



A Prudential plc company 

EASTSPRING INVESTMENTS REGULAR INVESTMENT CHOICE FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

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

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang', with a stylized flourish at the end.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

Name of Fund	Eastspring Investments Regular Investment Choice Fund (the "Fund")
Fund Category/Type	Fund-of-Funds (Equity)/Growth
Fund Objective	<p>The Fund seeks to provide investor with long-term capital appreciation by investing in a diversified portfolio of Collective Investment Scheme(s).</p> <p>ANY MATERIAL CHANGE TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p>
Performance Benchmark	<p>FTSE Bursa Malaysia 100 Total Return Index</p> <p>Source: www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Subject to the availability of income, distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	2023	2022	Since commencement
			30.9.2020 to 30.6.2021
	(%)	(%)	(%)
Collective investment schemes	96.01	95.96	98.63
Cash and other assets	3.99	4.04	1.37
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	18,771	12,858	6,172
Units In Circulation (Units '000)	41,064	27,665	12,624
Net Asset Value Per Unit (RM)	0.4571	0.4648	0.4889
Highest Net Asset Value Per Unit (RM) [#]	0.4837	0.5235	0.5235
Lowest Net Asset Value Per Unit (RM) [#]	0.4490	0.4603	0.4825
Total Return (%)			
- Capital Growth	(1.66)	(4.93)	(2.22)
- Income Distribution	3.21	-	-
Total Return (%)	1.50	(4.93)	(2.22)
Gross Distribution Per Unit (RM)	0.0144	-	-
Net Distribution Per Unit (RM)	0.0144	-	-
Total Expense Ratio (TER) (%) [*]	1.69	1.99	2.50
Portfolio Turnover Ratio (PTR) (times) [^]	0.27	0.37	0.98

[#] Figure shown as ex-distribution.

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

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

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.7.2022 to 30.6.2023	Since commencement 30.9.2020 to 30.6.2023
	(%)	(%)
Average total return	1.50	(2.09)

Year ended	1.7.2022 to 30.6.2023	1.7.2021 to 30.6.2022	Since commencement 30.9.2020 to 30.6.2021
	(%)	(%)	(%)
Annual total return	1.50	(4.93)	(2.22)

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

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

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

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

MANAGER'S REPORT

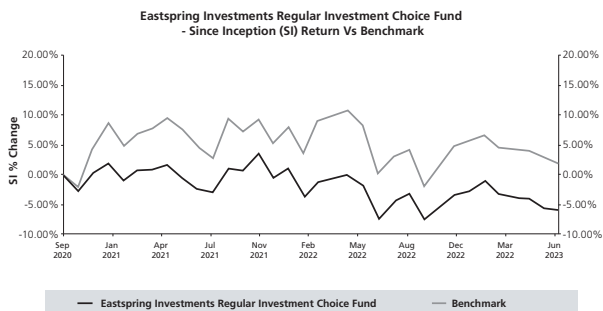
Fund Performance

Since inception, the Fund recorded a return of -5.65%, underperforming the benchmark return of 2.12% by 7.77%.

During the period under review, the Fund registered a return of 1.50%, underperforming the benchmark return of 1.88% by 0.38%.

The underperformance since inception was mainly due to underperformance during 4th quarter 2020 or the initial months of inception. The market rallied significantly during these months when the Fund was just launched, and lumpy inflows resulted in cash drag to the fund's value.

For the period under review, the Fund's performance was impacted by weaker performance of growth strategy on the back of global monetary policy tightening cycle, as well as broad market weakness YTD 2023 on global macro headwinds stemming from geopolitics, uncertainties in economic growth outlook and domestic political uncertainties. On the sector front, underweight in Financials and Healthcare and positive stock selection in the sector drove positive returns, whilst securities selection within Industrial sector detracted.



MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

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

Benchmark: FTSE Bursa Malaysia 100 Total Return Index

Source: Lipper for Investment Management,
www.bursamalaysia.com, as at 30 June 2023.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 30 June 2023:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
3.21	(1.66)	1.50	1.88

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

**Distribution/
Unit Split**

Ex-date	18-Oct-22
Distribution Per Unit	(RM)

Gross	0.0144
Net	0.0144

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

Ex-date	18-Oct-22
	(RM per Unit)

Net Asset Value before distribution	0.4634
Less: distribution	(0.0144)
Net Asset Value after distribution	0.4490

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

Investment Strategy During the Period Under Review

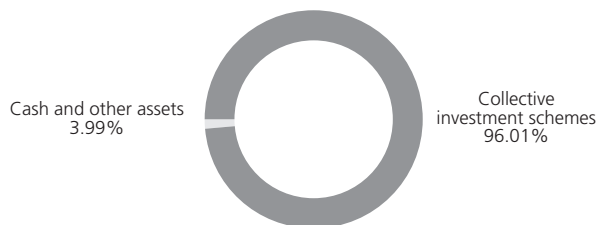
During the period under review, the Fund remained nimble, diversified across market capitalization and adjusted positions to underlying target funds, as well as overall equity exposure tactically, as market condition evolved with investors' expectation on macro conditions and its corresponding impact to domestic equity market. On the back of mixed outlook, with global synchronized fiscal and monetary tightening likely to moderate economic recovery, the Fund remained tilted towards income driven strategies on defensive play and to mitigate volatility.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2023	30-Jun 2022	Changes
	(%)	(%)	(%)
Collective investment schemes	96.01	95.96	0.05
Cash and other assets	3.99	4.04	(0.05)

Asset Allocation as at 30 June 2023



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

State of Affairs of the Fund

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

MARKET REVIEW

Malaysian equity markets started 2022 lower due to concerns over earnings risks, rising global interest rates and political risks. The US Federal Reserve FOMC minutes for December's meeting confirmed the end of the Fed's purchases in March 2022 and put upward pressure on interest rates. With the US Federal Reserve more hawkish, the impending rate rise will be expected to weigh on growth and hence technology stocks. Tech stocks in the US suffered its worst decline in January 2022 since the Covid-19 pandemic started in March 2020, with the NASDAQ down 8.98% (USD). Similarly in Malaysia, the KL Technology Index declined 15.32% in January 2022. The Ukraine-Russia crisis escalated dramatically in the 3rd week of February 2022 after Russia launched a full-scale military invasion of Ukraine. The Brent crude oil price topped USD100/bbl for the first time since 2014 following the military strike and subsequently soared above USD130/bbl after the US and the UK announced the ban of Russian oil imports. Food related commodity prices spiked as Russia and Ukraine together account for approximately 29% of global wheat exports, while Ukraine is the fourth leading exporter of corn. Russia was the largest producer of natural gas, which are used both as feedstock and fuel for nitrogen fertilizer production. Equity markets in Malaysia were buoyed from a rally in the plantation sector benefiting from the record high CPO prices that hit highs of above RM8000/T during the 1Q2022. The 4Q2021 results season reported stronger than expected earnings as corporates benefitted from higher commodity prices (CPO and crude oil) and better sales following the lifting of the interstate travel ban in October 2021. The Johor State elections were held on the 12 March 2022, which saw the Barisan Nasional ("BN") party win two-thirds majority, capturing 40 of the 56 seats contested. UMNO contributed to 33 seats victory. Foreign investors were net buyers of equity in for the 1Q2022 of RM6.3b.

Malaysian equity markets started the 2Q2022 outperforming the Asia Pacific region, despite being a relatively quiet trading month in April with only USD9.62bn traded versus March's USD16.2bn. Effective 1 April 2022, Malaysia moved towards endemic phase, lifting many travel restrictions. EPF's special withdrawal of up to RM10k was opened for applications early April, and within two weeks, saw approved applications of about RM40b, to be disbursed by the end of April. This will help drive consumer spending domestically, especially ahead of the Hari Raya festivities that began 2 May 2022. The conflict between Russia and Ukraine continued without a ceasefire being reached. However, by the second month of 2Q2022 Malaysian equity markets started to correct amid concerns over inflation and potential rate hikes, despite a month end rally driven by the MSCI May Semi Annual Index rebalancing. During the month, BNM surprised the market by raising OPR by 25bps at the May MPC to 2%. BNM indicated that the firmer domestic growth underscored their decision to begin reducing the degree of monetary accommodation, which will be done in a measured and gradual manner, ensuring that monetary policy remains accommodative. 1Q2022 GDP growth for Malaysia came in at 5% y-o-y, supported by the expansion in domestic demand, recovery in the labour market,

continued growth in external demand and continued policy support. In May, the rising cost of feed had sent chicken prices soaring resulting in rationing of supply. The Malaysian government responded with a direct subsidy to poultry breeders, so that the ceiling price of RM8.90/kg can be maintained. By the end of the 2Q2022 Malaysian equity markets corrected sharply driven by fears of a global economic slowdown and tighter monetary policies. The US Federal Reserve FOMC in mid-June 2022 raised its Fed rates by 75bps in its most aggressive hike since 1994, on the back on persistent inflationary pressures and strong labour market. The Malaysian equity market was also rattled by the rising inflationary pressures, and hence input cost. The sharp decline in CPO prices in June was unexpected, and negatively impacted sentiment for the plantation companies, resulting in net selling of the plantation stocks. Foreign investors turned net sellers of equity in 2Q2022 of RM0.4b.

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

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

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

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

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

The FBM KLCI closed the period under review at 1,376.68 points, down 4.7%. The broader FBM Emas ("FBMEmas") Index closed the period under review lower by 1.6%. The MSCI Asia Pacific ex-Japan Index declined by 1.65% in USD terms.¹

¹ Source: Bloomberg: World indices

REBATES AND SOFT COMMISSIONS

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

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EASTSPRING INVESTMENTS REGULAR INVESTMENT CHOICE FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

STATEMENT BY THE MANAGER

We, Tang Chee Kin and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 20 to 53 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2023 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 23 August 2023

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS REGULAR INVESTMENT CHOICE FUND ("Fund")

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

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

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 23 August 2023

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS REGULAR INVESTMENT CHOICE FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

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

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 20 to 53.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- d. Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
Date: 23 August 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		RM	RM
INVESTMENT INCOME/(LOSS)			
Gross dividend Income		731,161	415,079
Interest income from deposits with licensed financial institutions		11,654	2,629
Net loss on financial assets at fair value through profit or loss	7	(343,205)	(957,719)
		<u>399,610</u>	<u>(540,011)</u>
EXPENSES			
Management fee	3	(244,929)	(151,661)
Trustee fee	4	(15,000)	(15,000)
Audit fee		(6,500)	(6,500)
Tax agent fee		(4,499)	(3,400)
Other expenses		(5,324)	(25,207)
		<u>(276,252)</u>	<u>(201,768)</u>
PROFIT/LOSS BEFORE TAXATION		123,358	(741,779)
TAXATION	5	-	-
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>123,358</u>	<u>(741,779)</u>
Profit/(loss) after taxation is made up of the following:			
Realised amount		668,710	362,221
Unrealised amount		(545,352)	(1,104,000)
		<u>123,358</u>	<u>(741,779)</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	2023	2022
		RM	RM
ASSETS			
Cash and cash equivalents	8	845,850	472,698
Financial assets at fair value through profit or loss	7	18,021,257	12,338,588
Amount due from Manager		-	105,332
Management fee rebate receivable		21,735	15,253
TOTAL ASSETS		<u>18,888,842</u>	<u>12,931,871</u>
LIABILITIES			
Accrued management fee		23,036	15,899
Amount due to Manager		58,871	14,393
Amount due to Trustee		1,233	1,233
Other payables and accruals		35,197	42,053
TOTAL LIABILITIES		<u>118,337</u>	<u>73,578</u>
NET ASSET VALUE OF THE FUND		<u>18,770,505</u>	<u>12,858,293</u>
EQUITY			
Unit holders' capital		19,776,036	13,765,602
Accumulated losses		(1,005,531)	(907,309)
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>18,770,505</u>	<u>12,858,293</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>41,063,823</u>	<u>27,664,553</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.4571</u>	<u>0.4648</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Unit holders' capital	Accumulated losses	Total
		RM	RM	RM
Balance as at 1 July 2022		13,765,602	(907,309)	12,858,293
Movement in unit holders' contribution:				
Creation of units from applications		7,827,144	-	7,827,144
Creation of units from distribution		456,873	-	456,873
Cancellation of units		(2,038,290)	-	(2,038,290)
Distribution (Gross/Net: 1.44 sen)	6	(235,293)	(221,580)	(456,873)
Total comprehensive income for the financial year		-	123,358	123,358
Balance as at 30 June 2023		19,776,036	(1,005,531)	18,770,505
Balance as at 1 July 2021		6,337,488	(165,530)	6,171,958
Movement in unit holders' contribution:				
Creation of units from applications		8,479,348	-	8,479,348
Cancellation of units		(1,051,234)	-	(1,051,234)
Total comprehensive loss for the financial year		-	(741,779)	(741,779)
Balance as at 30 June 2022		13,765,602	(907,309)	12,858,293

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		1,300,000	55,000
Purchase of investments		(7,560,000)	(7,720,000)
Interest income received from deposits with licensed financial institutions		11,654	2,629
Dividends received		731,084	415,079
Management fee paid		(237,792)	(143,084)
Management fee rebate received		227,644	138,034
Trustee fee paid		(15,000)	(15,000)
Payment for other fees and expenses		(23,102)	(21,955)
Net cash used in operating activities		(5,565,512)	(7,289,297)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		7,932,476	8,374,016
Payments for cancellation of units		(1,993,812)	(1,040,632)
Net cash generated from financing activities		5,938,664	7,333,384
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		373,152	44,087
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		472,698	428,611
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	8	845,850	472,698

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

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

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS and IFRS require the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ.

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

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

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

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

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

B. INCOME RECOGNITION

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

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

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

Realised gain or loss on disposal of 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 schemes.

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 and management fee rebate receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies accrued management fee, amount due to Manager, amount due to Trustee 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 quoted financial instrument.

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

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

Collective investment schemes are valued based on the last published net asset value per unit or share of such collective investment schemes 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) BROKERS

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

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

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

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

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 dates of the transaction. 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. DISTRIBUTION

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

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1. INFORMATION ON THE FUND

Eastspring Investments Regular Investment Choice Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 22 June 2020 (the “Deed”) as modified by First Supplemental Deed dated 6 April 2022 (collectively referred to as the “Deeds”) entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 9 September 2020 and will continue its operations until terminated as provided under Clause 12 of the Deed.

The main objective of the Fund seeks to provide investor with long-term capital appreciation by investing in a diversified portfolio of collective investment schemes (“CIS”).

The Fund seeks to achieve its objective by investing a minimum of 70% of the Fund's NAV in equity CIS, a maximum of 30% of the Fund's NAV in fixed income CIS and/or money market CIS, and a minimum of 1% and up to 5% of the Fund's NAV in liquid assets. The investment focus of the Fund will be in Malaysia.

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

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk and interest rate risk), stock/issuer risk, fund management risk, liquidity risk, credit/default 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
<u>2023</u>				
Cash and cash equivalents	8	845,850	-	845,850
Collective investment schemes	7	-	18,021,257	18,021,257
Management fee rebate receivable		21,735	-	21,735
		<u>867,585</u>	<u>18,021,257</u>	<u>18,888,842</u>
<u>2022</u>				
Cash and cash equivalents	8	472,698	-	472,698
Collective investment schemes	7	-	12,338,588	12,338,588
Amount due from Manager		105,332	-	105,332
Management fee rebate receivable		15,253	-	15,253
		<u>593,283</u>	<u>12,338,588</u>	<u>12,931,871</u>

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

Market risk

i. Price risk

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

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

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment schemes	18,021,257	12,338,588

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 schemes at the end of each reporting financial year. The analysis is based on the assumptions that the market price of the collective investment schemes 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 schemes, 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%)	18,922,320	901,063	12,955,517	616,929
-5% (2022: -5%)	17,120,194	(901,063)	11,721,659	(616,929)

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.

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 bank balances, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
2023			
Accrued management fee	23,036	-	23,036
Amount due to Manager	58,871	-	58,871
Amount due to Trustee	1,233	-	1,233
Other payables and accruals	-	35,197	35,197
Contractual undiscounted cash outflows	83,140	35,197	118,337
2022			
Accrued management fee	15,899	-	15,899
Amount due to Manager	14,393	-	14,393
Amount due to Trustee	1,233	-	1,233
Other payables and accruals	-	42,053	42,053
Contractual undiscounted cash outflows	31,525	42,053	73,578

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 placement 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 schemes 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	Management fee rebate receivable	Amount due from Manager	Total
	RM	RM	RM	RM
2023				
Financial Services				
- AAA	800,067	-	-	800,067
- AA1	45,783	-	-	45,783
Other				
- NR	-	21,735	-	21,735
	<u>845,850</u>	<u>21,735</u>	<u>-</u>	<u>867,585</u>
2022				
Financial Services				
- AAA	300,017	-	-	300,017
- AA1	172,681	-	-	172,681
Other				
- NR	-	15,253	105,332	120,585
	<u>472,698</u>	<u>15,253</u>	<u>105,332</u>	<u>593,283</u>

None of these financial assets are past due or impaired.

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 RM19,776,036 (2022: RM13,765,602) and accumulated losses of RM1,005,531 (2022: RM907,309). 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
schemes

18,021,257	-	-	18,021,257
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2022

Financial assets at fair value
through profit or loss:

Collective investment
schemes

12,338,588	-	-	12,338,588
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Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment schemes. 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, management fee rebate receivable and all liabilities are a reasonable approximation of their fair values due to their short term nature.

3. MANAGEMENT FEE

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

For the financial year ended 30 June 2023, management fee is recognised at a rate of 1.50% (2022: 1.50%) per annum on the net asset value of the Fund, calculated on 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 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum excluding foreign custodian fees and charges.

For the financial year ended 30 June 2023, the Trustee fee is recognised at a rate of 0.055% (2022: 0.055%) per annum on the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum, (excluding foreign custodian fees and charges), calculated on daily basis.

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

5. TAXATION

	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	123,358	(741,779)
Tax at Malaysian statutory rate of 24% (2022: 24%)	29,606	(178,027)
Tax effects of: (Investment income not subject to tax)/ investment loss not deductible for tax purposes	(95,907)	129,602
Expenses not deductible for tax purposes	5,958	10,466
Restriction on the tax deductible expenses for Unit Trust Funds	60,343	37,959
Taxation	-	-

6. DISTRIBUTION

	2023
	RM
Distribution to unit holders is from the following sources:	
Dividend income	280,774
Interest income	3,557
Dividend equalisation	<u>235,293</u>
Gross realised income	519,624
Less: Expenses	<u>(62,751)</u>
	<u>456,873</u>
Gross distribution per unit (sen)	<u>1.44</u>
Net distribution per unit (sen)	<u>1.44</u>
Ex-Date	<u>18 October 2022</u>

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

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

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purposes of determining amount available for distribution, distribution equalisation is included in the computation of realised gain or income available for distribution.

During the financial year ended 30 June 2023, the Fund incurred unrealised losses of RM545,352.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment schemes	18,021,257	12,338,588
Net loss on financial assets at fair value through profit or loss:		
Realised loss on disposal	(31,979)	(1)
Change in unrealised fair value loss	(545,352)	(1,104,000)
Management fee rebate [#]	234,126	146,282
	<u>(343,205)</u>	<u>(957,719)</u>

In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of the collective investment schemes 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 schemes has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of the collective investment schemes is reflected as an increase in the net asset value of the collective investment schemes. The rebate of management fee is from 0.30% to 1.50% per annum or RM234,126 (2022: RM146,282) calculated on net asset value of collective investment schemes on a daily basis.

Collective investment schemes

	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>2023</u>				
Eastspring Investments Small-cap Fund	4,672,007	3,415,202	3,008,306	16.03
Eastspring Investments Growth Fund	6,662,688	4,903,008	4,288,106	22.84
Eastspring Investments Cash Management Fund	931,291	518,164	520,871	2.77
Eastspring Investments Equity Income Fund	7,497,472	5,649,646	5,180,003	27.6
Eastspring Investments MY Focus Fund	5,582,190	5,403,000	5,023,971	26.77
	<u>25,345,648</u>	<u>19,889,020</u>	<u>18,021,257</u>	<u>96.01</u>

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

(1,867,763)

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

18,021,257

Collective investment schemes

	Quantity	Aggregate cost	Fair value as at 30.6.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>2022</u>				
Eastspring Investments Small-cap Fund	4,300,281	3,220,000	2,790,022	21.70
Eastspring Investments Growth Fund	4,817,809	3,653,008	3,264,548	25.39
Eastspring Investments Cash Management Fund	248,137	133,991	134,962	1.05
Eastspring Investments Equity Income Fund	4,604,056	3,531,000	3,292,821	25.61
Eastspring Investments MY Focus Fund	3,142,173	3,123,000	2,856,235	22.21
	<u>17,112,456</u>	<u>13,660,999</u>	<u>12,338,588</u>	<u>95.96</u>

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

(1,322,411)

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

12,338,588

8. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Bank balance with a licensed bank	45,783	172,681
Deposits with licensed financial institution	800,067	300,017
	<u>845,850</u>	<u>472,698</u>

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

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

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

9. UNITS IN CIRCULATION

	2023	2022
	No. of units	No. of units
At the beginning of the financial year	27,664,553	12,623,988
Creation of units during the financial year:		
Arising from applications	16,727,926	17,164,625
Arising from distribution	1,017,533	-
Cancellation of units during the financial year	(4,346,189)	(2,124,060)
At the end of the financial year	<u>41,063,823</u>	<u>27,664,553</u>

10. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

Name of issuer	Value of trades	Percentage of total trades
	RM	%
<u>2023</u>		
Eastspring Investments Berhad [#]	8,860,000	100.00
<u>2022</u>		
Eastspring Investments Berhad [#]	7,465,000	100.00

[#] Included in transactions by the Fund are trades conducted with the Manager, Eastspring Investments Berhad, amounting to RM8,860,000 (2022: RM7,465,000).

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

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

Related parties	Relationship
Director of Eastspring Investments Berhad	Director of the Manager
Eastspring Investments Berhad	The Manager
Eastspring Investments Group Private Limited	Immediate holding company of the Manager
Eastspring Investments Small-cap Fund	Collective investment scheme managed by Eastspring Investments Berhad
Eastspring Investments Growth Fund	Collective investment scheme managed by Eastspring Investments Berhad
Eastspring Investments Cash Management Fund	Collective investment scheme managed by Eastspring Investments Berhad
Eastspring Investments Equity Income Fund	Collective investment scheme managed by Eastspring Investments Berhad
Eastspring Investments MY Focus Fund	Collective investment scheme managed by Eastspring Investments Berhad
Prudential Plc	Ultimate holding company of the Manager

Units held by Manager and parties related to the Manager:

	2023		2022	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	2,064	944	2,000	930
Director of Eastspring Investments Berhad	35,798	16,363	22,142	10,292

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.

Significant related parties transactions

	2023	2022
	RM	RM
Purchase of units in collective investment schemes managed by Eastspring Investments Berhad	7,560,000	7,410,000
Sales of units in collective investment schemes managed by Eastspring Investments Berhad	1,300,000	55,000

All transactions with the related company have been entered into in the normal course of business at agreed terms between the related party.

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

12. TOTAL EXPENSE RATIO ("TER")

	2023	2022
	%	%
TER	1.69	1.99

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 the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM16,333,428 (2022: RM10,114,424).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2023	2022
PTR (times)	0.27	0.37

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 = RM7,560,000 (2022: RM7,410,000)

total disposals for the financial year = RM1,300,000 (2022: RM55,000)

14. APPROVAL OF FINANCIAL STATEMENTS

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

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

Level 25, Menara Hong Leong

No. 6, Jalan Damanela

Bukit Damansara

50490 Kuala Lumpur

BUSINESS OFFICE

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 3888

FAX NO.

603-2789 7220

EMAIL

cs.my@eastspring.com

WEBSITE

www.eastspring.com/my

TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE

Level 20, Menara IMC

No. 8, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2053 7522

FAX NO.

603-2053 7526

SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 1000

BRANCHES

Petaling Jaya

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

TELEPHONE NO.

603-7948 1288

Kota Kinabalu

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

TELEPHONE NO.

6088-238 613

ENQUIRIES

CLIENT SERVICES

603-2778 1000

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

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