eastspring investments

A Prudential plc company

EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 31 December 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,

Raymond Tang Chee Kin
Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

Name of Fund	Eastspring Investments Global Emerging Markets Fund (the "Fund")
Fund Category/ Type	Feeder fund (global equity)/growth
Fund Objective	The Fund seeks to achieve long-term capital growth by investing in a collective investment scheme called the Schroder International Selection Fund Emerging Markets, which in turn seeks to provide capital growth primarily through investment in equity securities of emerging markets companies. SHOULD THE MANAGER DECIDE TO INVEST IN ANOTHER COLLECTIVE INVESTMENT SCHEME OTHER THAN THE SCHRODER INTERNATIONAL SELECTION FUND EMERGING MARKETS FOR ANY REASON WHATSOEVER, UNIT HOLDERS' APPROVAL IS REQUIRED.
Performance Benchmark	The performance benchmark of the Fund is Morgan Stanley Capital International All Country Asia Pacific ex Japan Index ("MSCI EM Net TR"). **Source:** www.msci.com **Note:** The risk profile of the Fund is different from the risk profile of the performance benchmark.
Fund Income Distribution Policy	Incidental

KEY PERFORMANCE DATA
FOR THE FINANCIAL YEAR ENDED

Category	2023	2022	2021
	(%)	(%)	(%)
Collective investment scheme	98.92	98.94	98.60
Cash and other assets	1.08	1.06	1.40
Total	**100.00**	**100.00**	**100.00**
Net Asset Value (NAV) (RM'000)	52,900	57,673	72,538
Units In Circulation (Units '000)	131,073	158,602	159,832
Net Asset Value Per Unit (RM)	0.4036	0.3636	0.4538
Highest Net Asset Value Per Unit (RM)	0.4164	0.4712	0.5229
Lowest Net Asset Value Per Unit (RM)	0.3601	0.3455	0.4440
Total Return (%)			
- Capital Growth	11.00	(19.80)	(2.09)
- Income Distribution	-	-	-
Total Return (%)	11.00	(19.80)	(2.09)
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Total Expense Ratio (TER) (%)*	1.93	1.92	1.92
Portfolio Turnover Ratio (PTR) (times)^	0.14	0.04	0.14

* 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 1.1.2023 to 31.12.2023	3 years 1.1.2021 to 31.12.2023	5 years 1.1.2019 to 31.12.2023
	(%)	(%)	(%)
Average total return	11.00	(4.51)	4.13

Year ended	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019
	(%)	(%)	(%)	(%)	(%)
Annual total return	11.00	(19.88)	(2.09)	18.36	18.81

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

Bases of calculation and assumptions made in calculating returns:

Percentage growth = $\frac{NAV_t}{NAV_0} - 1$

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

For the 5-year period, the Fund recorded a return of 22.45%, underperforming the benchmark return of 33.38% by 10.93%.

During the period under review, the Fund registered a return of 11.00%, underperforming the benchmark return of 14.57% by 3.57%.

The fund generated a positive return in US dollar terms and performed broadly in line with the MSCI Emerging Markets Index over 2023, before fees. Positive country allocation was offset by negative stock selection. Within country allocation, the overweights to Brazil, Greece and Poland were beneficial, as was the underweight to Thailand. The underweight to India and cash held in a rising market detracted.

Stock selection was negative, driven by China (underweight PDD Holdings, overweight JD.com). It also weighed on returns in India (overweight HDFC Bank and ICICI Bank) and Brazil (underweight Petrobras, overweight Gerdau). Conversely, stock selection was positive in a number of markets, including South Africa (overweight Gold Fields), Taiwan (overweight Accton Technology and Mediatek), South Korea (overweight Samsung Electronics and SK Hynix), UAE (overweight Emaar Properties) and Mexico (overweight FEMSA).

During the period we were able to exit some Russian holdings. As we have valued all remaining Russian positions at zero there was a positive impact.

MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

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

Benchmark: Morgan Stanley Capital International All Country Asia Pacific ex Japan Index ("MSCI EM Net TR").

Source: Lipper for Investment Management and www.msci.com, as at 31 December 2023.

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

Analysis of Fund Performance

For the financial year ended 31 December 2023:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	11.00	11.00	14.57

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

Distribution/ Unit Split

No distribution or unit split were declared for the financial year ended 31 December 2023.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

Q1 2023

During the first quarter of 2023, we took China from a small underweight to a small overweight. The lifting of the Zero Covid policy is driving a consumption-led rebound in the economy, and the government is also providing policy support. The near-term outlook is positive, but the external environment is a concern as global growth slows. Ongoing geopolitical tensions also bear close monitoring. We increased the size of the overweight to South Africa. The need for structural reform remains pressing but valuations are attractive. Recent political developments have been encouraging and the annual budget demonstrated a commitment to fiscal consolidation. We took Taiwan and Poland both from broadly neutral, to small overweight positions. In Taiwan, we continue to hold concerns over the technology sector downcycle, however, the long-term outlook remains positive, and we were able to take advantage of recent market weakness. In Poland, short term macroeconomic challenges remain but inflation appears to be peaking and valuations are at depressed levels.

These moves were primarily funded by redeploying cash. Additionally, we increased the magnitude of the underweight to India, attributable in part to a stock specific decision. The structural outlook is interesting, but valuations are the most expensive in EM and we find better opportunities elsewhere. We also increased the size of the underweight to Saudi Arabia. Saudi Arabia is a long-term beneficiary of societal change and the ongoing economic transformation programme. However, the currency is pegged to the US dollar, valuations are unattractive, and there is a risk of negative earnings revisions.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review (continued)

Q2 2023

During the second quarter of 2023, we increased the magnitude of the overweights to South Africa and Brazil, moving closer to the model recommended weights. In South Africa, the need for structural reform persists but valuations remain reasonable. In Brazil, despite some headlines created by the president, there have been signs of a more orthodox policy approach. Cooperation between the finance ministry and congress is encouraging and the proposed fiscal framework will help to place Brazil's fiscal outlook on a more reasonable path. The real interest rate remains very high, and we expect the central bank to initiate monetary easing in the coming months. Valuations are attractive and the currency remains cheap. We followed the model and took Indonesia from neutral to overweight. Reform progress has been encouraging and the long-term outlook is positive, even if this is now better recognised by the market. We also reduced the magnitude of the underweight to Saudi Arabia. The long-term outlook in Saudi Arabia is underpinned by societal change and the economic transformation programme. However, aggregate valuations are unattractive and there is negative earnings risk.

These changes were funded by taking South Korea and China from overweight to neutral. In Korea, the weak cyclical outlook is discounted but the timing of a recovery remains uncertain with ongoing caution regarding the US growth outcome in H2. In China, the economy continues to recover, aided by policy support, although recent data has disappointed somewhat, leading to caution on the pace of the rebound. Geopolitical tensions also remain elevated although the current US administration appears to be seeking an improvement in communication with the Chinese government. The size of the underweight to India was increased, which was largely a move to actual weight. Reform progress is a long term positive but economic growth is expected to slow and valuations remain expensive. We also increased the magnitude of the underweight to Thailand where tourism is recovering, but political uncertainty persists following indecisive elections last month. Aggregate valuations remain rich, and we find better ideas elsewhere.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review (continued)

Q3 2023

During the third quarter of 2023, we followed the model and took China from neutral to a small overweight. Geopolitical tensions with the US persist and the economic recovery remains fragile. We do not anticipate broad stimulus measures, but valuations for the equity market and the currency are reasonable, while domestic sentiment is weak. We also increased our overweight to South Africa, moving closer to the model recommended weight. Structural challenges continue to cloud the outlook, and reform is slow. However, load shedding (electricity blackout) has significantly improved, which should support economic activity in the near term, and valuations are attractive. We increased our overweight to Taiwan and took South Korea from underweight to neutral. In Taiwan, near term concerns relating to the technology downcycle persist, but the long-term structural story remains positive. In Korea, the weak cyclical outlook is discounted, there is expectation of a trade cycle recovery, and we have identified various stock opportunities.

These changes were funded by taking Indonesia from overweight to neutral in line with the model. Reform progress has been positive, but the positive structural story is priced in for now. We took profits in Mexico, moving from neutral to underweight. Policy concerns persist, the market is defensive, and the currency is richly valued. We also exited Malaysia and Qatar and reduced the off-benchmark exposure to Argentina due to bottom-up decisions.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review (continued)

Q4 2023

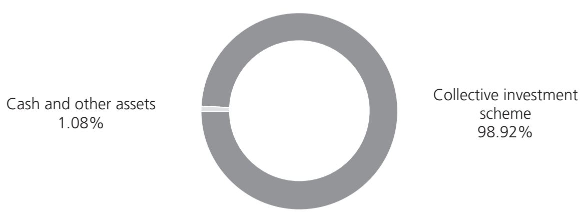
During the fourth quarter, we moved Mexico from underweight to neutral, in line with the model. Despite policy concerns and a richly valued currency, Mexico is a beneficiary of ongoing strength in the US economy as well as long term nearshoring trends. We also moderated the size of the underweight to India. Reform progress has been positive, and the market offers a long-term structural growth opportunity, but aggregate valuations remain expensive.

This was funded by overriding the model to take China from a small overweight to neutral, as macro headwinds combined with fragile confidence, negative sentiment and geopolitical risks persist. We also moved Indonesia from neutral to slightly underweight, overriding the model, as the positive structural story is increasingly priced in, and due to currency pressure. We trimmed the overweights to South Africa. The upcoming electoral cycle poses potential risks, despite attractive valuations and improvements in loadshedding.

Asset Allocation

Asset Allocation	31-Dec 2023	31-Dec 2022	Changes
	(%)	(%)	(%)
Collective investment scheme	98.92	98.94	(0.02)
Cash and other assets	1.08	1.06	0.02

Asset Allocation as at 31 December 2023



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

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 have issued 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.

MARKET REVIEW

Emerging markets ("EM") delivered positive returns in US dollar terms over 2023 although these were behind those generated by developed markets ("DM"), by some margin. Growing confidence of a "soft landing" in the US, optimism about potential US interest rate cuts in 2024 and the onset of the EM monetary policy easing cycle underpinned EM performance over the year. However, China was again a major drag on broad EM returns, registering a double-digit decline.

Hungary, Greece and Poland were the top performers in the year. The anticipation of easing monetary policy supported returns in central Europe as inflation in the region eased during the first half of the year. Hungary was the first to cut its key interest rate in June 2023 from a peak of 18% in May to 10.75% in December 2023. Poland followed suit in September, and overall reduced interest rates by 100bps to 5.75%. Political factors also contributed to Greece and Poland's outperformance. In Greece, the ruling New Democratic Party won a second term in office in May 2023, signalling a continuation of market-friendly policies. Later in the year, markets welcome Donald Tusk's election as prime minister at the head of a pro-EU liberal coalition government, which ended the eight-year rule of the populist Law & Justice ("PiS") party.

Mexico performed well. It enjoyed strong economic momentum driven by exports to the US and an acceleration in "near-shoring" investments. This, together with an orthodox central bank, helped the currency appreciate. The best stock performers in 2023 included companies exposed to manufacturing or domestic consumption. Peru also outperformed. The Czech Republic gained on strong performance from all three of its constituents.

Brazil was ahead of the benchmark. It started the year with fiscal policy uncertainty and concerns about the central bank's independence, although these eased as the year progressed and the government deployed its fiscal policy responsibly and upheld the central bank's autonomy. With a fiscal anchor in place, the central bank started easing monetary policy from very high levels, which has been beneficial for the economy. This, together with attractive valuations, underpinned the market's strong performance.

Taiwan and Korea delivered good returns, helped by performance from the technology sector which benefited from investor optimism about artificial intelligence development. India was up too, with Colombia some way behind it. In the former market, economic growth has held up well and moderating inflation has meant monetary policy has remained loose, the combination of which has boosted sentiment. Later in the year, a strong showing by the ruling Bharatiya Janata party in key state elections was also supportive.

Some of the energy-related markets lagged, including Qatar, UAE and Kuwait, which was negative. Saudi Arabi was the exception, registering returns marginally in excess of the index. South Africa performed poorly as the ongoing electricity crisis continued to weigh on investor confidence, not least because it severely hinders the economy's ability to grow.

China was the poorest performer in an EM context. A convincing economic rebound failed to materialise in 2023; instead, the economy's anaemic recovery was accompanied by an ongoing crisis in the real estate industry and regulatory uncertainty, particularly regarding tech companies. Meanwhile, geopolitical tension between the US and China persisted throughout the year and included the imposition of various technology restrictions by both parties.

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 EMERGING MARKETS FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

STATEMENT BY THE MANAGER

We, Tang Chee Kin and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 20 to 51 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 31 December 2023 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 23 February 2024

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

We have acted as Trustee of the Fund for the financial year ended 31 December 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

1. Limitations imposed on the investment powers of the management company under the deed, securities laws and the Guidelines on Unit Trust Funds;

2. Valuation and pricing is carried out in accordance with the deed; and

3. Any creation and cancellation of units are carried out in accordance with the deed and any regulatory requirement.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 23 February 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Global Emerging Markets Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information, as set out on pages 20 to 51.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the Manager's Report, but does not include the financial statements of the Fund and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

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

<u>Auditors' responsibilities for the audit of the financial statements</u>

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

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

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

d. Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

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

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
Date: 23 February 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		RM	RM
INVESTMENT INCOME/(LOSS)			
Interest income from deposits with licensed financial institutions		21,796	17,961
Net gain/(loss) on financial assets at fair value through profit or loss	6	7,362,021	(13,234,747)
Net foreign currency exchange loss		(170,415)	(54,285)
		7,213,402	(13,271,071)
EXPENSES			
Management fee	3	(1,018,944)	(1,117,498)
Trustee fee	4	(45,286)	(49,667)
Audit fee		(6,600)	(6,600)
Tax agent fee		(3,700)	(3,400)
Other expenses		(16,544)	(18,250)
		(1,091,074)	(1,195,415)
PROFIT/(LOSS) BEFORE TAXATION		6,122,328	(14,466,486)
TAXATION	5	-	-
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)		6,122,328	(14,466,486)
Profit/(loss) after taxation is made up of the following:			
Realised amount		253,279	(334,114)
Unrealised amount		5,869,049	(14,132,372)
		6,122,328	(14,466,486)

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023	2022
		RM	RM
ASSETS			
Cash and cash equivalents	7	653,852	709,345
Financial assets at fair value through profit or loss	6	52,329,403	57,060,080
Amount due from Manager		128,819	67,333
Amount due from broker		101,394	164,318
Management fee rebate receivables		65,945	72,186
TOTAL ASSETS		53,279,413	58,073,262
LIABILITIES			
Accrued management fee		80,009	87,959
Amount due to Manager		282,410	293,008
Amount due to Trustee		3,556	3,909
Other payables and accruals		13,332	15,883
TOTAL LIABILITIES		379,307	400,759
NET ASSET VALUE OF THE FUND		52,900,106	57,672,503
EQUITY			
Unit holders' capital		44,049,815	54,944,540
Retained earnings		8,850,291	2,727,963
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		52,900,106	57,672,503
NUMBER OF UNITS IN CIRCULATION	8	131,072,896	158,602,321
NET ASSET VALUE PER UNIT (RM)		0.4036	0.3636

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 January 2023	54,944,540	2,727,963	57,672,503
Movement in unit holders' contribution:			
Creation of units from applications	8,705,565	-	8,705,565
Cancellation of units	(19,600,290)	-	(19,600,290)
Total comprehensive income for the financial year	-	6,122,328	6,122,328
Balance as at 31 December 2023	44,049,815	8,850,291	52,900,106
Balance as at 1 January 2022	55,343,664	17,194,449	72,538,113
Movement in unit holders' contribution:			
Creation of units from applications	8,590,854	-	8,590,854
Cancellation of units	(8,989,978)	-	(8,989,978)
Total comprehensive loss for the financial year	-	(14,466,486)	(14,466,486)
Balance as at 31 December 2022	54,944,540	2,727,963	57,672,503

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		13,412,123	2,455,326
Purchase of investments		(2,095,830)	(2,312,155)
Interest income received from deposits with licensed financial institutions		21,796	17,961
Management fee paid		(1,026,894)	(1,140,541)
Management fee rebate received		845,570	937,643
Trustee fee paid		(45,639)	(50,692)
Payment for other fees and expenses		(29,395)	(29,674)
Realised foreign exchange loss		(170,415)	(54,285)
Net cash generated from/(used in) operating activities		10,911,316	(176,417)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		8,644,079	8,684,470
Payments for cancellation of units		(19,610,888)	(8,899,575)
Net cash used in financing activities		(10,966,809)	(215,105)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(55,493)	(391,522)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		709,345	1,100,867
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	653,852	709,345

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

MATERIAL ACCOUNTING POLICY INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 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 revenue and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note J.

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

   There are no standards, amendments to standards or interpretations that are effective for financial periods beginning on 1 January 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 January 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B. INCOME RECOGNITION

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

C. TAXATION

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

D. FUNCTIONAL AND PRESENTATION CURRENCY

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

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

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

The Fund classifies accrued management fee, amount due to Manager, amount due to Trustee and other payables and accruals 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 it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” 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 year in which they arise.

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

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

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

F. AMOUNT DUE FROM/(TO) BROKER

Amount due from and to broker 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.

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. FOREIGN CURRENCY TRANSLATION

Foreign currency transactions in the Fund are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

I. UNIT HOLDERS' CAPITAL

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there are no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

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

J. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information contents on the estimates, certain key variables that are anticipated to have material impacts to the Fund's results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgements are continually evaluated by the Manager and the Trustee and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. INFORMATION ON THE FUND

Eastspring Investments Global Emerging Markets Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 7 December 2007 (the “Deed”), Second Supplemental Master Deed dated 30 November 2009 entered into between Eastspring Investments Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (“HSBC Trustee”). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, Eighth Supplemental Master Deed dated 25 January 2017, Ninth Supplemental Master Deed dated 11 December 2017, Tenth Supplemental Master Deed dated 4 June 2018, Eleventh Supplemental Master Deed dated 30 September 2021, Twelfth Supplemental Master Deed dated 29 June 2022 and Thirteenth Supplemental Master Deed dated 29 November 2022 (collectively referred to as the “Deeds”).

The Fund was launched on 11 January 2008 and will continue its operations until terminated as provided under Clause 12 of the Deed.

The Fund invests in a foreign collective investment scheme primarily the Schroder International Selection Fund - Emerging Markets (the “Target Fund”), incorporated in Luxembourg.

The main objective of the Fund seeks to achieve long-term capital growth by investing in a collective investment scheme called the Schroder International Selection Fund - Emerging Markets (the “Target Fund”), which in turn seeks to provide capital growth primarily through investment in equity securities of emerging markets companies.

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

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2023				
Cash and cash equivalents	7	653,852	-	653,852
Collective investment scheme	6	-	52,329,403	52,329,403
Amount due from Manager		128,819	-	128,819
Amount due from broker		101,394	-	101,394
Management fee rebate receivables		65,945	-	65,945
		950,010	52,329,403	53,279,413
2022				
Cash and cash equivalents	7	709,345	-	709,345
Collective investment scheme	6	-	57,060,080	57,060,080
Amount due from Manager		67,333	-	67,333
Amount due from broker		164,318	-	164,318
Management fee rebate receivables		72,186	-	72,186
		1,013,182	57,060,080	58,073,262

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

Market risk

i. Price risk

Price risk arises mainly from the uncertainty about future prices of investments. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The table below shows assets of the Fund as at 31 December which are exposed to price risk.

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment scheme	52,329,403	57,060,080

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

		2023		2022
% Change in price	Market value	Impact on profit after tax and net asset value	Market value	Impact on loss after tax and net asset value
	RM	RM	RM	RM
+5% (2022: +5%)	54,945,873	2,616,470	59,913,084	2,853,004
-5% (2022: -5%)	49,712,933	(2,616,470)	54,207,076	(2,853,004)

ii. Interest rate risk

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

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

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

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

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	**Amount due from broker**	**Total**
	RM	**RM**	**RM**
2023			
EURO	52,329,403	101,394	52,430,797
2022			
EURO	57,060,080	164,318	57,224,398

The table below summarises the sensitivity of the Fund's financial assets to changes in foreign exchange movements at the end of each reporting financial year. The analysis is based on the assumption that the foreign exchange rate changes by each currency's respective historical volatility, with all variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

	Change in price	Impact on profit/(loss) after tax	Impact on net asset value
	%	RM	RM
2023			
EURO	6.08	3,187,792	3,187,792
2022			
EURO	5.00	2,861,220	2,861,220

Stock/Issuer risk

The performance of equities and money market instruments held by the Underlying Fund is also dependent on company specific factors like the issuer's business situation. If the company-specific factors deteriorate, the price of the specific security may drop significantly and permanently, possibly even regardless of an otherwise generally positive stock market trend. Risks include but are not limited to competitive operating environments, changing industry conditions and poor management.

Fund management risk

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

Liquidity risk

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

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise cash 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	Total
	RM	RM	RM
2023			
Accrued management fee	80,009	-	80,009
Amount due to Manager	282,410	-	282,410
Amount due to Trustee	3,556	-	3,556
Other payables and accruals	-	13,332	13,332
Contractual undiscounted cash outflows	365,975	13,332	379,307
2022			
Accrued management fee	87,959	-	87,959
Amount due to Manager	293,008	-	293,008
Amount due to Trustee	3,909	-	3,909
Other payables and accruals	-	15,883	15,883
Contractual undiscounted cash outflows	384,876	15,883	400,759

Credit/Default risk

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

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

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

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

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

	Cash and cash equivalents	Amount due from Manager	Amount due from broker	Management fee rebate receivables	Total
	RM	RM	RM	RM	RM
2023					
Financial Services					
- AAA	610,163	-	-	-	610,163
- AA1	43,689	-	-	-	43,689
Other					
- NR	-	128,819	101,394	65,945	296,158
	653,852	128,819	101,394	65,945	950,010
2022					
Financial Services					
- AAA	660,105	-	-	-	660,105
- AA1	49,240	-	-	-	49,240
Other					
- NR	-	67,333	164,318	72,186	303,837
	709,345	67,333	164,318	72,186	1,013,182

None of these financial assets are past due or impaired.

Country risk

The stock prices may be affected by the political and economic conditions of the country in which the stocks are listed. A unit trust fund that invests in foreign securities may experience more rapid and extreme changes in value than a unit trust fund that invests exclusively in securities of Malaysian companies. Nationalisation, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect a unit trust fund's investment in a foreign country. In the event of nationalisation, expropriation or other confiscation, a unit trust fund could lose its entire investment in foreign securities. Careful consideration shall be given to risk factors such as liquidity, political and economic environment before any investments are made in a foreign country.

Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated.

Emerging markets risk

Investments in securities of emerging market issuers entail significant risks in addition to those customarily associated with investing in securities of issuers in more developed markets, such as:

(i) low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed capital markets;

(ii) uncertain national policies and social, political and economic instability, increasing the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavourably diplomatic developments;

(iii) possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other laws or restrictions applicable to such investments;

(iv) national policies which may limit a portfolio's investment opportunities such as restrictions on investment in issuers or industries deemed sensitive to national interests; and

(v) the lack of relatively early development of legal structures governing private and foreign investments and private property.

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 RM44,049,815 (2022: RM54,944,540) and retained earnings of RM8,850,291 (2022: RM2,727,963). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the financial year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is representative of the fair value.

An active market is a market in which transactions for the asset 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.

i. Fair value hierarchy

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

The different levels have been defined as follows:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2023				
Financial assets at fair value through profit or loss:				
Collective investment scheme	52,329,403	-	-	52,329,403
2022				
Financial assets at fair value through profit or loss:				
Collective investment scheme	57,060,080	-	-	57,060,080

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment scheme. The Fund does not adjust the quoted prices for these instruments. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

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

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 1.80% per annum of the net asset value of the Fund calculated on daily basis.

For the financial year ended 31 December 2023, management fee is recognised at a rate of 1.80% (2022: 1.80%) per annum on the net asset value of the Fund, calculated on a 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 0.08% per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum (excluding foreign custodian fees and charges).

For the financial year ended 31 December 2023, the Trustee fee is recognised at a rate of 0.08% (2021: 0.08%) subject to a minimum fee of RM18,000 per annum on the net asset value of the Fund, calculated on daily basis.

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

5. TAXATION

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

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

	2023	2022
	RM	RM
Profit/(loss) before taxation	6,122,328	(14,466,486)
Tax at Malaysian statutory rate of 24% (2022: 24%)	1,469,359	(3,471,957)
Tax effects of:		
(Investment income not subject to tax)/ investment loss not deductible for tax purpose	(1,731,217)	3,185,057
Expenses not deductible for tax purposes	15,727	17,116
Restriction on the tax deductible expenses for Unit Trust Funds	246,131	269,784
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment scheme	52,329,403	57,060,080
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised gain/(loss) on disposals	653,643	(21,079)
Change in unrealised fair value gain/(loss)	5,869,049	(14,132,372)
Management fee rebate on collective investment scheme#	839,329	918,704
	7,362,021	(13,234,747)

In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of the collective investment scheme has been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund's investments in collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme. The rebate of management fee is 1.50% per annum or RM839,329 (2022: 1.50% per annum or RM918,704) calculated on net asset value of Schroder International Selection Fund Emerging Markets on a daily basis.

a. Collective investment scheme

	Quantity	Aggregate cost	Fair value as at 31.12.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
2023				
Schroder International Selection Fund Emerging Markets – Class A	718,017	48,490,094	52,329,403	98.92
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		3,839,309		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		52,329,403		

a. Collective investment scheme

	Quantity	Aggregate cost	Fair value as at 31.12.2022	Percentage of net asset value of the Fund
	Units	**RM**	**RM**	**%**
2022				
Schroder International Selection Fund Emerging Markets – Class A	875,609	59,089,820	57,060,080	98.94
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(2,029,740)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		57,060,080		

The Target Fund is a Sub-fund of the Schroder International Selection Fund which is a SICAV (“Société d’Investissement à Capital Variable”).

Schroder International Selection Fund (“SICAV”) is an open-ended investment company organised as a “Société Anonyme” under the law of the Grand Duchy of Luxembourg and qualifies as a SICAV. The Target Fund was launched on 17 March 2006. The Investment Manager of the Target Fund is Schroder Investment Management Limited in UK.

The Target Fund seeks to provide capital growth primarily through investment in equity and equity-related securities of emerging markets companies.

b. Target Fund’s top 10 holdings

i. Target Fund’s top 10 holdings as at 31 December 2023 is as follows:

	Percentage of Target Fund’s NAV
	(%)
Taiwan Semiconductor Manufacturing Co Ltd	9.98
Samsung Electronics Co Ltd	6.70
Tencent Holdings Ltd	4.46
Alibaba Group Holding Ltd	2.88
SK Hynix Inc	2.35
HDFC Bank Ltd	2.22
Axis Bank Ltd	2.07
Itau Unibanco Holding SA	1.77
ICICI Bank Ltd	1.67
MediaTek Inc	1.67
Total	35.77

ii. Target Fund’s top 10 holdings as at 31 December 2022 is as follows:

	Percentage of Target Fund’s NAV
	(%)
Taiwan Semiconductor Manufacturing Co Ltd	8.43
Samsung Electronics Co Ltd	6.08
Tencent Holdings Ltd	5.33
ICICI Bank Ltd	2.50
JD.com Inc	2.52
HDFC Bank Ltd	2.47
AIA Group Ltd	2.38
Alibaba Group Holding Ltd	2.12
Midea Group Co Ltd	1.72
Tata Consultancy Services Ltd	1.47
Total	35.02

7. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Bank balances with a licensed bank	43,689	49,240
Deposits with licensed financial institution	610,163	660,105
	653,852	709,345

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	3.25	2.90

The deposits have an average maturity of 2 days (2022: 2 days).

8. UNITS IN CIRCULATION

	2023	2022
	No. of units	No. of units
At the beginning of the financial year	158,602,321	159,832,086
Creation of units arising from applications during the financial year	22,133,774	21,634,699
Cancellation of units during the financial year	(49,663,199)	(22,864,464)
At the end of the financial year	131,072,896	158,602,321

9. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

Name of issuer	Value of trades	Percentage of total trades
	RM	%
2023		
Schroder Investment Management (Singapore) Limited	15,445,029	100.00
2022		
Schroder Investment Management (Singapore) Limited	4,931,799	100.00

The issuer highlighted above is not related to the Manager. There are no brokerage fees charged by the issuer.

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

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

Related parties	Relationship
Director of Eastspring Investments Berhad	Director of the Manager
Eastspring Investments Berhad	The Manager
Eastspring Investments Group Private Limited	Immediate holding company of the Manager
Prudential Plc	Ultimate holding company of the Manager

Units held by Manager:

	2023		2022	
	No. of units	**RM**	**No. of units**	**RM**
Eastspring Investments Berhad	1,000	404	1,000	368

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 the SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the Directors or parties related to the Manager.

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

11. TOTAL EXPENSE RATIO ("TER")

	2023	2022
	%	%
TER	1.93	1.92

TER is derived from the following calculation:

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

A = Management fee (excluding management fee rebate)
B = Trustee fee
C = Audit fee
D = Tax agent fee
E = Other expenses
F = Average net asset value of Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM56,541,442 (2022: RM62,134,756).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2023	2022
PTR (times)	0.14	0.04

PTR is derived from the following calculation:

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

where:
total acquisitions for the financial year = RM2,095,830 (2022: RM2,312,155)
total disposals for the financial year = RM13,349,199 (2022: RM2,619,644)

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 23 February 2024.

CORPORATE DIRECTORY

THE MANAGER

NAME
EASTSPRING INVESTMENTS BERHAD

COMPANY NO.
200001028634 (531241-U)

REGISTERED OFFICE
Level 25, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

BUSINESS OFFICE
Level 22, Menara Prudential
Persiaran TRX Barat
55188 Tun Razak Exchange
Kuala Lumpur

TELEPHONE NO.
603-2778 3888

FAX NO.
603-2789 7220

EMAIL
cs.my@eastspring.com

WEBSITE
www.eastspring.com/my

TRUSTEE

NAME
DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.
200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE
Level 20, Menara IMC
No. 8, Jalan Sultan Ismail
50250 Kuala Lumpur

TELEPHONE NO.
603-2053 7522

FAX NO.
603-2053 7526

SALE & PURCHASE OF UNITS

Eastspring Investments Berhad
Level 22, Menara Prudential
Persiaran TRX Barat
55188 Tun Razak Exchange
Kuala Lumpur

TELEPHONE NO.
603-2778 1000

BRANCHES

Petaling Jaya

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

TELEPHONE NO.
603-7948 1288

Kota Kinabalu

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

TELEPHONE NO.
6088-238 613

ENQUIRIES

CLIENT SERVICES
603-2778 1000

APPENDIX 1 – LIST OF CHANGES FOR EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS 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	7th paragraph: The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time.	7th paragraph: The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time. 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.

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	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. 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. 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.	Income distribution 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. 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. 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>

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 (continued)	Applicable only to Eastspring Global Target Income Fund 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. * 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.	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. * 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.
Transaction Information – Auto Reinvestment Policy	Not applicable.	*(added)* 2nd Paragraph: 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.

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

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