</u>	<u>23,926,033</u>	<u>3.00</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Property</u>				
Eco World Development Group Berhad	14,541,400	11,653,071	9,670,031	1.21
Eco World Development Group Berhad - Warrant	4,872,820	520,119	438,554	0.05
Matrix Concepts Holdings Berhad	1,814,800	3,008,851	4,282,928	0.54
Sime Darby Property Berhad	32,312,100	19,230,691	14,540,445	1.82
	<u>53,541,120</u>	<u>34,412,732</u>	<u>28,931,958</u>	<u>3.62</u>
<u>Real Estate Investment Trust</u>				
Axis Real Estate Investment Trust	3,085,753	5,386,197	5,924,646	0.74
Sentral Real Estate Investment Trust	4,648,800	5,593,343	4,462,848	0.56
Sunway Real Estate Investment Trust	6,262,300	10,160,639	9,330,827	1.17
	<u>13,996,853</u>	<u>21,140,179</u>	<u>19,718,321</u>	<u>2.47</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2022	of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Cnerezg Berhad	16,850,900	9,805,457	9,605,013	1.20
D&O Green Technologies Berhad	1,106,700	4,198,608	4,260,795	0.53
Elsoft Research Berhad	4,827,200	4,507,772	3,041,136	0.38
Globetronics Technology Berhad	9,066,200	16,424,214	10,879,440	1.36
Inari Amertron Berhad	14,233,213	11,583,021	37,575,682	4.71
LGMS Berhad	5,322,500	2,661,250	3,858,813	0.48
Malaysian Pacific Industries Berhad	1,341,400	13,060,885	37,559,200	4.71
Pentamaster Corporation Berhad	2,160,150	4,544,742	7,970,954	1.00
SFP Tech Holdings Berhad	5,140,400	3,247,928	3,135,644	0.39
Unisem (M) Berhad	8,005,500	22,866,322	18,412,650	2.31
ViTrox Corporation Berhad	5,073,800	14,435,092	36,531,360	4.58
	<u>73,127,963</u>	<u>107,335,291</u>	<u>172,830,687</u>	<u>21.65</u>
<u>Telecommunications & Media</u>				
Astro Malaysia Holdings Berhad	7,174,700	6,791,405	6,493,104	0.81
REDtone Digital Berhad	14,078,100	6,351,475	5,490,459	0.69
	<u>21,252,800</u>	<u>13,142,880</u>	<u>11,983,563</u>	<u>1.50</u>

Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Transportation & Logistics</u>				
Pos Malaysia Berhad	4,347,900	3,026,445	2,391,344	0.30
<u>Utilities</u>				
Gas Malaysia Berhad	6,917,800	19,941,087	20,822,577	2.61
TOTAL QUOTED SECURITIES	<u>561,011,019</u>	677,453,324	<u>702,534,664</u>	88.04
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>25,081,340</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>702,534,664</u>	

7. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Bank balance with a licensed bank	1,861,318	899,426
Deposits with licensed financial institutions	116,717,687	97,945,635
	<u>118,579,005</u>	<u>98,845,061</u>

The effective weighted average interest rate of short term deposits with licensed financial institutions per annum as at the date of the financial position are as follow:

	2023	2022
	%	%
Deposits with licensed financial institutions	<u>3.69</u>	<u>2.10</u>

The deposits have an average maturity of 29 days (2022: 1 day).

8. UNITS IN CIRCULATION

	2023	2022
	No. of units	No. of units
At the beginning of the financial period	1,291,268,303	1,162,053,128
Creation of units arising from applications during the financial period	83,296,010	127,003,685
Cancellation of units during the financial period	<u>(90,055,024)</u>	<u>(59,563,573)</u>
At the end of the financial period	<u>1,284,509,289</u>	<u>1,229,493,240</u>

9. TRANSACTIONS WITH BROKERS

Details of transactions with the top 10 brokers are as follows:

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
Kenanga Investment Bank Berhad	53,951,835	14.93	102,508	13.18
RHB Investment Bank Berhad	51,236,449	14.18	97,349	12.52
CLSA Securities Malaysia Sdn Bhd	42,860,456	11.86	136,872	17.60
J.P. Morgan Securities (Malaysia) Sdn Bhd	40,543,598	11.22	77,033	9.91
Maybank Investment Bank Berhad	26,899,150	7.45	65,059	8.36
Hong Leong Investment Bank Berhad	26,756,044	7.41	65,959	8.48
Macquarie Capital Securities (Malaysia) Sdn Bhd	21,678,278	6.00	41,189	5.30
KAF Equities Sdn Bhd	20,239,723	5.60	38,456	4.95
CGS – CIMB Securities Sdn Bhd	19,883,288	5.50	37,778	4.86
UOB Kay Hian Securities (M) Sdn Bhd	14,401,187	3.99	27,362	3.52
Others	42,844,813	11.86	88,079	11.32
	361,294,821	100.00	777,644	100.00

Name of brokers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total trades		of total brokerage fees
	RM	%	RM	%
<u>2022</u>				
CLSA Securities Malaysia Sdn Bhd	44,085,471	12.76	88,171	12.13
CGS – CIMB Securities Sdn Bhd	39,554,045	11.45	67,558	9.29
Credit Suisse Securities (Malaysia) Sdn Bhd	36,227,019	10.48	64,759	8.91
RHB Investment Bank Berhad	33,612,512	9.73	67,225	9.25
Maybank Investment Bank Berhad	31,282,175	9.05	73,280	10.08
UBS Securities Malaysia Sdn Bhd	29,076,609	8.41	58,153	8.00
J.P. Morgan Securities (Malaysia) Sdn Bhd	25,479,126	7.37	50,958	7.01
Affin Hwang Investment Bank Berhad	21,557,524	6.24	43,115	5.93
Kenanga Investment Bank Berhad	20,909,908	6.05	41,821	5.76
KAF Equities Sdn Bhd	20,006,294	5.79	40,013	5.50
Others	43,748,877	12.67	131,857	18.14
	345,539,560	100.00	726,910	100.00

All brokers highlighted above are not related to the Manager.

10. 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 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	7,152	4,605	6,844	4,441

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.

In addition to the related parties disclosure mentioned in the financial statements, there were no other significant related parties transactions and balances.

11. TOTAL EXPENSE RATIO (“TER”)

	2023	2022
	%	%
TER	0.79	0.79

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 (excluding sales and service tax on transaction cost and withholding tax)

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 RM845,922,996 (2022: RM822,964,821).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	0.21	0.21

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial period = RM190,306,164 (2022: RM202,302,909)

total disposals for the financial period = RM171,084,408 (2022: RM143,324,634)

13. APPROVAL OF FINANCIAL STATEMENTS

The unaudited 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 Damanlela

Bukit Damansara

50490 Kuala Lumpur

BUSINESS OFFICE

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 3888

FAX NO.

603-2789 7220

EMAIL

cs.my@eastspring.com

WEBSITE

www.eastspring.com/my

TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE

Level 20, Menara IMC

No. 8, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2053 7522

FAX NO.

603-2053 7526

SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 1000

BRANCHES

Petaling Jaya

Eastspring Investments Berhad
A-17-P1 & M
Block A, Jaya One
72A, Jalan Profesor Diraja Ungku Aziz
46200 Petaling Jaya, Selangor

TELEPHONE NO.

603-7948 1288

Kota Kinabalu

Eastspring Investments Berhad
Suite E3, 9th Floor
CPS Tower, Centre Point Sabah
No. 1, Jalan Centre Point
88000 Kota Kinabalu, Sabah

TELEPHONE NO.

6088-238 613

ENQUIRIES

CLIENT SERVICES

603-2778 1000

Eastspring Investments Berhad 200001028634 (531241-U)
Level 22, Menara Prudential, Persiaran TRX Barat
55188 Tun Razak Exchange, Kuala Lumpur
T: (603) 2778 3888 F: (603) 2789 7220
eastspring.com/my

Client Services
T: (603) 2778 1000
cs.my@eastspring.com