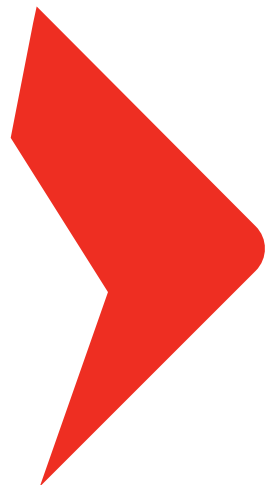


CASH FUND

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023



CASH FUND

Manager

Eastspring Investments
(Singapore) Limited
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Singapore 018936
(UEN: 199407631H)

Auditors

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12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

Directors of the Manager

Maldonado-Codina Guillermo Eduardo
Tham Ee Mern Lilian
Terence Lim Ming Wan

Solicitors to the Manager

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Trustee

HSBC Institutional Trust Services
(Singapore) Limited
10 Marina Boulevard
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Singapore 018983
(UEN. 194900022R)

Solicitors to the Trustee

Shook Lin & Bok LLP
1 Robinson Road #18-00
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Singapore 048542

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CASH FUND

Structure

The Cash Fund (the “Fund”) is an open-ended, standalone unit trust constituted in Singapore which is denominated in Singapore dollars. The Fund is a “money market fund” as defined in Appendix 2 of the Code on Collective Investment Schemes (“the Code”) issued by the Monetary Authority of Singapore (“MAS”), which together with Appendix 1 of the Code constitutes the money market funds investment guidelines, which may be amended from time to time (“Money Market Funds Investment Guidelines”).

Investment Objective

The investment objective of the Fund is to provide liquidity to investors and provide a return comparable to that of Singapore-dollar savings deposits. The Fund will predominantly hold its assets in Singapore-dollar deposits with eligible financial institutions as defined in the Money Markets Funds Investment Guidelines (“Eligible Financial Institutions”), with varying terms of maturity of not more than 366 calendar days.

Manager’s Commentary

Fund Performance

The Fund posted a return of 3.87% (bid-to-bid basis) from end-December 2022 to end-December 2023 (“period under review”), beating the benchmark (Singapore-Dollar Savings Deposit Rate) of 0.43%.

Market Background¹

Short term SGD interest rates climbed higher over the period under review, with the 1-month, 3-month and 6-month SGD Compounded SORA rates up 87 bps, 61 bps and 118 bps to 3.6511%, 3.7090% and 3.7243% respectively. Fixed income markets generally delivered positive returns amid improved investor sentiment and lower government bond yields.

The US Federal Reserve tightened monetary policy in the early half of the year but paused on interest rate hikes in the final months of 2023, as inflation appeared to have slowed to a more comfortable pace. US economic growth performed better than expected on the back of strong household consumption and relatively tight labour markets.

According to advance estimates from the Ministry of Trade and Industry, Singapore’s economy grew at a slower pace of 1.2% in 2023, down from the 3.6% growth recorded in 2022. Economic activity was buoyant in the final quarter of 2023, supported by higher external demand and a pickup in manufacturing output. The economy is projected to expand between 1% and 3% in 2024, with potentially lower interest rates and higher domestic demand fueling growth.

¹ Source: Bloomberg, 31 December 2023

CASH FUND

Factors Affecting Performance

During the period under review, the Fund's yield increased in tandem with higher domestic money market rates.

Key Changes to the Portfolio

There are no significant changes to the portfolio. The Fund's assets are placed out across high quality fixed income securities and deposits with varying terms of maturity. The fund employed a barbell strategy of buying shortdated MAS bills and allocating in deposits of longer tenors to take advantage of the stable and high yields of MAS bills while maintaining liquidity in the fund.

Outlook

Global markets ended 2023 with a fourth quarter rally and the prospect of easier Fed policy is creating talk of a soft landing rather than a hard recession. Looking ahead to 2024, economic growth is projected to weaken as the lagged cumulative effects of high interest rates kick in. Recent data flows have provided encouraging evidence of sustained slowing in inflation, although there remains pockets of strength in various indicators of labor demand. In Singapore, the outlook remains stable on disinflationary trends and improving output in the manufacturing sectors.

CASH FUND

Fund Performance
(As at 31 December 2023)

	3 months %	6 months %	1 year %	3 years %	5 years %	10 years %	Since inception ⁺ %
Fund/Benchmark			(average annual compounded return)				
Cash Fund	0.9	1.9	3.9	1.8	1.4	1.0	0.9
SGD Saving Deposits Rate	0.1	0.2	0.4	0.2	0.2	0.2	0.2

Source: Eastspring Investments (Singapore) Limited

Benchmark values were calculated using rates published on the website of MAS. There are no initial sales charge and realisation charge for the Fund. The return is in S\$, and calculated on a bid-to-bid basis with net income reinvested.

There has been no dividend distribution since the inception of Cash Fund.

⁺ The first date of valuation of Cash Fund was 23 January 2007.

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

CASH FUND

(As at 31 December 2023)

Exposure to Derivatives

Nil for the year ended 31 December 2023.

Collateral

Nil for the year ended 31 December 2023.

Securities Lending or Repurchase Transactions

Nil for the year ended 31 December 2023.

Investment in other unit trusts, mutual funds and collective investment schemes

Nil for the year ended 31 December 2023.

Borrowings

Nil for the year ended 31 December 2023.

Related Party Transactions

In the normal course of the business of the Fund, trustee fees and management fees have been paid or are payable to the Trustee and Manager respectively as stated in the Statement of Total Return. The Fund has also carried out transactions which include bank services with the holding company of the Trustee in the normal course of business. Other than related party information shown elsewhere in the financial statements, the Fund maintains bank accounts with Hong Kong and Shanghai Banking Corporation Limited, a related corporation of the Trustee amounting to S\$1,282 (2022: S\$1,568).

Total Subscriptions and Redemptions for the year ended 31 December 2023

	SGD
Subscriptions	32,604,194
Redemptions	85,069,939

CASH FUND

(As at 31 December 2023)

Annualised Expense Ratio*

0.32% (2022: 0.30%)

**The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio at 31 December 2023 was based on total operating expenses of S\$150,186 (2022: S\$210,285) divided by the average net asset value of S\$46,845,985 (2022: S\$69,311,425) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.*

Turnover Ratio^

2,449.82% (2022: 3,264.19%)

^The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The Fund predominantly invests in term deposits. New term deposits and deposit placements as a result of rollover are taken in as purchases; matured term deposits, including the deposits that are rolled over, and early redemption of term deposits are taken in as sales. The calculation of the portfolio turnover ratio was based on the lesser of purchases or sales for the financial period of the underlying investments being purchases of S\$1,147,642,916 (2022: sales of S\$2,262,460,000) divided by the weighted average daily net asset value of S\$46,845,985 (2022: S\$69,311,425).

Soft Dollar Commission

Nil for the Fund.

Any other material information that will adversely impact the valuation of the fund

Nil.

Pre-determined payouts

The Fund does not offer pre-determined payouts.

CASH FUND

(As at 31 December 2023)

Top 10 Holdings

(As at 31 December 2023)

	Market Value SGD	% of Net Assets**
Qatar National Bank 4.95% 4/1/2023 to 3/1/2024	4,950,000	24.27
Bank of Tokyo-Mitsubishi UFJ 3.08% 29/12/2023 to 2/1/2024	3,067,000	15.05
Landesbank Baden-Württemberg 3.95% 21/9/2023 to 21/3/2024	2,000,000	9.81
Malayan Banking Berhad 4.00% 22/9/2023 to 24/6/2024	1,500,000	7.36
MAS Bill (Series 28) ZCP 26/01/2024	1,496,078	7.34
Qatar National Bank 4.95% 1/2/2023 to 31/1/2024	1,230,000	6.03
Bank of Tokyo-Mitsubishi UFJ 3.69% 26/12/2023 to 9/1/2024	1,000,000	4.90
Bank of Tokyo-Mitsubishi UFJ 3.68% 27/12/2023 to 17/1/2024	1,000,000	4.90
MAS Bill (Series 28) ZCP 05/01/2024	999,665	4.90
MAS Bill (Series 28) ZCP 19/01/2024	998,135	4.89

** Any differences in the percentage of the Net Asset figures are the result of rounding.

CASH FUND

(As at 31 December 2023)

Top 10 Holdings

(As at 31 December 2022)

	Market Value SGD	% of Net Assets**
Bank of Tokyo-Mitsubishi UFJ 3.23% 28/12/2022 to 4/1/2023	10,870,000	15.30
Mas Bill (Series 84) ZCP 24/03/2023	8,617,437	12.13
Bank of Tokyo-Mitsubishi UFJ 4.19% 7/11/2022 to 7/2/2023	4,560,000	6.42
Singapore Treasury Bill (Series 182) ZCP 21/03/2023	2,972,685	4.18
Landesbank Baden-Württemberg 3.65% 11/10/2022 to 11/1/2023	2,760,000	3.88
Qatar National Bank 4.50% 25/11/2022 to 24/2/2023	2,530,000	3.56
Mas Bill (Series 84) ZCP 17/03/2023	2,478,425	3.49
Singapore Treasury Bill (Series 182) ZCP 27/06/2023	2,448,575	3.45
Crédit Industriel et Commercial 4.20% 14/11/2022 to 14/2/2023	2,410,000	3.39
Landesbank Baden-Württemberg 3.47% 6/10/2022 to 6/1/2023	2,400,000	3.38

** Any differences in the percentage of the Net Asset figures are the result of rounding.

CASH FUND

(As at 31 December 2023)

Term to Maturity

(As at 31 December 2023)

	Market Value SGD	% of Net Assets**
1 Week	9,016,665	44.21
2 Weeks	1,000,000	4.90
3 Weeks	2,688,135	13.18
4 Weeks	1,496,078	7.34
5 Weeks	1,230,000	6.03
6 Weeks	995,840	4.88
12 Weeks	2,000,000	9.81
26 Weeks	1,500,000	7.36
Total	<u>19,926,718</u>	<u>97.71</u>

*** Any differences in the percentage of the Net Asset figures are the result of rounding.*

CASH FUND

(As at 31 December 2023)

Schedule of Investments

(As at 31 December 2023)

	Market Value SGD	% of Net Assets**
Country		
Singapore	19,926,718	97.71
Industry		
Banks	15,437,000	75.70
Government	4,489,718	22.01
Credit Ratings (by S&P/Moody's)		
Not rated	4,489,718	22.01
Asset Class		
Bonds	4,489,718	22.01
Deposits	15,437,000	75.70
Other Net Assets	467,576	2.29

*** Any differences in the percentage of the Net Asset figures are the result of rounding.*

REPORT OF THE TRUSTEE

The Trustee is under a duty to take into custody and hold the assets of Cash Fund (“the Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the year covered by these financial statements, set out on pages 18 to 37, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

Singapore
27 March 2024

STATEMENT BY THE MANAGER

In the opinion of the directors of Eastspring Investments (Singapore) Limited, the accompanying financial statements set out on pages 18 to 37, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Cash Fund ("the Fund") as at 31 December 2023, and the total return and changes in unitholders' funds for the year then ended in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds"* issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe Cash Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of the directors of
Eastspring Investments (Singapore) Limited

Tham Ee Mern Lilian
Director

Singapore
27 March 2024

INDEPENDENT AUDITORS' REPORT

Unitholders

Cash Fund

(Constituted under a Trust Deed in the Republic of Singapore)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cash Fund ('the Fund'), which comprise the statement of financial position and statement of portfolio as at 31 December 2023, the statement of total return and statement of movements of unitholders' funds for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 18 to 37.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ('RAP 7') issued by the Institute of Singapore Chartered Accountants so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2023 and the financial performance and movements in unitholders' funds for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Eastspring Investments (Singapore) Limited, the Manager of the Fund ('the Manager'), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal controls as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

INDEPENDENT AUDITORS' REPORT

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

27 March 2024

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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Statement of Financial Position	19
Statement of Movements of Unitholders' Funds	20
Statement of Portfolio	21 – 23
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CASH FUND**Statement of Total Return**

For the year ended 31 December 2023

	Note	2023 S\$	2022 S\$
Income			
Interest		1,436,564	939,682
Sundry income		-	614
		<u>1,436,564</u>	<u>940,296</u>
Less: Expenses			
Management fees		93,694	138,861
Trustee fees		14,054	20,829
Audit fees		13,426	11,781
Custody fees		3,643	5,087
Others		26,121	28,247
		<u>150,938</u>	<u>204,805</u>
Net income		<u>1,285,626</u>	<u>735,491</u>
Net gains or losses on value of investments			
Net gains on investments		516,728	308,288
Net foreign exchange losses		(88)	(139)
Net gains on value of investments		<u>516,640</u>	<u>308,149</u>
Total return for the year before income tax		1,802,266	1,043,640
Less: Income tax	3	-	-
Total return for the year after income tax		<u>1,802,266</u>	<u>1,043,640</u>

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

CASH FUND**Statement of Financial Position**

As at 31 December 2023

	Note	2023 S\$	2022 S\$
Assets			
Portfolio of investments		19,926,718	70,856,924
Receivables	4	487,361	271,738
Cash and bank balances	5	1,282	1,568
Total assets		<u>20,415,361</u>	<u>71,130,230</u>
Liabilities			
Payables	6	<u>21,067</u>	<u>72,457</u>
Total liabilities		<u>21,067</u>	<u>72,457</u>
Equity			
Net assets attributable to unitholders	7	<u>20,394,294</u>	<u>71,057,773</u>

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

CASH FUND**Statement of Movements of
Unitholders' Funds**

For the year ended 31 December 2023

	Note	2023 S\$	2022 S\$
Net assets attributable to unitholders at the beginning of financial year		71,057,773	47,334,528
Operations			
Changes in net assets attributable to unitholders resulting from operations		1,802,266	1,043,640
Unitholders' contributions/(withdrawals)			
Creation of units		32,604,194	127,672,353
Cancellation of units		(85,069,939)	(104,992,748)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(52,465,745)	22,679,605
Total (decrease)/increase in net assets attributable to unitholders		(50,663,479)	23,723,245
Net assets attributable to unitholders at the end of financial year	7	20,394,294	71,057,773

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

CASH FUND**Statement of Portfolio**

As at 31 December 2023

	Fair value	Percentage of total net assets attributable to unitholders
	31/12/2023	31/12/2023
	(\$)	(%)
By Geography *- Primary		
Fixed deposits		
Singapore		
Bank of Tokyo-Mitsubishi UFJ, Singapore Branch	5,067,000	24.85
Landesbank Baden-Württemberg, Singapore Branch	2,000,000	9.81
Malayan Banking Berhad, Singapore Branch	2,190,000	10.74
Qatar National Bank, Singapore Branch	6,180,000	30.30
	<u>15,437,000</u>	<u>75.70</u>

* Geography classification is based on the place of registration/incorporation of the custodian entities.

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

CASH FUND**Statement of Portfolio**

As at 31 December 2023

	Holdings	Fair value	Percentage
	31/12/2023	31/12/2023	of total
	(units)	(S\$)	net assets
			attributable
By Geography *- Primary			to unitholders
			31/12/2023
			(%)
Quoted bonds			
Singapore			
MAS Bill (Series 28) ZCP 05/01/2024	1,000,000	999,665	4.90
MAS Bill (Series 28) ZCP 19/01/2024	1,000,000	998,135	4.89
MAS Bill (Series 28) ZCP 26/01/2024	1,500,000	1,496,078	7.34
MAS Bill (Series 84) ZCP 09/02/2024	1,000,000	995,840	4.88
		<u>4,489,718</u>	<u>22.01</u>
Portfolio of investments		19,926,718	97.71
Other net assets		<u>467,576</u>	<u>2.29</u>
Net assets attributable to unitholders		<u>20,394,294</u>	<u>100.00</u>

* Geography classification is based on the place of registration/incorporation of the custodian entities.

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

CASH FUND**Statement of Portfolio**

As at 31 December 2023

	Fair value 31/12/2023 (S\$)	Percentage of total net assets attributable to unitholders	
		31/12/2023 (%)	31/12/2022 (%)
By Industry - Secondary			
Banks	15,437,000	75.70	71.08
Government	4,489,718	22.01	27.24
Real estate investment trust	-	-	1.39
Accrued interest receivable on quoted bonds	-	-	0.01
Portfolio of investments	19,926,718	97.71	99.72
Other net assets	467,576	2.29	0.28
Net assets attributable to unitholders	20,394,294	100.00	100.00

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

These notes form an integral part of the financial statements.

1 Principal activities

Cash Fund (“the Fund”) is a unit trust constituted pursuant to the Trust Deed dated 8 January 2007 as amended by the Supplemental Deed and the Amending and Restating Deeds between Eastspring Investments (Singapore) Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Deed of Trust, subsequent Supplemental Deed and Amending and Restating Deeds are governed by the laws of the Republic of Singapore.

This Fund predominantly holds its assets in Singapore-dollar deposits. The Fund may also invest in high quality short-term money market instruments and debt securities, such as government bonds, corporate bonds and commercial bills.

The Fund does not intend to make any distribution of income or capital.

2 Material accounting policies

2.1 Changes in material accounting policies - material accounting policy information

The Fund adopted Amendments to FRS 1: Presentation of Financial Statements for the first time for the annual period beginning 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’ accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

2.2 Basis of preparation

The financial statements expressed in Singapore dollars (“S\$”), have been prepared under the historical cost basis, as modified by the revaluation of financial instruments at fair value, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” issued by the Institute of Singapore Chartered Accountants.

2 Material accounting policies (continued)**2.2 Basis of preparation (continued)**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.1, which addressed changes in material accounting policies. The Fund has applied new FRSs, amendments to and interpretations of the FRSs that became effective for the annual period beginning on 1 January 2023. Other than described in note 2.1, the application of these new FRSs, amendments to and interpretations of the FRSs does not have a material effect on the Fund's financial statements.

For the purposes of preparation of these financial statements, the basis used for calculating the ratio of expenses and portfolio turnover ratio are in accordance with the guidelines issued by the Investment Management Association of Singapore ("IMAS") and the Code on Collective Investment Schemes under the Securities and Futures Act (Cap. 289).

The financial statements are prepared in Singapore dollars (S\$), which is the functional currency of the Fund.

2.3 Recognition of income

Interest income is recognised as it accrues, using the effective interest method.

2.4 Investments

The fair value of financial instruments traded in active markets is based on quoted market price at the close of trading on the reporting date. The quoted market price used for investments in debt securities is the market mid prices.

Accrued interest or discount or premium on debt securities at the reporting date are included in the fair value of debt securities. Interest income on debt securities is presented within net gains or losses on investments on the Statements of Total Return. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is most representative of fair value.

The investments in deposits with banks are stated at their fair value.

Investments consist of balances with and from banks which are repayable on demand, money at call and on short notice and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of change in value.

2 Material accounting policies (continued)**2.5 Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at exchange rates at the reporting date. All exchange differences are recognised in the Statement of Total Return. For investments at fair value, the unrealised exchange differences are recognised in the net change in fair value on investments in the Statement of Total Return.

2.6 Net assets attributable to unitholders

Net assets attributable to unitholders are classified as equity.

3 Taxation

The Fund is a designated unit trust under the Singapore Income Tax Act (Chapter 134). As a result, the following income will not be taxed at the Fund level:

- gains or profits derived from Singapore or elsewhere from the disposal of securities;
- interest (other than interest for which tax has been deducted under Section 45 of the Income Tax Act); and
- dividends derived from outside Singapore and received in Singapore

4 Receivables

	2023	2022
	S\$	S\$
Amount receivable from the creation of units	120,000	52,500
Accrued interest receivables	367,361	219,238
	<u>487,361</u>	<u>271,738</u>

CASH FUND

Notes to the Financial Statements

For the year ended 31 December 2023

5 Cash and bank balances

	2023 S\$	2022 S\$
Cash at bank	1,282	1,568

6 Payables

	2023 S\$	2022 S\$
Payable to unitholders for cancellation of units	1,084	43,118
Accrued expenses	19,983	29,339
	21,067	72,457

7 Units in issue

During the year ended 31 December the number of shares issued, redeemed and outstanding were as follows:

	2023	2022
Units at beginning of the year	63,725,252	43,071,500
Units created	28,773,759	115,813,030
Units cancelled	(74,892,456)	(95,159,278)
Units at end of the year	17,606,555	63,725,252
Net assets attributable to unitholders (S\$)	20,394,294	71,057,773
Net asset value per unit (S\$)	1.15	1.11

8 Distribution to unitholders

The Manager did not propose any distribution to unitholders for the financial year ended 31 December 2023 (2022 : NIL).

9 Interest

The Fund receives interest income on bank deposits which has been included under “Interest” in the Statement of Total Return.

10 Related party transactions

In the normal course of the business of the Fund, trustee fees and management fees have been paid or are payable to the Trustee and Manager respectively as stated in the Statement of Total Return. The Fund has also carried out transactions which include bank services with the holding company of the Trustee in the normal course of business. Other than related party information shown elsewhere in the financial statements, the Fund maintains bank accounts with Hongkong and Shanghai Banking Corporation Limited, a related corporation of the Trustee amounting to S\$1,282 (2022: S\$1,568).

Transactions with related parties are at terms agreed between the parties and within the provisions of the Trust Deed.

11 Financial risk management

In the ordinary course of business, the Fund is exposed to a variety of risks as stated in the Fund’s prospectus. The Manager continually monitors the exposure of the Fund to risks and appropriate procedures are in place to manage such risks. Some of the risks relevant to the Fund’s financial instruments are detailed below.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. Exposure to credit risk is monitored by the Manager on an ongoing basis. Cash is placed with financial institutions of good credit ratings by independent rating agency, Standard & Poor’s (“S&P’s”) and Fitch.

11 Financial risk management***Credit risk (continued)***

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position. Concentration of the Fund's investments are disclosed in the Statement of Portfolio.

The table below summarise the credit ratings of banks in which the Fund's fixed deposits are held, expressed as a percentage of financial assets. The credit ratings are based on Long-Term Local Issuer Ratings published by the rating agency.

	Percentage of total net assets attributable to unitholders (%)	S&P's credit rating
Singapore		
At 31 December 2023		
MUFG Bank Ltd, Singapore Branch	24.85	A
Landesbank Baden-Württemberg, Singapore Branch	9.81	A-
Malayan Banking Berhad, Singapore Branch	10.74	A-
Qatar National Bank, Singapore Branch	30.30	A+

The credit rating of Landesbank Baden-Wurttemberg, Singapore Branch is based on Long-Term Issuer Ratings published by Fitch.

11 Financial risk management (continued)

Credit risk (continued)

Singapore	Percentage of total net assets attributable to unitholders (%)	S&P's credit rating
At 31 December 2022		
MUFG Bank Ltd, Singapore Branch	27.26	A-
Crédit Industriel et Commercial, Singapore Branch	13.87	A+
Landesbank Baden-Württemberg, Singapore Branch	7.26	A-
Malayan Banking Berhad, Singapore Branch	3.37	A-
Qatar National Bank, Singapore Branch	19.32	A+

The credit ratings of MUFG Bank Ltd, Singapore Branch, Crédit Industriel et Commercial, Singapore Branch and Landesbank Baden-Württemberg, Singapore Branch are based on Long-Term Issuer Ratings published by Fitch.

The table below analyse the Fund's investments in quoted bonds by credit ratings.

	2023 %	2022 %
A3	-	1.39
Not rated	22.01	27.24
Accrued interest receivable on quoted bonds	-	0.01
	22.01	28.64

11 Financial risk management (continued)

Liquidity risk

The Manager monitors and maintains a level of cash deemed adequate by the Manager to finance the Fund’s operations and to mitigate the effects of fluctuations in cash flows.

The Fund’s investment in deposits may be subject to early redemption charges on its investment in deposits particularly in the situation when the Fund faces a large redemption that may require the Fund to withdraw its deposits prematurely.

The table below analyses the Fund’s financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 3 months S\$
At 31 December 2023	
Payables	<u>21,067</u>
At 31 December 2022	
Payables	<u>72,457</u>

Market risk

(i) *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments in fixed deposits are subject to the fluctuations in interest rates.

Interest risk movements affect the value of fixed income securities more directly than equities. As interest rates rise, prices of fixed income securities may fall and vice versa. The rationale is that as interest rates increase, the opportunity cost of holding a fixed income security increases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate. The Managers will regularly assess the economic condition, monitor changes in interest rates outlook and take appropriate measures accordingly to control the impact of interest rate risk.

11 Financial risk management (continued)

Market risk (continued)*(i) Interest rate risk (continued)*

The table below summarises the Fund's exposure to interest rate risk. It includes the Fund's assets and liabilities, categorised by the earlier of contractual re-pricing or maturity dates.

	Less than 1 month S\$	1 to 3 months S\$	More than 3 months S\$	Non- interest bearing S\$	Total S\$
At 31 December 2023					
Assets					
Portfolio of investments	14,200,878	4,225,840	1,500,000	-	19,926,718
Receivables	-	-	-	487,361	487,361
Cash and bank balances	1,282	-	-	-	1,282
Total assets	14,202,160	4,225,840	1,500,000	487,361	20,415,361
Liabilities					
Payables	-	-	-	21,067	21,067
Total liabilities	-	-	-	21,067	21,067
Total interest rate sensitivity gap	14,202,160	4,225,840	1,500,000	466,294	20,394,294

11 Financial risk management (continued)

Market risk (continued)*(i) Interest rate risk (continued)*

	Less than 1 month S\$	1 to 3 months S\$	More than 3 months S\$	Non- interest bearing S\$	Total S\$
At 31 December 2022					
Assets					
Portfolio of investments	28,863,827	35,255,547	6,727,805	9,745	70,856,924
Receivables	-	-	-	271,738	271,738
Cash and bank balances	1,568	-	-	-	1,568
Total assets	<u>28,865,395</u>	<u>35,255,547</u>	<u>6,727,805</u>	<u>281,483</u>	<u>71,130,230</u>
Liabilities					
Payables	-	-	-	72,457	72,457
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,457</u>	<u>72,457</u>
Total interest rate sensitivity gap	<u>28,865,395</u>	<u>35,255,547</u>	<u>6,727,805</u>	<u>209,026</u>	<u>71,057,773</u>

Fixed deposits are short-term in nature and any reasonable future variations of interest rate are not expected to have a material impact on the Fund's total returns.

11 Financial risk management (continued)**Market risk (continued)***(i) Interest rate risk (continued)*

The duration, a measure of the sensitivity of the price of a fixed income security to a change in interest rate for the 12 months period is as disclosed below. As of 31 December 2023, should interest rates lower or rise by 1% with all other variables remaining constant, the increase or decrease in the net assets attributable to unitholders would be as follows:

	Duration		Impact of 1% (2022: 1%) movement in benchmark on net assets attributable to the unitholders	
	2023	2022	2023	2022
			S\$	S\$
Quoted bonds	0.06	0.24	2,849	49,683

(ii) Price risk

The table below sets out the impact of increases/decreases in the bond market prices on the Fund's net assets attributable to the unitholders as at 31 December 2023 and 2022. The estimates include all exposures to bond price risks. The estimates are made on an individual security basis. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Impact of 1% (2022: 1%) increase in bond market price on net assets attributable to the unitholders	
	2023	2022
	S\$	S\$
Quoted bonds	44,897	203,412

11 Financial risk management (continued)***Foreign currency risk***

The Fund's accounting books and records are maintained in Singapore dollars. The Fund invests in underlying investments which are denominated in Singapore dollars and is therefore not exposed to any significant foreign currency risks.

Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strive to invest the subscriptions of redeemable participating units in investments that meet the fund's investment objectives while maintaining sufficient liquidity to meet unitholders' redemptions.

Estimation of fair value

The fair values of the Fund's financial assets and liabilities approximate the carrying amounts at the reporting date.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

11 Financial risk management (continued)***Estimation of fair value (continued)***

The following table analyses within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2023 and 2022.

	Level 1 S\$	Level 2 S\$	Level 3 S\$	Total S\$
As at 31 December 2023				
Assets				
Financial assets at fair value through profit or loss				
- Fixed deposits	-	15,437,000	-	15,437,000
- Quoted bonds	-	4,489,718	-	4,489,718
	-	19,926,718	-	19,926,718

As at 31 December 2022**Assets****Financial assets at fair value through profit or loss**

- Fixed deposits	-	50,506,000	-	50,506,000
- Quoted bonds	-	20,341,179	-	20,341,179
	-	70,847,179	-	70,847,179

12 Financial ratios

	2023	2022
	%	%
Expense ratio (note 1)	0.32	0.30
Turnover ratio (note 2)	2,449.82	3,264.19

Note 1

*The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore (“IMAS”). The calculation of the expense ratio at 31 December 2023 was based on total operating expenses of S\$150,186 (2022: S\$210,285) divided by the average net asset value of S\$46,845,985 (2022: S\$69,311,425) for the year. The total operating expenses do not include (where applicable) brokerage and other transactions costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The average net asset value is based on the daily balances.

Note 2

^The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The Fund predominantly invests in term deposits. New term deposits and deposit placements as a result of rollover are taken in as purchases; matured term deposits, including the deposits that are rolled over, and early redemption of term deposits are taken in as sales. The calculation of the portfolio turnover ratio was based on the lesser of purchases or sales for the financial period of the underlying investments being purchases of S\$1,147,642,916 (2022: sales of S\$2,262,460,000) divided by the weighted average daily net asset value of S\$46,845,985 (2022: S\$69,311,425).

13 Subsequent events

Pursuant to the Tenth Amending and Restating Deed dated 1 March 2024, the Fund name has been changed to Eastspring SGD Cash Fund with effect from 1 March 2024. The investment objective of the Fund has also been amended as follows with effect from 1 March 2024:

The investment objective of the Eastspring SGD Cash Fund (formerly known as Cash Fund) is to provide liquidity to investors and a return comparable to that of Singapore-dollar savings deposits.

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