

EASTSPRING INVESTMENTS GLOBAL TARGET INCOME FUND

SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 30 NOVEMBER 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 Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 November 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	<p>Eastspring Investments Global Target* Income Fund (the "Fund")</p> <p>* The Fund aims (i.e. Target) to distribute income at least once a year subject to availability of income.</p>
Fund Category/ Type	<p>Bond/income</p>
Fund Objective	<p>The Fund endeavours to provide regular income**.</p> <p>ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p> <p>** Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.</p>
Performance Benchmark	<p>12 month Maybank fixed deposit rate + 1% per annum.</p> <p>Source: www.maybank2u.com.my</p> <p>Note: As the Fund will invest in global markets across various bonds of different rating, the risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	<p>At least once a year, subject to the availability of income.</p>

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

Category	2023	2022	2021
	(%)	(%)	(%)
Unquoted fixed income securities	95.94	92.14	93.16
Derivatives	(0.90)	(3.72)	(0.15)
Cash and other assets	4.96	11.58	6.99
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	79,341	115,768	170,204
Units In Circulation (Units '000)	226,600	288,527	363,601
Net Asset Value Per Unit (RM)	0.3501	0.4012	0.4681
Highest Net Asset Value Per Unit (RM) [#]	0.3648	0.4373	0.4787
Lowest Net Asset Value Per Unit (RM) [#]	0.3303	0.3720	0.4663
Total Return (%)			
- Capital Growth	(3.53)	(7.85)	(6.25)
- Income Distribution	-	-	5.24
Total Return (%)	(3.53)	(7.85)	(1.33)
Gross Distribution Per Unit (RM)	-	-	0.0250
Net Distribution Per Unit (RM)	-	-	0.0250
Total Expense Ratio (TER) (%) [*]	0.71	0.69	0.68
Portfolio Turnover Ratio (PTR) (times) [^]	0.41	0.20	0.13

[#] Figure 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 1.12.2022 to 30.11.2023	3 years 1.12.2020 to 30.11.2023	5 years 1.12.2018 to 30.11.2023
	(%)	(%)	(%)
Average total return	(12.74)	(9.59)	(3.38)

Year ended	1.6.2022 to 31.5.2023	1.6.2021 to 31.5.2022	1.6.2020 to 31.5.2021	1.6.2019 to 31.5.2020	1.6.2018 to 31.5.2019
	(%)	(%)	(%)	(%)	(%)
Annual total return	(16.65)	(8.22)	9.00	(1.62)	3.16

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

NAV₀ = 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

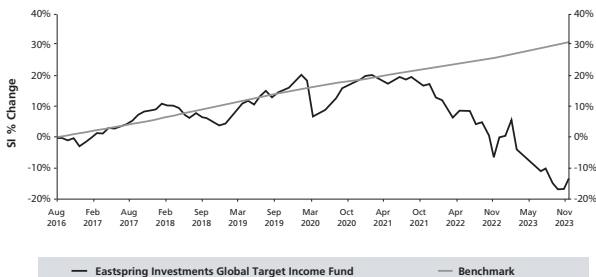
Fund Performance

Over the 5-year period, the Fund registered a return of -15.81%, underperforming the benchmark return of 18.83% by 34.64%.

For the period under review, the Fund registered a return of -3.53%, underperforming the benchmark return of 2.04% by 5.57%.

Mark to market changes in currency hedges was the primary performance detractor over the period under review. To a lesser extent, exposures to Indonesia and Hong Kong also detracted from returns. Across sectors, Indonesia and China real estate weighed on performance, although the drag was partially mitigated by positions in the Ukraine and UK financial sectors.

**Eastspring Investments Global Target Income Fund
- Since Inception (SI) Return Vs Benchmark**



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

Benchmark: 12 month Maybank fixed deposit rate + 1% per annum.

Source: Lipper for Investment Management, www.maybank2u.com.my, as at 30 November 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 November 2023:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	(3.53)	(3.53)	2.04

* 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 November 2023.

Investment Strategy During the Period Under Review

The Fund seeks to achieve its objective by investing in bonds such as rated bonds, non-rated bonds or bonds rated below investment grade globally, including Malaysia. Non-rated bonds are bonds that have not received a credit rating from major credit rating agencies. The Fund's investments may also include liquid assets.

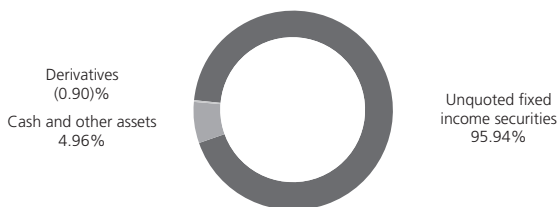
The Fund is expected to invest up to 40% of the Fund's Net Asset Value ("NAV") in non-rated bonds or bonds rated below investment grade. There is a risk that this limit may be exceeded due to reasons such as market value fluctuations and rating downgrades. This may result in the Fund being exposed to higher credit risk. In the event the 40% limit is exceeded, the Manager will rectify such breach within a reasonable period of not more than three (3) months, by disposing non-rated bonds or bonds rated below investment grade, reducing this exposure to the 40% threshold.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Nov 2023	31-May 2023	Changes
	(%)	(%)	(%)
Unquoted fixed income securities	95.94	101.86	(5.82)
Derivatives	(0.90)	(10.34)	9.44
Cash and other assets	4.96	8.48	(3.52)

Asset Allocation as at 30 November 2023



During the period under review, as the Fund employs hedging, the negative derivative position was due to the mark to market effect of the Fund's derivative holdings.

MANAGER'S REPORT (CONTINUED)

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.

We will issue the Eighth Supplementary Master Prospectus dated 2 February 2024 with the following changes:

- a) We, as the Manager reserves the right to change the minimum amounts and number of units in relation to investments into the Fund. We will notify unit holders by way letter should we decide to increase the minimum amounts and number of units;
- b) To lower minimum initial and/or additional investments amount, minimum redemption and minimum holding units for investments via our digital platform as well as on our distributor's digital platform;
- c) To only allow income distribution payments via electronic bank transfer (e-payment);
- d) To implement auto-reinvestment of the income distributions in the absence of a registered bank account; and
- e) To implement auto-reinvestment enhancement for income distributions paid to unit holders should there be unclaimed income distribution payment for the last three (3) consecutive distributions.

With above, unit holders may refer to **Appendix 1** for the detailed list of changes.

Cross-Trade Transaction

During the period under review, there were cross-trades executed through a dealer or a financial institution on an arm's length and fair value basis and in the best interest of the Fund. There were no cross-trades executed for the months of June 2023 until August 2023. The investment committee for the Fund has reviewed that such trades for the month of September 2023 were transacted on an arm's length and fair value basis and in the best interest of the Fund. The trades for the month of October 2023 and November 2023 will be tabled for review at the upcoming investment committee meeting.

MARKET REVIEW

The period under review was characterised by elevated geopolitical tension, higher bond yields and a general weakness in China. Global growth slowed with services activity displaying signs of deterioration to an already weak manufacturing sector. Most central banks kept interest rates unchanged, as they strived to balance combating surging inflation and avoiding a recession. The US Federal Reserve raised rates in July but took a pause on its interest rate hikes in the remaining months, as inflation appeared to have slowed to a more comfortable pace.

US Treasury yields (“UST”) rose on the back of a weak fiscal outlook, which led Fitch Ratings to downgrade the long-term issuer ratings for the United States. In November, Moody’s likewise downgraded its outlook on the US credit rating to negative from stable, citing the country’s large fiscal deficit and political polarization within Congress. Meanwhile the economic recovery in China, had weakened due to the property downturn, impacted investor sentiment and left a few developers struggling to meet their repayment obligations.

Over the 6 months, the US Treasury (“UST”) yield curve shifted up with the two- and ten-year UST yields rising 28 bps and 68 bps to 4.68% and 4.33% respectively. The Fed maintained policy rates, given that US job gains have moderated while tighter financial and credit conditions were projected to weigh on economic activity, hiring and inflation. Nonfarm payrolls had been increasing at a slower than expected pace and US CPI inflation also grew below expectations.

Asian and emerging-market bonds recorded positive returns on the back of tighter credit spreads. The JP Morgan Asia Credit Index (“JACI”) registered a total return of 1.68%, while the JP Morgan Emerging Markets Bond Index Global Diversified (“EMBIGD”) gained 4.18%. Fixed income markets were under selling pressure between June and October but sentiment turned around in November as Treasury yields declined.

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.

EASTSPRING INVESTMENTS GLOBAL TARGET INCOME FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 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 12 to 67 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 November 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: 19 January 2024

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

We have acted as Trustee of the Fund for the financial period ended 30 November 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: 19 January 2024

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

	Note	6-months financial period ended 30.11.2023	6-months financial period ended 30.11.2022
		RM	RM
INVESTMENT LOSS			
Interest income from deposits with licensed financial institutions		43,288	85,172
Interest income from unquoted fixed income securities		3,278,461	5,281,867
Other income		-	11
Net loss on financial assets at fair value through profit or loss	6	(1,234,044)	(15,084,728)
Net (loss)/gain on forward foreign currency contracts	8	(3,745,530)	119,602
Net foreign currency exchange (loss)/gain		(141,908)	30,369
		<u>(1,799,733)</u>	<u>(9,567,707)</u>
EXPENSES			
Management fee	3	(525,705)	(785,807)
Trustee fee	4	(29,440)	(44,005)
Audit fee		(6,500)	(6,517)
Tax agent fee		(2,500)	(1,704)
Other expenses		(29,925)	(24,939)
		<u>(594,070)</u>	<u>(862,972)</u>
LOSS BEFORE TAXATION		(2,393,803)	(10,430,679)
TAXATION	5	(1,028,197)	(195,283)
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS		<u>(3,422,000)</u>	<u>(10,625,962)</u>
Loss after taxation is made up of the following:			
Realised amount		(14,947,217)	(2,309,721)
Unrealised amount		11,525,217	(8,316,241)
		<u>(3,422,000)</u>	<u>(10,625,962)</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 NOVEMBER 2023

	Note	2023	2022
		RM	RM
ASSETS			
Cash and cash equivalents	7	5,046,060	14,000,721
Forward foreign currency contracts at fair value through profit or loss	8	373,471	-
Financial assets at fair value through profit or loss	6	76,117,759	106,713,828
Amount due from Manager		313,103	233,522
Tax recoverable		-	278,675
TOTAL ASSETS		81,850,393	121,226,746
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	8	1,086,296	4,306,354
Accrued management fee		79,333	114,107
Amount due to Manager		299,434	131,411
Amount due to Trustee		4,443	6,390
Amount due to broker		936,613	879,895
Tax payable		87,366	-
Other payables and accruals		16,315	21,018
TOTAL LIABILITIES		2,509,800	5,459,175
NET ASSET VALUE OF THE FUND		79,340,593	115,767,571
EQUITY			
Unit holders' capital		123,466,452	146,193,911
Accumulated losses		(44,125,859)	(30,426,340)
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		79,340,593	115,767,571
NUMBER OF UNITS IN CIRCULATION	9	226,599,759	288,527,349
NET ASSET VALUE PER UNIT (RM)		0.3501	0.4012

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 NOVEMBER 2023

	Unit holders' capital	Accumulated losses	Total
	RM	RM	RM
Balance as at 1 June 2023	136,356,790	(40,703,859)	95,652,931
Movement in unit holders' contribution:			
Creation of units from applications	524,493	-	524,493
Cancellation of units	(13,414,831)	-	(13,414,831)
Total comprehensive loss for the financial period	-	(3,422,000)	(3,422,000)
Balance as at 30 November 2023	<u>123,466,452</u>	<u>(44,125,859)</u>	<u>79,340,593</u>
Balance as at 1 June 2022	159,620,153	(19,800,378)	139,819,775
Movement in unit holders' contribution:			
Creation of units from applications	1,033,137	-	1,033,137
Cancellation of units	(14,459,379)	-	(14,459,379)
Total comprehensive loss for the financial period	-	(10,625,962)	(10,625,962)
Balance as at 30 November 2022	<u>146,193,911</u>	<u>(30,426,340)</u>	<u>115,767,571</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 NOVEMBER 2023

	Note	6-months financial period ended 30.11.2023	6-months financial period ended 30.11.2022
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		48,977,636	35,413,705
Payments for purchase of investments		(27,457,128)	(37,055,852)
Net realised loss on forward foreign currency contracts		(12,923,915)	-
Interest income received from deposits with licensed financial institutions		43,288	85,172
Interest income received from unquoted fixed income securities		2,771,308	3,572,207
Management fee paid		(550,541)	(820,029)
Trustee fee paid		(30,830)	(45,921)
Payment for other fees and expenses		(51,924)	(41,007)
Tax paid		(1,169,570)	(575,000)
Net realised foreign exchange (loss)/gain		(142,260)	17,562
Net cash generated from operating activities		<u>9,466,064</u>	<u>550,837</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units created		211,390	799,615
Payments for cancellation of units		(13,397,485)	(14,741,048)
Net cash used in financing activities		<u>(13,186,095)</u>	<u>(13,941,433)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(3,720,031)	(13,390,596)
EFFECTS OF FOREIGN EXCHANGE DIFFERENCES			
		352	12,807
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD			
		<u>8,765,739</u>	<u>27,378,510</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD			
	7	<u>5,046,060</u>	<u>14,000,721</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 NOVEMBER 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 K.

a. Standards and amendments to existing standards effective 1 January 2023:

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

b. New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 June 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 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).

Interest income from unquoted fixed income securities including amortisation of premium and accretion of discount are recognised using the effective interest method.

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

Tax expense for the period comprises current and deferred income tax.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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. 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 period-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.

F. 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 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, amount due to broker 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.

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” including the effects 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 period in which they arise.

Derivative investments are forward foreign currency contracts. Financial derivative position will be “marked to market” at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in statement of comprehensive income when settled or at date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument.

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 as per the Securities Commission’s (“SC”) Guidelines on Unit Trust Funds. Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the price obtained by Reuters. Where Reuters prices are not available on valuation day, these unquoted fixed income securities will be valued by reference to the average indicative yield quoted by three independent and reputable financial institutions.

Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA or the Reuters price 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 a non-BPA price or the Reuters price;
- (ii) obtains necessary internal approvals to use the non-BPA price or the Reuters price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

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 period.

G. 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.

H. 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.

I. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss and accounted for in accordance with the accounting policy set out in Note F to the financial statements.

J. 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.

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 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 UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2023

1. INFORMATION ON THE FUND

Eastspring Investments Global Target Income Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 15 December 2015 (the “Deed”) entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) followed by first Supplemental Deed dated 22 June 2022 (collectively referred to as the “Deeds”).

The Fund was launched on 18 July 2016 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Fund seeks to achieve its objective by investing in bonds such as rated bonds, non-rated bonds and/or bonds rated below investment grade globally including Malaysia. Non-rated bonds are bonds that have not received a credit rating from one or more of the major credit rating agencies. The Fund’s investments may also include liquid assets.

The main objective of the Fund is endeavours to provide regular income.

All investments will be subjected to the Securities Commission’s (“SC”) Guidelines on Unit Trust Funds, the Deed 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), country risk, fund management risk, liquidity risk, non-compliance risk, capital risk and credit/default 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	Financial liabilities at fair value through profit or loss	Total	
				RM	RM
<u>2023</u>					
7	5,046,060	-	-	5,046,060	
6	-	76,117,759	-	76,117,759	
8	-	373,471	(1,086,296)	(712,825)	
	313,103	-	-	313,103	
	<u>5,359,163</u>	<u>76,491,230</u>	<u>(1,086,296)</u>	<u>80,764,097</u>	
<u>2022</u>					
7	14,000,721	-	-	14,000,721	
6	-	106,713,828	-	106,713,828	
8	-	-	(4,306,354)	(4,306,354)	
	233,522	-	-	233,522	
	<u>14,234,243</u>	<u>106,713,828</u>	<u>(4,306,354)</u>	<u>116,641,717</u>	

All liabilities except for forward foreign currency contracts 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 November which are exposed to price risk:

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Unquoted fixed income securities*	<u>76,117,759</u>	<u>106,713,828</u>

* Includes interest receivable of RM947,488 (2022: RM1,462,150).

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

% Change in price	2023		2022	
	Market value	Impact on loss after tax and net asset value	Market value	Impact on loss after tax and net asset value
	RM	RM	RM	RM
+5% (2022: +5%)	78,928,785	3,758,514	110,514,262	5,262,584
-5% (2022: -5%)	71,411,757	(3,758,514)	99,989,094	(5,262,584)

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 loss after tax and net asset value to movements in pricing of unquoted fixed income securities held by the Fund at the end of each reporting financial period as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 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 loss after tax and net asset value	Impact on loss after tax and net asset value
	RM	RM
+1% (2022: +1%)	(386,935)	(541,382)
-1% (2022: -1%)	392,891	549,367

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	Forward foreign currency contracts	Cash and cash equivalents	Total
	RM	RM	RM	RM
<u>2023</u>				
EUR	-	-	58	58
SGD	5,106,319	(1,072,879)	12,245	4,045,685
USD	71,011,440	360,054	1,222,559	72,594,053
	<u>76,117,759</u>	<u>(712,825)</u>	<u>1,234,862</u>	<u>76,639,796</u>
<u>2022</u>				
SGD	13,489,286	(826,007)	4,381,105	17,044,384
USD	83,025,420	(3,480,347)	7,872,658	87,417,731
	<u>96,514,706</u>	<u>(4,306,354)</u>	<u>12,253,763</u>	<u>104,462,115</u>

The table below summarises the sensitivity of the Fund's loss after tax and net asset value to changes in foreign exchange movements at the end of each reporting financial period. The analysis is based on the assumption that the foreign exchange rate changes by each currency's respective historical volatility, with all variables remain constant. 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 loss after tax	Impact on net asset value
	%	RM	RM
<u>2023</u>			
EUR	4.28	2	2
SGD	2.78	112,470	112,470
USD	4.46	3,327,695	3,327,695
<u>2022</u>			
SGD	5.00	852,219	852,219
USD	5.00	4,370,887	4,370,887

Country risk

A unit trust fund that invests in foreign countries may experience more rapid and extreme changes in value than a unit trust fund that invests exclusively in Malaysia. Nationalisation, expropriation or confiscatory, taxation, currency blockage, political changes or diplomatic developments could adversely affect a unit trust fund's investments in a foreign country. In the event of nationalisation, expropriation or other confiscation, a unit trust fund could lose its entire investment in foreign countries. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated. Careful consideration shall be given to risk factors such as liquidity, political and economic environment before any investments are made in a foreign country.

Fund management risk

There is the risk that the Manager 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 interests 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, 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	More than 1 year	Total
	RM	RM	RM	RM
2023				
Forward foreign currency contracts at fair value through profit or loss	-	1,086,296	-	1,086,296
Accrued management fee	79,333	-	-	79,333
Amount due to Manager	299,434	-	-	299,434
Amount due to Trustee	4,443	-	-	4,443
Amount due to broker	936,613	-	-	936,613
Other payables and accruals	-	16,315	-	16,315
Contractual undiscounted cash outflows	<u>1,319,823</u>	<u>1,102,611</u>	<u>-</u>	<u>2,422,434</u>
2022				
Forward foreign currency contracts at fair value through profit or loss	-	4,135,905	170,449	4,306,354
Accrued management fee	114,107	-	-	114,107
Amount due to Manager	131,411	-	-	131,411
Amount due to Trustee	6,390	-	-	6,390
Amount due to broker	879,895	-	-	879,895
Other payables and accruals	-	21,018	-	21,018
Contractual undiscounted cash outflows	<u>1,131,803</u>	<u>4,156,923</u>	<u>170,449</u>	<u>5,459,175</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.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM123,466,452 (2022: RM146,193,911) and accumulated losses of RM44,125,859 (2022: RM30,426,340) 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.

Credit/Default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of interest, principals and proceeds from realisation of investments. In the case of the Fund, both the Manager and the External Fund Manager regularly review the ratings assigned to the Issuer so that the necessary steps can be taken if the ratings fall below those prescribed by the Deeds.

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.

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 Fund seeks to mitigate credit/default risk by investing in high quality unquoted fixed income securities and entering into forward foreign currency contracts with reputable counterparties.

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

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2023</u>				
Financial Services				
- AA1	5,046,060	-	-	5,046,060
Unquoted Fixed Income Securities				
Communications				
- BBB	-	1,349,813	-	1,349,813
Consumer Discretionary				
- A	-	553,045	-	553,045
- B+	-	8,458,664	-	8,458,664
Consumer Staples				
- Baa2	-	734,622	-	734,622
Energy				
- A+	-	842,148	-	842,148
- A1	-	1,620,091	-	1,620,091
- Baa3	-	3,753,429	-	3,753,429
- BBB	-	2,432,385	-	2,432,385
- BBB+	-	1,159,877	-	1,159,877
- NR	-	2,389,207	-	2,389,207
Financials				
- A+	-	4,978,315	-	4,978,315
- A3	-	784,979	-	784,979
- AA+	-	968,116	-	968,116
- Aa3	-	4,790,513	-	4,790,513
- Ba1	-	915,295	-	915,295
- Baa3	-	4,847,757	-	4,847,757
- BBB-	-	2,811,522	-	2,811,522
- BBB+	-	618,292	-	618,292
- NR	-	11,194,546	-	11,194,546

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2023</u> (continued)				
Government				
- A	-	576,728	-	576,728
- AA	-	534,993	-	534,993
- AA-	-	931,579	-	931,579
- Aaa	-	457,625	-	457,625
- Ba1u	-	934,550	-	934,550
- Baa3	-	1,868,674	-	1,868,674
- BB+	-	622,126	-	622,126
- BBB	-	1,156,937	-	1,156,937
- BBB-	-	2,875,757	-	2,875,757
- NR	-	2,369,012	-	2,369,012
Industrials				
- Baa2	-	912,012	-	912,012
- BBB-	-	1,847,147	-	1,847,147
- NR	-	1,453,641	-	1,453,641
Materials				
- Baa2	-	1,783,201	-	1,783,201
Utilities				
- A2	-	893,879	-	893,879
- Baa3	-	769,715	-	769,715
- NR	-	927,568	-	927,568
Forward foreign currency contracts				
Others	-	373,471	-	373,471
- NR	-	-	313,103	313,103
	5,046,060	76,491,230	313,103	81,850,393

	Cash and cash equivalents	Financial assets at fair value through profit and loss	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2022</u>				
Financial Services				
- AA1	14,000,721	-	-	14,000,721
Unquoted fixed income securities				
- AA	-	2,490,202	-	2,490,202
- A+	-	1,388,263	-	1,388,263
- A	-	3,835,135	-	3,835,135
- A-2	-	1,696,188	-	1,696,188
- A-	-	2,226,853	-	2,226,853
- AA3 (S)	-	10,199,122	-	10,199,122
- BBB+	-	2,169,290	-	2,169,290
- BBB	-	23,350,436	-	23,350,436
- Baa2	-	840,690	-	840,690
- BBB-	-	7,989,036	-	7,989,036
- Baa3	-	5,148,715	-	5,148,715
- BB+	-	2,326,936	-	2,326,936
- BB	-	2,170,564	-	2,170,564
- BB-	-	689,011	-	689,011
- B+	-	12,465,735	-	12,465,735
- B-	-	98,773	-	98,773
- CCC	-	444,300	-	444,300
- CC	-	206,637	-	206,637
- C	-	437,633	-	437,633
- D	-	6,982,965	-	6,982,965
- NR	-	19,557,344	-	19,557,344
Other				
- NR	-	-	233,522	233,522
	<u>14,000,721</u>	<u>106,713,828</u>	<u>233,522</u>	<u>120,948,071</u>

None of these financial assets are past due or impaired.

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 traded derivatives and 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 or liability 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. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial period end date.

Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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 and financial liabilities (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:				
Unquoted fixed income securities	-	76,117,759	-	76,117,759
Forward foreign currency contracts	-	373,471	-	373,471
	<u>-</u>	<u>76,491,230</u>	<u>-</u>	<u>76,491,230</u>
Financial liabilities at fair value through profit or loss:				
Forward foreign currency contracts	-	(1,086,296)	-	(1,086,296)
	<u>-</u>	<u>(1,086,296)</u>	<u>-</u>	<u>(1,086,296)</u>
<u>2022</u>				
Financial assets at fair value through profit or loss:				
Unquoted fixed income securities	-	106,713,828	-	106,713,828
	<u>-</u>	<u>106,713,828</u>	<u>-</u>	<u>106,713,828</u>
Financial liabilities at fair value through profit or loss:				
Forward foreign currency contracts	-	(4,306,354)	-	(4,306,354)
	<u>-</u>	<u>(4,306,354)</u>	<u>-</u>	<u>(4,306,354)</u>

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, which include unquoted fixed income securities and forward foreign currency contracts. 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 F to the financial statements.

- ii. The carrying value of cash and cash equivalents, amount due from Manager and all liabilities, except for forward foreign currency contracts, 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 a daily basis.

For the financial period ended 30 November 2023, the Management fee is recognised at a rate of 1.25% (2022: 1.25%) 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 RM15,000 per annum (excluding foreign custodian fees and charges).

For the financial period ended 30 November 2023, the Trustee fee is recognised at a rate of 0.07% (2022: 0.07%) subject to a minimum fee of RM15,000 per annum on the net asset value of the Fund, excluding foreign custodian charges, 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 30.11.2023	6-months financial period ended 30.11.2022
	RM	RM
Tax charged for the financial period:		
Current taxation	1,028,197	195,283

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 30.11.2023	6-months financial period ended 30.11.2022
	RM	RM
Loss before taxation	(2,393,803)	(10,430,679)
Tax at Malaysian statutory rate of 24% (2022: 24%)	(574,513)	(2,503,363)
Tax effects of:		
Investment loss not deductible for tax purposes	1,460,133	2,491,532
Expenses not deductible for tax purposes	14,848	16,956
Restriction on tax deductible expenses for Unit Trust Funds	127,729	190,158
Taxation	1,028,197	195,283

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Unquoted fixed income securities	76,117,759	106,713,828
Net loss on financial assets at fair value through profit or loss:		
Realised loss on disposals	(3,580,524)	(6,636,077)
Change in unrealised fair value gain/(loss)	2,346,480	(8,448,651)
	<u>(1,234,044)</u>	<u>(15,084,728)</u>

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	SGD	RM	RM	%
0.00% Lippo Malls Indonesia Retail Trust 31.12.2099 (NR)*	9,750,000	127,204	5,106,319	6.44

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.375% AES Panama Generation Holdings S. de R.L. 31.5.2030 (Baa3)	198,209	830,808	769,715	0.97
3.064% Axiata SPV5 (Labuan) Limited 19.8.2050 (BBB)	200,000	670,539	590,593	0.74

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.425% CCCI Treasure Limited 21.11.2024 (Baa2)	200,000	847,925	912,012	1.15
3.08% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A2)	200,000	825,306	893,879	1.13
3.875% CNAC (HK) Finbridge Company Limited 19.6.2029 (Baa2)	200,000	917,909	868,463	1.09
4.875% CNOOC Finance (2014) ULC 30.4.2044 (A+)	200,000	1,127,015	842,148	1.06
2.78% Dua Capital Ltd. 11.5.2031 (NR)	200,000	763,238	784,979	0.99
4.387% EIG Pearl Holdings S.A R.L. 30.11.2046 (A1)	200,000	750,620	696,130	0.88
2.70% Emirate of Abu Dhabi 2.9.2070 (AA)	200,000	620,375	534,993	0.67
3.516% Emirates Development Bank P.J.S.C. 6.3.2024 (AA-)	200,000	931,757	931,579	1.17
3.068% Empresa De Los Ferrocarriles Del Estado 18.8.2050 (A)	200,000	846,376	553,045	0.70
3.939% ESIC Sukuk Limited 30.7.2024 (Baa3)	200,000	855,176	921,741	1.16

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.875% Export-Import Bank of India 12.3.2024 (Baa3)	400,000	1,838,616	1,868,674	2.36
6.07% Export-Import Bank of India 6.3.2024 (BBB-)	200,000	938,617	972,691	1.23
6.20% Export-Import Bank of India 20.3.2024 (BBB-)	200,000	936,662	971,634	1.22
4.50% First Abu Dhabi Bank P.J.S.C 31.12.2099 (Baa3)	200,000	837,320	882,502	1.11
2.95% GLP China Holdings Limited 29.3.2026 (NR)	200,000	764,881	526,316	0.66
3.25% Government of Chile 21.9.2071 (A)	200,000	647,257	576,728	0.73
6.375% HSBC Holdings Plc 30.3.2025 (Baa3)	200,000	820,533	912,355	1.15
6.00% HSBC Holdings Plc 22.5.2027 (Baa3)	500,000	2,163,493	2,131,160	2.69
3.75% Huarong Finance 2019 Co., Ltd 29.5.2024 (Ba1)	200,000	868,481	915,295	1.15
4.75% Indian Oil Corporation Limited 16.1.2024 (Baa3)	200,000	923,228	946,659	1.19
3.73% Indian Railway Finance Corporation Limited 29.3.2024 (BBB-)	200,000	886,416	931,432	1.17

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
6.45% International Bank for Reconstruction and Development 11.10.2033 (NR)	500,000	2,381,859	2,369,012	2.99
3.375% IOI Investment (L) Berhad 2.11.2031 (Baa2)	200,000	780,083	734,622	0.93
0.00% Kondor Finance Plc 19.7.2022 (NR)**	175,000	706,191	546,033	0.69
5.40% Kookmin Bank 28.5.2024 (A+)	200,000	943,646	955,365	1.20
5.40% Kookmin Bank 22.1.2024 (Aa3)	200,000	910,250	973,481	1.23
5.83% Kookmin Bank 28.6.2024 (Aa3)	200,000	950,829	951,099	1.20
5.92% Kookmin Bank 2.8.2024 (Aa3)	200,000	927,780	946,445	1.19
5.25% Li & Fung Limited 29.12.2049 (B+)	4,000,000	14,088,821	8,458,664	10.66
5.00% Modernland Overseas Pte Ltd*** 30.4.2027 (NR)	198,599	265,583	331,185	0.42
4.00% Modernland Overseas Pte Ltd*** 13.4.2024 (NR)	3,467,875	15,089,599	5,757,042	7.26
5.36% Nonghyup Bank 22.4.2024 (A+)	200,000	910,386	959,308	1.21
5.95% Nonghyup Bank 18.11.2024 (A+)	200,000	943,069	933,486	1.18
5.375% Oil India Limited 17.4.2024 (Baa3)	600,000	2,754,646	2,806,770	3.54

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
2.50% PLDT Inc. 23.1.2031 (BBB)	200,000	780,176	759,220	0.96
4.75% PT Indonesia Asahan Aluminium (Persero) 15.5.2025 (Baa2)	200,000	864,354	914,738	1.15
4.875% PT Pelabuhan Indonesia II (Persero) 1.10.2024 (NR)	200,000	926,661	927,325	1.17
5.125% PT Perusahaan Gas Negara TBK 16.5.2024 (NR)	200,000	931,669	927,568	1.17
4.45% PT Saka Energi Indonesia 5.5.2024 (NR)	400,000	1,793,658	1,843,173	2.32
4.25% PT Tower Bersama Infrastructure TBK 21.1.2025 (BBB-)	400,000	1,791,762	1,847,147	2.33
3.70% PTT Treasury Center Company Limited 16.7.2070 (BBB+)	200,000	654,104	618,292	0.78
5.285% QNB Finance Ltd 18.4.2024 (A+)	200,000	910,639	958,220	1.21
5.60% QNB Finance Ltd 23.12.2023 (Aa3)	200,000	935,695	979,829	1.23
5.70% QNB Finance Ltd 24.8.2024 (Aa3)	200,000	941,494	939,660	1.18
4.125% Reliance Industries Limited 28.1.2025 (BBB+)	250,000	1,179,374	1,159,877	1.46
4.75% Republic of Azerbaijan 18.3.2024 (Ba1u)	200,000	865,880	934,550	1.18

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.87% Republic of Panama 23.7.2060 (BBB)	200,000	689,438	539,057	0.68
3.60% Republic of Peru 15.1.2072 (BBB)	200,000	687,087	617,880	0.78
4.125% Republica De Colombia 22.2.2042 (BB+)	200,000	639,126	622,126	0.78
2.875% Saudi Arabian Oil Company 16.4.2024 (A1)	200,000	919,654	923,962	1.16
4.375% State Bank of India 24.1.2024 (BBB-)	200,000	915,714	943,824	1.19
4.875% State Bank of India 17.4.2024 (BBB-)	400,000	1,850,439	1,867,698	2.35
3.75% Thailoil Treasury Center Company Limited 18.6.2050 (BBB)	800,000	3,475,258	2,432,384	3.07
5.40% The Hong Kong Mortgage Corporation Limited 26.2.2024 (AA+)	200,000	923,771	968,115	1.22
1.25% United States of America 15.5.2050 (Aaa)	200,000	493,185	457,624	0.58

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
6.00% Woori Bank 18.10.2024 (A+)	250,000	1,189,670	1,171,936	1.48
	<u>30,889,683</u>	<u>87,751,302</u>	<u>76,117,759</u>	<u>95.94</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>(11,633,543)</u>	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>76,117,759</u>	

- * Lippo Malls Indonesia Retail Trust (the “Company”) is in active discussions with its bank lenders for a comprehensive solution to address the bank debts maturing over the next 12 months as well as the US\$ bonds due in 2024 and 2026. It is also exploring asset recycling opportunities to divest its non-core non-strategic assets at reasonable market prices. The Manager does not expect non-core asset disposals in the near term, given high execution risk.
- ** Kondor Finance PLC, the financing arm of Naftogaz of Ukraine (“Naftogaz”), Ukraine’s largest national oil and gas company defaulted on its US\$335M bond due on 19 July 2022 when the Government of Ukraine instructed it to defer payments for up to 2 years. At the time of default, Naftogaz had more than sufficient cash on its balance sheet to make the payments and leading up to the event, the Company communicated that it had the resources and the intention to pay its obligations on time. The Government nonetheless ordered it to not pay and approach investors with a restructuring plan, part of a 2-year freeze on all sovereign and state agencies payments to free up resources to deal with Russia’s invasion. Bondholders have rejected three proposals since.
- *** Modernland Overseas Pte. Ltd. And JGC Ventures Pte. Ltd. (together, the “Companies”) need to complete US\$200million of asset sales by 31 December 2024 as required by the JGC Ventures Pte Ltd due June 2025 and Modernland Overseas Pte Ltd due April 2027: 75% of proceeds to be used for Reverse Dutch Auction (RDA) to deleverage. US\$70million of the US\$200million asset sales target was achieved in 2021 after asset sales to PT Astra Modernland and this was used for the RDA in 2022 – US\$102.9million was bought back comprising US\$48.4million of JGC Ventures Pte Ltd and US\$54.5million of the Modernland Overseas Pte Ltd, at clearing prices of 53 cents and 47 cents respectively. No further sales since then. Other than the US\$240million of assets pledged for the USD\$ bonds, other gross assets as of financial year ended 2022 amounts to US\$632million. Security coverage ratio for the outstanding US\$ bonds as of March 2023 is 67.85%. Despite the rating withdrawal from Fitch, the Companies are still rated by Moody’s. The Companies are still in the midst of pursuing further asset sales and debt refinancing initiatives.

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	RM	RM	RM	%
6.60% Country Garden Real Estate Sdn Bhd 23.2.2023 (AA3 (S))	10,000,000	10,171,206	10,199,122	8.81

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	SGD	RM	RM	%
6.475% Lippo Malls Indonesia Retail Trust 31.12.2099 (NR)	9,750,000	26,705,015	13,489,286	11.65

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.375% AES Panama Generation Holding S.R.L. 31.5.2030 (BBB-)	200,000	838,308	740,978	0.64
3.064% Axiata SPV5 (Labuan) Limited 19.8.2050 (BBB)	200,000	666,006	582,310	0.50

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.00% CAS Capital No. 1 Limited 31.12.2099 (BB)	200,000	714,800	641,298	0.55
3.425% CCCI Treasury Limited 21.11.2024 (Baa2)	200,000	848,674	840,690	0.73
7.65% Central China Real Estate Limited 27.8.2023 (C)	200,000	894,069	159,926	0.14
2.850% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A-2)	200,000	823,700	870,043	0.75
3.08% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A-2)	200,000	824,676	826,145	0.71
2.95% Chinalco Capital Holdings Limited 24.2.2027 (A-)	200,000	833,203	821,082	0.71
3.15% Chouzhou International Investment Limited 11.8.2023 (BBB)	200,000	846,553	870,495	0.75
3.875% CNAC (HK) Finbridge Company Limited 19.6.2029 (A)	200,000	927,724	790,088	0.68

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.30% CNOOC Finance (2013) Limited 30.9.2049 (A+)	200,000	668,221	586,944	0.51
4.875% CNOOC Finance (2014) ULC 30.4.2044 (A+)	200,000	1,137,179	801,319	0.69
4.30% Coastal Emerald Limited 1.8.2024 (A-)	200,000	836,337	846,910	0.73
4.677% Comision Federal De Electricidad 9.2.2051 (BBB)	200,000	636,812	590,056	0.51
0.00% Democratic Socialist Republic of Sri Lanka 11.5.2027 (D)	200,000	867,000	265,469	0.23
2.95% DIB Sukuk Limited 16.1.2026 (A)	300,000	1,297,267	1,246,785	1.08
5.30% Dominican Republic 21.1.2041 (BB-)	200,000	741,184	689,011	0.60
1.658% Dua Capital Ltd 11.5.2026 (NR)	200,000	779,480	779,454	0.67
2.78% Dua Capital Ltd 11.5.2031 (NR)	400,000	1,498,475	1,421,571	1.23
4.387% EIG Pearl Holdings S.A R.L. 30.11.2046 (A)	200,000	747,087	676,414	0.58
2.70% Emirate of Abu Dhabi 2.9.2070 (AA)	400,000	1,236,414	1,113,857	0.96
3.068% Empresa De Los Ferrocarriles Del Estado 18.8.2050 (A)	200,000	846,000	549,872	0.47

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
5.125% Empresa De Transmision Electrica S.A. 2.5.2049 (BBB-)	200,000	748,648	676,783	0.58
3.693% Empresa De Transporte De Pasajeros Metro S.A. 13.9.2061 (A-)	200,000	634,136	558,861	0.48
3.939% ESIC Sukuk Limited 30.7.2024 (Baa3)	1,000,000	4,224,326	4,311,840	3.72
3.875% Export-Import Bank of India 12.3.2024 (BBB-)	200,000	892,207	877,174	0.76
4.50% First Abu Dhabi Bank P.J.S.C 31.12.2099 (Baa3)	200,000	837,020	836,875	0.72
4.00% Franshion Brilliant Limited 21.6.2024 (BBB-)	400,000	1,711,245	1,648,847	1.42
3.25% Galaxy Pipeline Assets Bidco Limited 30.9.2040 (AA)	200,000	743,120	686,210	0.59
2.94% Galaxy Pipeline Assets Bidco Limited 30.9.2040 (AA)	193,306	714,876	690,135	0.60
3.00% Globe Telecom Inc. 23.7.2035 (NR)	400,000	1,307,270	1,243,750	1.07
2.95% GLP China Holdings Limited 29.3.2026 (BBB-)	200,000	717,642	566,554	0.49

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.25% Government of Chile 21.9.2071 (A)	200,000	645,630	571,976	0.49
6.375% HSBC Holdings Plc 17.9.2024 (BBB)	2,000,000	8,247,728	8,358,209	7.22
6.375% HSBC Holdings Plc 30.3.2025 (BBB)	500,000	2,051,216	2,131,645	1.84
6.00% HSBC Holdings Plc 22.5.2027 (BBB)	500,000	2,163,332	1,969,804	1.70
3.73% Indian Railway Finance Corporation Limited 29.3.2024 (BBB-)	200,000	880,479	871,498	0.75
3.375% IOI Investment (L) Berhad 2.11.2031 (NR)	200,000	768,871	666,316	0.58
0.00% Kondor Finance Plc 20.12.2022 (CCC)	500,000	2,128,036	444,300	0.38
5.355% Korea Development Bank 25.11.2023 (NR)	200,000	915,791	889,374	0.77
5.25% Li & Fung Limited 31.12.2099 (B+)	5,000,000	17,604,715	10,753,911	9.29
0.00% Modernland Overseas Pte Ltd 13.4.2024 (D)	3,467,875	12,719,952	6,717,496	5.80
0.00% Modernland Overseas Pte Ltd 30.4.2027 (NR)	91,031	-	180,740	0.16
2.50% PLDT Inc. 23.1.2031 (BBB+)	200,000	766,232	709,893	0.61

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.75% PT Indonesia Asahan Aluminium (Persero) 15.5.2025 (BBB-)	200,000	862,590	871,593	0.75
4.875% PT Pakuwon Jati TBK 29.4.2028 (BB)	200,000	748,745	779,154	0.67
4.45% PT Saka Energi Indonesia 5.5.2024 (B+)	400,000	1,676,968	1,711,824	1.48
2.05% PT Sarana Multi Infrastruktur (Persero) 11.5.2026 (BBB)	200,000	780,635	776,733	0.67
4.25% PT Tower Bersama Infrastructure TBK 21.1.2025 (BBB-)	400,000	1,753,380	1,735,609	1.50
3.70% PTT Treasury Center Company Limited 16.7.2070 (BBB+)	200,000	652,323	565,003	0.49
8.25% Rail Capital Markets Plc 9.7.2024 (CC)	200,000	881,781	206,637	0.18
4.75% Republic of Azerbaijan 18.3.2024 (BB+)	400,000	1,723,493	1,769,876	1.53
3.87% Republic of Panama 23.7.2060 (BBB)	200,000	687,015	599,814	0.52
5.40% Republic of Paraguay 30.3.2050 (BB)	200,000	745,448	750,112	0.65
3.60% Republic of Peru 15.1.2072 (BBB)	200,000	685,417	602,976	0.52

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.125% Republica De Colombia 22.2.2042 (BB+)	200,000	631,730	557,060	0.48
11.50% Scenery Journey Limited 24.10.2022 (C)	1,000,000	4,016,849	222,150	0.19
5.60% Shimao Group Holdings Limited 15.7.2023 (B-)	200,000	866,261	98,773	0.09
5.00% Shinhan Bank 14.10.2023 (BBB+)	200,000	935,394	894,394	0.77
3.70% Taiyuan Longcheng Development Investment Group Co., Ltd 26.6.2023 (BBB)	600,000	2,601,468	2,640,823	2.28
3.50% Thaioil Treasury Center Company Limited 17.10.2049 (BBB)	400,000	1,115,649	1,080,422	0.93
3.75% Thaioil Treasury Center Company Limited 18.6.2050 (BBB)	800,000	3,472,351	2,268,486	1.96
0.00% United States of America 20.12.2022 (NR)	200,000	944,980	886,853	0.77
4.15% Vanke Real Estate (Hong Kong) Company Limited 18.4.2023 (BBB)	200,000	874,805	878,663	0.76

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
8.30% Zhenro Properties Group Limited 15.9.2023 (C)	200,000	887,223	55,557	0.05
	<u>47,702,212</u>	<u>145,352,367</u>	<u>106,713,828</u>	<u>92.14</u>

**ACCUMULATED
UNREALISED LOSS ON
FINANCIAL ASSETS AT
FAIR VALUE THROUGH
PROFIT OR LOSS**

(38,638,539)

**TOTAL FAIR VALUE OF
FINANCIAL ASSETS AT
FAIR VALUE THROUGH
PROFIT OR LOSS**

106,713,828

The effective weighted average rate of return 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	<u>7.44</u>	<u>11.73</u>

7. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Bank balances with a licensed bank	5,046,060	14,000,721
	<u>5,046,060</u>	<u>14,000,721</u>

The currency exposure profile of cash and cash equivalents are as follows:

	2023	2022
	RM	RM
- EUR	58	-
- MYR	3,811,198	1,746,958
- SGD	12,245	4,381,105
- USD	1,222,559	7,872,658
	<u>5,046,060</u>	<u>14,000,721</u>

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

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

The deposits have an average maturity of Nil day (2022: Nil day).

8. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 19 (2022: 21) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM57,144,310 (receivable) and RM57,857,135 (payable) (2022: RM164,425,121 (receivable) and RM168,731,475 (payable)). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in SGD and USD. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward foreign currency contracts is recognised immediately in the statement of comprehensive income.

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Forward foreign currency contracts	373,471	-
Financial liabilities at fair value through profit or loss:		
Forward foreign currency contracts	1,086,296	4,306,354
	2023	2022
	RM	RM
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss:		
Realised loss on forward foreign currency contracts	(12,923,915)	-
Unrealised gain on forward foreign currency contracts	9,178,385	119,602
	(3,745,530)	119,602

Forward foreign currency contracts

Name of issuer	Receivables	Payables	Fair value as at	Percentage of net asset value of the Fund
			30.11.2023	of the Fund
	RM	RM	RM	%
CIMB Bank Berhad	18,394,950	18,220,857	174,093	0.22
HSBC Bank Malaysia Berhad	38,749,360	39,636,278	(886,918)	(1.12)
	<u>57,144,310</u>	<u>57,857,135</u>	<u>(712,825)</u>	<u>(0.90)</u>

Name of issuer	Receivables	Payables	Fair value as at	Percentage of net asset value of the Fund
			30.11.2022	of the Fund
	RM	RM	RM	%
CIMB Bank Berhad	80,701,630	82,894,575	(2,192,945)	(1.89)
Hong Leong Bank Berhad	6,263,149	6,401,550	(138,401)	(0.12)
HSBC Bank Malaysia Berhad	77,460,342	79,435,350	(1,975,008)	(1.71)
	<u>164,425,121</u>	<u>168,731,475</u>	<u>(4,306,354)</u>	<u>(3.72)</u>

9. UNITS IN CIRCULATION

	2023	2022
	No. of units	No. of units
At the beginning of the financial period	263,564,010	321,120,727
Cancellation of units during the financial period	(38,469,602)	(35,081,613)
At the end of the financial period	<u>226,599,759</u>	<u>288,527,349</u>

10. TRANSACTIONS WITH DEALERS

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

Name of dealers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total trades		of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
BNP Paribas Securities Services	10,415,376	16.22	-	-
HSBC Bank (Singapore) Limited	6,460,454	10.06	-	-
Marketaxess Capital Limited	6,379,100	9.93	-	-
UBS Group	5,919,592	9.22	-	-
Citigroup Global Markets Limited	4,599,233	7.16	-	-
Deutsche Bank AG	3,940,236	6.14	-	-
Credit Agricole Corporate and Investment Bank	3,900,360	6.07	-	-
Wells Fargo Securities LLC	2,772,468	4.32	-	-
J.P. Morgan Securities Plc	2,759,114	4.30	-	-
Barclays Capital Inc	2,690,018	4.19	-	-
Others	14,375,030	22.39	-	-
	<u>64,210,981</u>	<u>100.00</u>	-	-
<u>2022</u>				
Wells Fargo Securities LLC	8,595,661	17.69	-	-
BNP Paribas Securities Services	7,670,837	15.79	-	-
Barclays Capital Inc	4,907,275	10.10	-	-
Citigroup Global Markets Limited	3,835,158	7.89	-	-
Marketaxess Capital Limited	2,989,108	6.15	-	-
HSBC Bank (Singapore) Limited	2,429,150	5.00	-	-
Merrill Lynch International Ltd	2,311,578	4.77	-	-
Deutsche Bank AG	2,239,645	4.61	-	-
Goldman Sachs International	1,932,366	3.98	-	-
Jefferies International Ltd	1,919,479	3.95	-	-
Others	9,755,787	20.07	-	-
	<u>48,586,044</u>	<u>100.00</u>	-	-

All dealers highlighted above are not related to the Manager.

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 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	2,503	876	2,503	1,004

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.

12. TOTAL EXPENSE RATIO (“TER”)

	2023	2022
	%	%
TER	0.71	0.69

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 period calculated on a daily basis is RM84,170,226 (2022: RM125,467,489).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	0.41	0.20

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 = RM28,393,741 (2022: RM37,106,010)

total disposals for the financial period = RM39,788,266 (2022: RM13,017,544)

14. APPROVAL OF FINANCIAL STATEMENTS

The unaudited financial statements have been approved for issue by the Manager on 19 January 2024.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

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TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

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SALE & PURCHASE OF UNITS

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6088-238 613

ENQUIRIES

CLIENT SERVICES

603-2778 1000

APPENDIX 1 – LIST OF CHANGES FOR EASTSPRING INVESTMENTS GLOBAL TARGET INCOME FUND

Unless otherwise stated, the following changes are affected via the Eight Supplementary Master Prospectus dated 2 February 2024.

Section	Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022	Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024
Transaction Information – Transaction Details	7 th paragraph: The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time.	7 th paragraph: The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time. <u>Should the Manager decide to increase the minimum amounts and number of units as stipulated under the transaction details section, the Manager shall notify the Unit Holders by way of a letter at least fourteen (14) days prior to the effective date of such change. Investment made via digital platforms may have a lower minimum initial investment, minimum additional investment amount, minimum redemption and/or minimum holding of Units of the Fund, subject to the respective digital platforms' terms and conditions, which may be amended from time to time.</u>

Section	Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022	Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024
Transaction Information – Income Reinvestment Policy	<p data-bbox="228 619 584 825">Income distributed to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if the Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.</p> <p data-bbox="228 853 584 1103">Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager for the income distribution to be paid out, the income distribution proceeds will either be paid by cheque or credited to a Malaysian domiciled bank account via telegraphic or online transfer. Any fees or charges imposed by the bank will be borne by the Unit Holder.</p> <p data-bbox="228 1132 584 1246">The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete.</p> <p data-bbox="228 1275 584 1313"><u>Applicable only to Eastspring Global Target Income Fund</u></p>	<p data-bbox="599 619 956 825">Income distributed to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if the Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.</p> <p data-bbox="599 853 956 1132">Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager for the income distribution to be paid out, the income distribution proceeds <u>will be paid via e-payment ONLY (i.e. income distribution proceeds will be credited to a Malaysian domiciled bank account via telegraphic or online transfer)</u>. Any fees or charges imposed by the bank will be borne by the Unit Holder.</p> <p data-bbox="599 1160 956 1313">The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete. <u>In the absence of a registered bank account, the distribution (if any) will be reinvested.</u></p>

Section	<p>Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022</p>	<p>Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024</p>
<p>Transaction Information – Income Reinvestment Policy (continued)</p>	<p>Distribution payment which is less than or equal to the amount of RM300* or such other amount which will be determined by the Manager will be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost.</p> <p>* should this amount be increased in the future, Unit Holder will be informed via post mail or email at least fourteen (14) calendar days prior to the implementation of such increase.</p>	<p>Distribution payment which is less than or equal to the amount of RM300* or such other amount which will be determined by the Manager will be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost.</p> <p>* should this amount be increased in the future, Unit Holder will be informed via post mail or email at least fourteen (14) calendar days prior to the implementation of such increase.</p>
<p>Transaction Information – Auto Reinvestment Policy</p>	<p>Not applicable.</p>	<p><i>(added)</i></p> <p><u>2nd Paragraph:</u></p> <p>The Manager reserves the right to change the income distribution instruction to “reinvestment” if the Unit Holder did not claim the income distribution payment for the last three (3) consecutive distributions.</p>

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