



A Prudential plc company 

EASTSPRING INVESTMENTS DYNAMIC FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024



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 2024.

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 be 'Siook Hoon', written in a cursive style.

YAP SIOK HOON

Executive Director/Chief Executive Officer

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FUND INFORMATION

Name of Fund

Eastspring Investments Dynamic Fund (the "Fund")

Fund Category/ Type

Mixed asset/growth

Fund Objective

The Fund seeks to provide investors with capital appreciation by actively investing in equity and equity-related securities. For defensive consideration, the Fund may invest in debentures and money market instruments.

Note: The Fund's focus is on growth.

ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.

Performance Benchmark

- (a) If 100% of the Fund's NAV invested in equities and equity related securities:
FTSE Bursa Malaysia 100 Index ("FBM100").
- (b) If 100% of the Fund's NAV invested in debentures and liquid assets:
Maybank 12-month fixed deposit rate.
- (c) If invested in a mix of equities and equity-related securities, debentures and liquid assets:
50% FBM100 + 50% Maybank 12-month fixed deposit rate.

The composite benchmark index is a reflection of the Fund's average asset allocation over the long-term of 50% of the Fund's NAV in equities and equity-related securities, and 50% of the Fund's NAV in debentures and liquid assets.

Source: FTSE Bursa Malaysia 100 Index ("FBM100")
(www.bursamalaysia.com)
Maybank 12-month fixed deposit rate (www.maybank2u.com.my)

The performance of the Fund against the benchmark is published in the Manager's monthly factsheet and is available from the Manager's website at www.eastspring.com/my.

Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.

FUND INFORMATION (CONTINUED)

**Fund Income
Distribution Policy**

At least once a year, subject to the availability of income.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	2024	2023	2022
	(%)	(%)	(%)
Quoted securities			
Construction	1.05	0.93	0.55
Consumer Products & Services	5.93	9.57	14.55
Energy	3.62	2.98	3.32
Financial Services	13.91	10.11	17.53
Health Care	1.00	1.25	3.53
Industrial Products & Services	11.84	6.66	4.68
Plantation	8.65	11.22	8.58
Property	3.62	2.31	3.00
Technology	1.64	1.27	4.00
Telecommunications & Media	8.40	9.87	7.38
Transportation & Logistics	3.44	1.50	1.02
Utilities	6.85	3.71	2.53
	69.95	61.38	70.67
Collective investment scheme	15.88	14.86	14.67
Unquoted fixed income securities	7.43	5.79	7.18
Cash and other assets	6.74	17.97	7.48
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	2024	2023	2022
Net Asset Value (NAV) (RM'000)	63,566	54,358	55,638
Units In Circulation (Units '000)	63,015	61,375	60,822
Net Asset Value Per Unit (RM)	1.0087	0.8857	0.9148
Highest Net Asset Value Per Unit (RM) [#]	1.0191	0.8958	0.9247
Lowest Net Asset Value Per Unit (RM) [#]	1.0035	0.8857	0.9032
Total Return (%)			
- Capital Growth	13.90	(3.18)	(8.92)
- Income Distribution	4.24	4.19	3.29
Total Return (%)	18.73	0.88	(5.93)
Gross Distribution Per Unit (RM)	0.0432	0.0375	0.0299
Net Distribution Per Unit (RM)	0.0432	0.0375	0.0299
Total Expense Ratio (TER) (%) [*]	1.31	1.38	1.39
Portfolio Turnover Ratio (PTR) (times) [^]	0.72	0.37	0.76

[#] 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 1.7.2023 to 30.6.2024	3 years 1.7.2021 to 30.6.2024	5 years 1.7.2019 to 30.6.2024
	(%)	(%)	(%)

Average total return	18.73	4.05	6.59
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Year ended	1.7.2023 to 30.6.2024	1.7.2022 to 30.6.2023	1.7.2021 to 30.6.2022	1.7.2020 to 30.6.2021	1.7.2019 to 30.6.2020
	(%)	(%)	(%)	(%)	(%)

Annual total return	18.73	0.88	(5.93)	15.89	5.39
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Source: The above total return of the Fund was sourced from Lipper for Investment Management.

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

n = Number of years

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

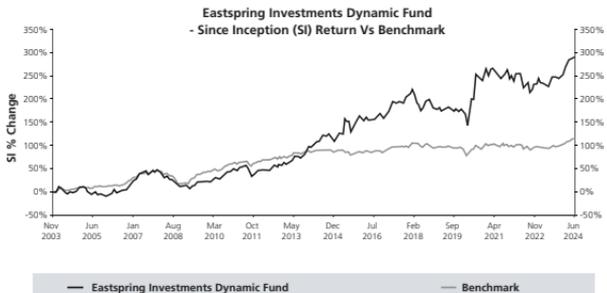
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund recorded a return of 37.61%, outperforming the benchmark return of 7.98% by 29.63%.

During the period under review, the Fund registered a return of 18.73%, outperforming the benchmark return of 11.15% by 7.58%.

The Fund outperformance was attributed to sector exposure and stock selection. Holdings in property, utilities, and industrial sectors were contributors to the Fund performance while detractors were consumer staples, and Eastspring Investments Asia Pacific Equity MY Fund. The Fund's fixed income holdings contributed positively to the Fund's performance during the review period.



Benchmark:

- (a) If 100% of the Fund's NAV invested in equities and equity-related securities:
FTSE Bursa Malaysia 100 Index ("FBM100").
- (b) If 100% of the Fund's NAV invested in debentures and liquid assets:
Maybank 12-month fixed deposit rate.
- (c) If invested in a mix of equities and equity-related securities, debentures and liquid assets:
50% FBM100 + 50% Maybank 12-month fixed deposit rate.

MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

Source: Lipper for Investment Management, www.bursamalaysia.com and www.maybank2u.com.my as at 30 June 2024.

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

Analysis of Fund Performance

For the financial year ended 30 June 2024:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
4.24	13.90	18.73	11.15

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

Distribution/ Unit Split

Ex-Date	18-Jun-24
Distribution Per Unit	(RM)
Gross	0.0432
Net	0.0432

Impact on NAV arising from distribution for the financial year ended 30 June 2024.

Ex-Date	18-Jun-24
	(RM per Unit)
Net Asset Value before distribution	1.0623
Less: distribution	(0.0432)
Net Asset Value after distribution	<u>1.0191</u>

No unit split were declared for the financial year ended 30 June 2024.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

Equity Strategy

The Fund remained invested in stocks that possess long term growth prospect, attractive valuation and strong in fundamental. We were positive and invested in selective export-related stocks that stand to benefit from Malaysia cost-competitive and global supply chain re-alignment i.e., manufacturing, commodities, industrial and technology. The Fund also invested in thematic names that stand to benefit from Johor-Singapore SEZ, data centre proliferation in Johor and Klang Valley, as well as government reform policy rollout. In the meantime, attractive price dividend stocks (REITs and banks) with sustainable business models and positive industry outlook continue to provide stability and defensiveness for the Fund.

Bond Strategy

The Fund participated in selected quality bond issuances for yield pick-up and traded on market volatility, subject to liquidity constraints.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2024	30-Jun 2023	Changes
	(%)	(%)	(%)
Quoted securities	69.95	61.38	8.57
Collective investment scheme	15.88	14.86	1.02
Unquoted fixed income securities	7.43	5.79	1.64
Cash and other assets	6.74	17.97	(11.23)

Asset Allocation as at 30 June 2024



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

Equity

Malaysian equity markets performed well in the beginning of 3Q2023, after 6 months of consecutive monthly declines, outperforming regional markets, especially on USD basis, as the MYR appreciated by 3.54% against the USD. In the second half of July, we saw foreign inflows into Malaysian equities, and we ended the month with net foreign buying of RM1.4b, after 10 consecutive months of foreign outflows since September 2022. Towards the end of the month, PM Dato Seri Anwar Ibrahim unveiled his plans for an economic reset via the MADANI Economy Framework, and then announced the National Energy Transition Roadmap (Phase 1) the same day. Malaysian equity markets continued to outperform regional markets for the second consecutive month in August. Malaysia had an eventful month where the State Elections were held in 6 states, which resulted in a status quo outcome: PH/BN won 3 states and PN won 3 states as well. The government launched Phase 2 of NETR end of August, providing some details on the energy exchange hub to enable cross border RE trading, with the Prime Minister hinting that the Energy Exchange will hopefully be expedited to ready by end 2023. The surprise for the month was the M&As announced. KLK announced that they will be acquiring a 33% +1 share in Boustead Plantations (with intention to acquire the remaining shares not owned, acting in concert with LTAT), and Sime Darby is proposing to take over UMW. The Malaysian Ringgit depreciated 3.1%, after hitting a low of RM4.507/USD on 31 July 2023.

By the end of the 3Q2023, Malaysian equity markets managed to eke out a positive return for the period and maintain their outperformance over other regional markets. The government announced the New Industrial Master Plan (“NIMP”) 2030, which is targeting a 6.5% increase in manufacturing value-added by 2030 to RM587.8b, expecting to require a total investment of RM95b over seven years. News that the Malaysian prosecution was withdrawing all 47 charges of criminal breach of trust, graft, and money laundering faced by Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi, after applying to discharge all the charges, came as a surprise. Corporate earnings reported in September were overall weaker than expected, resulting in downgrades to consensus earnings. Foreign investors continued to be net buyers of equity in September 2023, for the third consecutive month, after previously being net sellers for 10 consecutive months.

Malaysian equities performed relatively well in the 4Q2023. October was a fairly eventful month, with the announcement of Budget 2024 which investors took to be fairly neutral. Within the Budget, subsidies are lower in 2024 at 10% of operating expenditures (versus 14% in 2023), and the announcement of additional infrastructure goodies were announced such as the restoration of LRT3 stations and extension of LRT to mainland. Not long after this, a slew of economic data released in the US, continued to highlight the

strength of the US economy, withstanding the surge in interest rates thus far. Investors speculated that this would be a risk for the US Federal Reserve to remain hawkish on their interest rate policy, providing strength to the US Dollar. The MYR traded at Asian Financial Crisis lows at RM4.79/USD on the 24 October 2023, lowest level in more than 25 years. November was the results reporting month for 3Q2023. Generally, the results reported were weaker and missed expectations more than meet or beat. Those that had exposure to external demand for example tech, came in below, whilst many companies across a broad range of sectors continued to be impacted by cost pressures. Foreign investors turned net buyers of Malaysian equities in November of RM1.6b. December was a quiet month for Malaysian equities, with few events and announcements. However, during the month, the media reported on the proposal of the Johor-Singapore Special Economic Zone, with the MoU to be signed in January 2024. The Prime Minister announced the cabinet reshuffle mid-December, adding 5 new ministers appointed to his cabinet. The Cabinet which had 28 ministers previously has been expanded to 31, with two ministerial portfolios split up and the appointment of a second Finance Minister. In December, we saw net foreign buying of RM0.3m for the second month in a row. However, Malaysia ended the year with net foreign outflows of RM2.4b. YTL Corp and YTL Power replaced Westports and Dialog as KLCC constituents effective 18 December 2023.

Malaysian equities started 2024 well, outperforming regional markets as one of the best performing markets. During January, the Johor-Singapore Special Economic Zone ("JS-SEZ") MoU was signed between Malaysia and Singapore. The agreement with details to develop the economic zone will be signed at the Malaysia-Singapore Leader's Retreat taking place end of 2024. The key initiatives mentioned as part of this SEZ include the formation of a one-stop business/investment services centre in Johor to facilitate the application process of various approvals and licenses necessary for Singapore businesses to set up in Johor; an adoption/ implementation of a passport-free QR code clearance system on both sides; adoption of digitized processed for cargo clearance at land checkpoints; and facilitate the cooperation for renewable energy. On the 31 January 2024, Malaysia saw the installation of a new King, the Sultan of Johor, Sultan Ibrahim, with Sultan Nazrin (the ruler of the state of Perak) was re-elected as deputy King.

The Malaysian equity markets continued its uptrend, reporting a gain for the second month in 2024, and has been reporting monthly gains for the last 5 consecutive months. The Lunar New Year holidays were in February, making a short month even shorter. February also saw corporate earnings reported which were a bit mixed, with weak earnings from plantations and petrochemicals companies. The changes to the MSCI indices as a result of their quarterly index rebalance saw YTL Corp and YTL Power added to the MSCI Asia Pacific Index, whilst Dialog was deleted. The Malaysian Ringgit hit a 26-year low versus the US dollar during the month, at levels last seen during the Asian Financial Crisis.

Taking a breather in March, the Malaysian equity markets, saw foreign investors become net sellers in March of RM2.8b, reversing 4 consecutive months net equity inflows. News flow in March was focused on infrastructure. The Cabinet approved the Penang LRT, and there was news that there were three concept proposals for the high-speed rail (HSR). The government finally inked a new operating agreement (“OA”) with Malaysia Airports Holdings Berhad, which also saw the additional transit passenger charge approved, and changes to the passenger service charges for KLIA terminal 1, 2 and other airports across Malaysia.

The Malaysian equity markets continued its positive performance in the beginning of 2Q24, outperforming Emerging Markets and Asia Ex-Japan, amidst the turbulence in the Middle East, recently exacerbated by the Iran-Israel conflict, and the US Fed renewed rhetoric of “higher for longer”. On the 13 April 2024, Iran launched dozens of drones towards Israel, escalating tensions and setting the state for a direct military confrontation between the two nations. Thankfully, on the intervention of their allies, this de-escalated quickly post the incident. Domestically, the news for the month was the launch of the Energy Exchange (ENEGEM) by the Ministry of Energy Transition and Water Transformation, inviting interested parties to participate in the inaugural auction for purchasing green electricity from Malaysia’s supply system to be supplied to Singapore. The auction will begin with a 100MW pilot run, utilizing the existing interconnection between Singapore and Peninsular Malaysia. On 25 April, EPF announced the restructuring of contributors’ accounts, to introduce a new Account 3, which will allow for the flexibility of withdrawals for those members below age 55 years old starting 11 May.

By the middle of the 2Q2024, Malaysian equities continued to register positive performance. The continued uptrend could be due to decent 1Q2024 earnings season, and M&A activities proposed which provided some excitement to the market. May also saw an influx of data centre announcements from tech giants, as Microsoft CEO committed to USD2b in investments, and this was followed by Google’s USD2bn investments for data centres and cloud services. The technology sector saw significant gains in May, fuelled by net purchases from foreign investors, responding positively to the launch of Malaysia’s National Semiconductor Strategy on 28 May. EPF restructured their members contribution accounts to include an Account 3 (Flexible), for members to contribute 10% of their EPF savings (if they opt in) to Account 3, and future EPF contributions will automatically allocate 10% to Account 3. This together with the PM’s announcement of a revised salary scheme for civil servants which will see a hike of up to 13% may help consumer spending to remain resilient.

By the end of 2Q2024, the Malaysian equity markets saw some consolidation which could be related to profit taking activities, following the strong 1H24 performance thus far, where the KLCI outperformed most markets. In the month of June diesel retail price at the pump was raised to RM3.35/litre from RM2.15/litre effective 10 June 2024 across Peninsular Malaysia. June also saw a flurry of news regarding Data Centres with the sale of land by Eco World and UEM Sunrise, and Telekom announced their partnership Singtel's Data Centre unit Nxera to develop data centres. China's Premier Li Qiang was in Malaysia for a three-day maiden visit mid-June, and witnessed the signing of 14 memoranda of understanding and agreements involving nine Malaysian ministries.

The FBM KLCI closed the period under review at 1,590.09 points, up 15.5%. The broader FBM Emas ("FBMEmas") Index closed the period under review higher by 20.5%. The MSCI Asia Pacific ex-Japan Index rose by 10.3% in USD terms.¹

Bond

The one-year period ended 30 June 2024 was a year of transition for the global economy and financial markets. As extreme inflation subsided, investors' attention shifted to slowing growth and prospects for rate cuts. At the same time, the period saw heightened geopolitical risks, notably from developments in the Middle-East with the Israel-Hamas war escalating after the October 7 attacks which had also led to disruptions in shipping through the Red Sea, on top of the ongoing Russia-Ukraine war and heightened tensions between U.S. and China. During the period, the Federal Reserve ("Fed") maintained the federal funds rate at 5.25%-5.50%, although throughout the period the tone has shifted from citing that the U.S. economy had been expanding at a moderate pace notably to note that growth of economic activity has slowed, from its strong pace in the third quarter 2023.

However, the economic data releases towards the end of the period under review from the U.S. presented mixed signals regarding the resilience of the US economy amidst prolonged inflationary pressures. US's Non-Farm Payroll numbers for May 2024 reported 272,000 new jobs (vs forecast of 151,000), which suggested a robust labour market. On the flip side, the US Household Survey saw a decline of 408,000 jobs, and the unemployment rate rose to 4%, the highest since January 2022 for the same period – pointing to a gradual downtrend in employment. Meanwhile, US Core Inflation and Personal Consumption Expenditure ("PCE") Index inflation for May 2024 unexpectedly fell to 3.4% (vs forecast of

¹ **Source:** Bloomberg: World indices

3.6%) and 2.6%, respectively. Overall, the US economic activity was mixed but continues to slow down gradually. Given the contrasting economic data, the US 10-Year Treasury bond yield experienced volatility throughout the month, ending June 2024 at 4.40%, down from 4.50% at the end of last month.

Speaking at the recent European Central Bank (“ECB”) in July 2024, Jerome Powell welcomed the recent fall in US PCE inflation as “really good progress” but said the ECB still wanted to see more evidence that price pressures and the labour market are cooling before it starts to cut interest rates. This statement dampened market expectations of a rate cut in July, with the market now expecting roughly 50bps cuts this year, with a slightly more than 60% chance of the first being in September – the final policy decision ahead of the presidential election in November 2024. By contrast, the European Central Bank cut interest rates by 25bps to 3.75% for the first time in almost five years – marking a milestone in the fight against inflation after the biggest surge in prices in a generation. This bold move was further supported by the recent weaker than expected inflation data from France and Italy (France: 2.1% vs forecast of 2.5%; Italy: 0.8% vs forecast of 1.0%).

In Malaysia, Bank Negara Malaysia (“BNM”) maintained its Overnight Policy Rate (“OPR”) at 3.00% in its July 2023 Monetary Policy Committee (“MPC”) meeting, noting that the decision remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects. It has since left the OPR unchanged, with any decisions going forward to be data dependent as the central bank assesses the sustainability of the domestic growth momentum, upside risks to inflation with potential subsidy rationalisation, global economic growth in developed economies and China, as well as the performance of the Ringgit. With the roll out of the targeted subsidy programme for RON95 petrol expected in the second half of 2024, inflation is expected to come in higher in 2024. Malaysia’s growth momentum in the next few years will depend on the execution of the policy blueprints such as MADANI Economy, National Energy Transition Roadmap (“NETR”) and New Industrial Master Plan (“NIMP”). BNM in its Economic and Monetary Review 2023, projected the Malaysian economy to expand by between 4% to 5% in 2024, driven by resilient domestic demand and an improvement in external demand fuelled by the rebound in global trade and the tech upcycle, among others. Meanwhile, headline inflation is expected to average between 2% and 3.5% - a wide range reflecting broad uncertainty on the timing and extent of various subsidy removals.

During the period, the 10-year MADANI economy roadmap was unveiled by the Malaysian government. Among the key initiatives include taking Malaysia into one of the top 30 economies in the world over the next decade, improving Malaysia’s standing in the Global Competitiveness Index to 12th and Human Development Index to 25th, growing GDP by

5.5% to 6.0% and reducing fiscal deficit to 3.0% or lower. Malaysian PM Anwar Ibrahim tabled Budget 2024 in October 2023, targeting a fiscal deficit of 4.3% of GDP with an expenditure allocation of RM393.8bn and a revenue projection of RM307.6bn. Among key measures announced include the hike in sales and service tax ("SST") from 6% to 8%, the introduction of capital gains tax on the sale of unlisted shares in March 2024, and a Luxury Goods Tax which will be set at 5-10%. Fuel subsidies will also be rationalized, however, logistic companies would be exempted, while the ceiling price for chicken and eggs would be removed. Meanwhile, Allocation for Rahmah Cash Aid ("STR") was raised to RM10bn from RM8bn and will benefit 9m recipients. A Budget Monitoring Committee will be established to ensure allocations under Budget 2024 are well disbursed for the people's benefit.

In Malaysia, headline CPI increased to 2.0% y-o-y in May 2024 (April: 1.8%), while core inflation held steady at 1.9% y-o-y. Unemployment rate remained stable at 3.3% in April 2024. BNM international reserves decreased to US\$113.8bn as of end-June 2024 (end-May: US\$113.6bn). The reserves position is sufficient to finance 5.4 months of imports and is 1.0x of the total short-term external debt.

REBATES AND SOFT COMMISSIONS

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

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

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EASTSPRING INVESTMENTS DYNAMIC FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

STATEMENT BY THE MANAGER

We, Yap Siok Hoon 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 24 to 76 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 2024 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

YAP SIOK HOON
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 23 August 2024

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DYNAMIC FUND (“Fund”)

We have acted as Trustee of the Fund for the financial year ended 30 June 2024 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 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DYNAMIC FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Dynamic Fund (“the Fund”) give a true and fair view of the financial position of the Fund as at 30 June 2024, 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 30 June 2024, 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, including material accounting policy information, as set out on pages 24 to 76.

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 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		RM	RM
INVESTMENT INCOME			
Gross dividend income		1,379,969	1,793,359
Interest income from deposits with licensed financial institutions		170,506	208,192
Interest income from unquoted fixed income securities		147,151	152,662
Net gain/(loss) on financial assets at fair value through profit or loss	7	9,400,859	(728,971)
		<u>11,098,485</u>	<u>1,425,242</u>
EXPENSES			
Management fee	3	(699,840)	(697,751)
Trustee fee	4	(41,327)	(39,074)
Audit fee		(7,700)	(7,700)
Tax agent fee		(3,700)	(3,994)
Other expenses		(19,256)	(23,849)
Transaction costs		(266,558)	(145,377)
		<u>(1,038,381)</u>	<u>(917,745)</u>
PROFIT BEFORE TAXATION		10,060,104	507,497
TAXATION	6	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>10,060,104</u>	<u>507,497</u>
Profit after taxation is made up of the following:			
Realised amount		3,657,237	679,257
Unrealised amount		6,402,867	(171,760)
		<u>10,060,104</u>	<u>507,497</u>

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 30 JUNE 2024

	Note	2024	2023
		RM	RM
ASSETS			
Cash and cash equivalents	8	4,135,543	9,741,764
Financial assets at fair value through profit or loss	7	59,300,414	44,599,155
Amount due from Manager		180,963	66,728
Amount due from brokers		465,140	62,822
Dividends receivable		52,241	59,312
TOTAL ASSETS		<u>64,134,301</u>	<u>54,529,781</u>
LIABILITIES			
Accrued management fee		52,856	56,198
Amount due to Manager		107,936	93,597
Amount due to Trustee		3,646	3,147
Amount due to brokers		388,697	-
Other payables and accruals		15,410	18,670
TOTAL LIABILITIES		<u>568,545</u>	<u>171,612</u>
NET ASSET VALUE OF THE FUND		<u>63,565,756</u>	<u>54,358,169</u>
EQUITY			
Unit holders' capital		25,489,462	23,727,507
Retained earnings		38,076,294	30,630,662
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>63,565,756</u>	<u>54,358,169</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>63,015,405</u>	<u>61,375,138</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>1.0087</u>	<u>0.8857</u>

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 30 JUNE 2024

	Note	Unit holders' capital RM	Retained earnings RM	Total RM
Balance as at 1 July 2023		23,727,507	30,630,662	54,358,169
Movement in unit holders' contribution:				
Creation of units from applications		4,610,081	-	4,610,081
Creation of units from distribution		2,572,444	-	2,572,444
Cancellation of units		(5,420,570)	-	(5,420,570)
Distribution (Gross/Net: 4.32 sen)	5	-	(2,614,472)	(2,614,472)
Total comprehensive income for the financial year		-	10,060,104	10,060,104
Balance as at 30 June 2024		<u>25,489,462</u>	<u>38,076,294</u>	<u>63,565,756</u>
Balance as at 1 July 2022		23,303,720	32,334,033	55,637,753
Movement in unit holders' contribution:				
Creation of units from applications		3,504,550	-	3,504,550
Creation of units from distribution		2,145,601	-	2,145,601
Cancellation of units		(5,226,364)	-	(5,226,364)
Distribution (Gross/Net: 3.75 sen)	5	-	(2,210,868)	(2,210,868)
Total comprehensive income for the financial year		-	507,497	507,497
Balance as at 30 June 2023		<u>23,727,507</u>	<u>30,630,662</u>	<u>54,358,169</u>

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 30 JUNE 2024

	Note	2024	2023
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		39,271,724	23,451,537
Purchase of investments		(44,824,730)	(17,512,393)
Dividends received		1,387,040	1,771,949
Interest received from deposits with licensed financial institutions		170,506	208,192
Interest received from unquoted fixed income securities		119,577	167,076
Management fee paid		(703,182)	(699,794)
Trustee fee paid		(40,828)	(39,189)
Payment for other fees and expenses		(33,915)	(39,811)
Net cash (used in)/generated from operating activities		<u>(4,653,808)</u>	<u>7,307,567</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		4,495,846	3,478,115
Payments for cancellation of units		(5,406,231)	(5,257,895)
Distribution paid		(42,028)	(65,267)
Net cash used in financing activities		<u>(952,413)</u>	<u>(1,845,047)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(5,606,221)	5,462,520
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>9,741,764</u>	<u>4,279,244</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	<u>4,135,543</u>	<u>9,741,764</u>

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 30 JUNE 2024

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 2023:

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

B. INCOME RECOGNITION

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

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

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.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on cost adjusted basis for accretion of discount or amortisation of premium.

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 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 at fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Investments in CIS have contractual cash flows that do not represent SPPI, and therefore are classified as fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from brokers and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies accrued management fee, amount due to Manager, amount due to Trustee, amount due to brokers and other payables and accruals as financial liabilities measured at amortised cost.

ii. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the 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” 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.

Investment in collective investment scheme are valued based on the last published net asset value per unit or share of such collective investment scheme at the date of the statement of financial position 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).

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

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the securities are valued as determined in good faith by the Manager, based on the methods or basis approved by the Trustee after appropriate technical consultation.

Unquoted fixed income securities are carried at cost and adjusted for any amortisation of premium or accretion of discount from acquisition date to maturity date. The carrying cost is revalued to reflect its fair value on a daily basis using the net present value method based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission's ("SC") as per the SC Guidelines on Unit Trust Funds.

Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of obligor's sources of income or assets to generate sufficient future cash flows to pay 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. 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.

G. TRANSACTION COSTS

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

H. UNIT HOLDERS' CAPITAL

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

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

The outstanding units are carried at the redemption amount that is payable at each financial 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.

I. 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.

J. AMOUNT DUE FROM/(TO) BROKERS

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amount due from brokers 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 brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

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

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. INFORMATION ON THE FUND

Eastspring Investments Dynamic Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 5 November 2003, Master Supplemental Deed dated 12 July 2007 and Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Berhad (“HSBC Trustee”) and Eastspring Investments Berhad (the “Manager”). 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 6 November 2003 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The main objective of the Fund is to seek to provide investors with capital appreciation by actively investing in equity and equity-related securities. For defensive considerations, the Fund may invest in debentures and money market instruments.

The Fund seeks to achieve its objective by adopting a flexible asset allocation strategy between the different asset classes of equities and equity-related securities, debentures and liquid assets, depending on the investment market outlook.

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 and interest rate risk), stock/issuer risk, liquidity risk, non-compliance risk, fund management risk, capital risk and credit/default risk.

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at value through profit or loss	Total
		RM	RM	RM
<u>2024</u>				
Cash and cash equivalents	8	4,135,543	-	4,135,543
Quoted securities	7	-	44,477,792	44,477,792
Collective investment scheme	7	-	10,097,189	10,097,189
Unquoted fixed income securities	7	-	4,725,433	4,725,433
Amount due from Manager		180,963	-	180,963
Amount due from brokers		465,140	-	465,140
Dividends receivable		52,241	-	52,241
		<u>4,833,887</u>	<u>59,300,414</u>	<u>64,134,301</u>
<u>2023</u>				
Cash and cash equivalents	8	9,741,764	-	9,741,764
Quoted securities	7	-	33,370,561	33,370,561
Collective investment scheme	7	-	8,076,968	8,076,968
Unquoted fixed income securities	7	-	3,151,626	3,151,626
Amount due from Manager		66,728	-	66,728
Amount due from brokers		62,822	-	62,822
Dividends receivable		59,312	-	59,312
		<u>9,930,626</u>	<u>44,599,155</u>	<u>54,529,781</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:

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted securities	44,477,792	33,370,561
Collective investment scheme	10,097,189	8,076,968
Unquoted fixed income securities*	4,725,433	3,151,626
	<u>59,300,414</u>	<u>44,599,155</u>

* Includes interest receivables of RM59,023 (2023: RM31,016).

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

% Change in price	Market value	Impact on profit after tax and net asset value
	RM	RM
<u>2024</u>		
+5%	62,203,461	2,962,070
-5%	56,279,321	(2,962,070)
<u>2023</u>		
+5%	46,796,546	2,228,407
-5%	42,339,732	(2,228,407)

ii. Interest rate risk

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

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

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to movements in prices of unquoted fixed income securities held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2023: 1%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

	2024	2023
% Change in interest rate of unquoted fixed income securities	Impact on profit after tax and net asset value	Impact on profit after tax and net asset value
	RM	RM
+1% (2023: +1%)	(11,064)	(11,069)
- 1% (2023: - 1%)	11,107	11,121

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

This risk refers to the individual risk of the respective companies issuing the securities. Specific risk includes but is not limited to changes in consumer tastes and demand, legal suits, competitive operating environments, changing industry conditions and management omissions and errors. However, this risk is minimised through investing in a wide range of companies in different sectors and thus function independently from one another.

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
<u>2024</u>			
Accrued management fee	52,856	-	52,856
Amount due to Manager	107,936	-	107,936
Amount due to Trustee	3,646	-	3,646
Amount due to brokers	388,697	-	388,697
Other payables and accruals	-	15,410	15,410
Contractual undiscounted cash outflows	<u>553,135</u>	<u>15,410</u>	<u>568,545</u>
<u>2023</u>			
Accrued management fee	56,198	-	56,198
Amount due to Manager	93,597	-	93,597
Amount due to Trustee	3,147	-	3,147
Other payables and accruals	-	18,670	18,670
Contractual undiscounted cash outflows	<u>152,942</u>	<u>18,670</u>	<u>171,612</u>

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund are not compliant to the rules set out in the Fund's constitution or the laws that govern the Fund or applicable internal control procedures, or acts of fraudulence or dishonesty.

Non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager.

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 have an oversight function over management of the Fund by the management company to safeguard the interests of unit holders.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM25,489,462 (2023: RM23,727,507) and retained earnings of RM38,076,294 (2023: RM30,630,662). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Credit/Default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of interest 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. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The credit/default risk is minimal as all transactions in quoted securities are settled/paid upon delivery using approved brokers. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

For unquoted fixed income securities, the Manager regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described by the Deeds and SC's Guidelines on Unit Trust Funds.

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

	Unquoted fixed income securities	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Amount due from brokers	Total
	RM	RM	RM	RM	RM	RM
2024						
Construction	-	-	13,140	-	-	13,140
- NR						
Energy	-	-	7,200	-	-	7,200
- NR						
Financial Services	-	4,051,115	-	-	337,749	4,388,864
- AAA						
- AA1		84,428	-	-	-	84,428
- AA2			15,654	-	-	15,654
Industrial Products & Services	-	-	2,385	-	-	2,385
- NR						
Plantation	-	-	12,000	-	-	12,000
- NR						
Technology	-	-	1,862	-	-	1,862
- NR						

	Unquoted fixed income securities	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Amount due from brokers	Total
	RM	RM	RM	RM	RM	RM
2024 (continued)						
Consumer Staples						
- AA2	1,538,679	-	-	-	-	1,538,679
Energy & Utilities						
- AA- IS	1,058,186	-	-	-	-	1,058,186
Public Administration						
- NR	2,128,568	-	-	-	-	2,128,568
Other						
- NR	-	-	-	180,963	127,391	308,354
	<u>4,725,433</u>	<u>4,135,543</u>	<u>52,241</u>	<u>180,963</u>	<u>465,140</u>	<u>9,559,320</u>

	Unquoted	Cash	Dividends	Amount	Amount	Total
	fixed income securities	and cash equivalents	receivable	due from Manager	due from brokers	
	RM	RM	RM	RM	RM	RM
<u>2023</u>						
Construction	-	-	20,280	-	-	20,280
Energy	-	-	8,085	-	-	8,085
Financial Services	-	9,690,810	-	-	-	9,690,810
- AAA	-	50,954	-	-	-	50,954
- AA1	-	-	-	-	-	-
Health Care	-	-	3,315	-	-	3,315
Plantation	-	-	25,980	-	-	25,980
- NR	-	-	-	-	-	-
Technology	-	-	1,652	-	-	1,652
- NR	-	-	-	-	-	-
Energy & Utilities	1,045,534	-	-	-	-	1,045,534
- AA- IS	-	-	-	-	-	-
Public Administration	2,106,092	-	-	-	-	2,106,092
- NR	-	-	-	66,728	62,822	129,550
Other	3,151,626	9,741,764	59,312	66,728	62,822	13,082,252
- NR	-	-	-	-	-	-

None of these financial assets are past due or impaired.

Fair value estimation

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

The fair value of financial assets traded in active market (such as 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 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
2024				
Financial assets at fair value through profit or loss:				
Quoted securities	44,477,792	-	-	44,477,792
Collective investment scheme	10,097,189	-	-	10,097,189
Unquoted fixed income securities	-	4,725,433	-	4,725,433
	<u>54,574,981</u>	<u>4,725,433</u>	<u>-</u>	<u>59,300,414</u>

2023

Financial assets at fair value through profit or loss:

Quoted securities	33,370,561	-	-	33,370,561
Collective investment scheme	8,076,968	-	-	8,076,968
Unquoted fixed income securities	-	3,151,626	-	3,151,626
	<u>41,447,529</u>	<u>3,151,626</u>	<u>-</u>	<u>44,599,155</u>

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

- ii. The carrying value of cash and cash equivalents, amount due from Manager, amount due from brokers, dividends receivable and all liabilities are a reasonable approximation of their fair values due to their short-term nature.

3. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 3.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

For the financial year ended 30 June 2024, the management fee is recognised at a rate of 1.25% (2023: 1.25%) per annum on the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum.

For the financial year ended 30 June 2024, the Trustee fee is recognised at a rate of 0.07% (2023: 0.07%) subject to a minimum fee of RM18,000 per annum on the net asset value of the Fund, inclusive of local custodian fee, calculated on daily basis.

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

5. DISTRIBUTION

	2024	2023
	RM	RM
Distribution to unit holders is from the following sources:		
Prior financial year's realised income	-	769,187
Dividend income	1,224,159	1,793,359
Interest income	290,785	360,854
Realised gain on sales of investments	1,940,428	-
	<hr/>	<hr/>
Gross realised income	3,455,372	2,923,400
Less: Expenses	(840,900)	(712,532)
	<hr/>	<hr/>
	2,614,472	2,210,868
	<hr/>	<hr/>
Gross distribution per unit (sen)	4.32	3.75
	<hr/>	<hr/>
Net distribution per unit (sen)	4.32	3.75
	<hr/>	<hr/>
Ex-Date	18 June 2024	15 June 2023

Gross distribution is derived using total income less total expenses. The distribution is made from current and prior 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.

During the financial year ended 30 June 2024, the Fund incurred an unrealised losses of RM Nil (2023: RM171,760).

6. TAXATION

	2024	2023
	RM	RM
Tax charged for the financial year:		
Current taxation	-	-

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

	2024	2023
	RM	RM
Profit before taxation	10,060,104	507,497
Tax at Malaysian statutory rate of 24% (2023: 24%)	2,414,425	121,799
Tax effects of:		
Investment income not subject to tax	(2,663,636)	(342,058)
Expenses not deductible for tax purposes	79,402	50,951
Restriction on tax deductible expenses for Unit Trust Funds	169,809	169,308
Taxation	-	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted securities (Note 7 (i))	44,477,792	33,370,561
Collective investment scheme (Note 7 (ii))	10,097,189	8,076,968
Unquoted fixed income securities (Note 7 (iii))	4,725,433	3,151,626
	<u>59,300,414</u>	<u>44,599,155</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised gain/(loss) on disposals	2,997,992	(557,211)
Change in unrealised fair value gain/(loss)	6,402,867	(171,760)
	<u>9,400,859</u>	<u>(728,971)</u>

i. Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 30.6.2024	
	Units	RM	RM	%
<u>Construction</u>				
IJM Corporation Berhad	219,000	647,590	667,950	1.05
<u>Consumer Products & Services</u>				
Genting Berhad	281,000	1,370,178	1,323,510	2.08
Genting Malaysia Berhad	362,000	990,726	923,100	1.45
Guan Chong Berhad	64,300	251,441	236,624	0.37
MR D.I.Y. Group (M) Berhad	664,000	1,113,820	1,288,160	2.03
	1,371,300	3,726,165	3,771,394	5.93
<u>Energy</u>				
Dayang Enterprise Holdings Berhad	73,000	210,437	191,990	0.30
Dialog Group Berhad	410,000	1,027,226	979,900	1.54
Hibiscus Petroleum Berhad	360,000	914,966	838,800	1.32
Velesto Energy Berhad	1,104,000	329,434	292,560	0.46
	1,947,000	2,482,063	2,303,250	3.62

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Financial Services</u>				
AMMB Holdings Berhad	94,300	386,630	404,547	0.64
CIMB Group Holdings Berhad	277,000	1,643,276	1,883,600	2.96
Hong Leong Bank Berhad	15,200	287,596	291,840	0.46
Malayan Banking Berhad	128,000	1,136,280	1,274,880	2.01
Public Bank Berhad	1,240,000	5,289,147	4,984,800	7.84
	<u>1,754,500</u>	<u>8,742,929</u>	<u>8,839,667</u>	<u>13.91</u>
<u>Health Care</u>				
Hartalega Holdings Berhad	75,000	254,865	246,000	0.39
IHH Healthcare Berhad	62,000	371,001	390,600	0.61
	<u>137,000</u>	<u>625,866</u>	<u>636,600</u>	<u>1.00</u>
<u>Industrial Products & Services</u>				
Cahaya Mata Sarawak Berhad	330,000	461,266	458,700	0.72
Engtex Group Berhad	318,000	327,707	337,080	0.53
Malayan Cement Berhad	160,100	811,384	797,298	1.25
Malaysia Smelting Corporation Berhad	194,000	649,902	496,640	0.78
PETRONAS Chemicals Group Berhad	344,000	2,531,536	2,170,640	3.41
Press Metal Aluminium Holdings Berhad	407,000	2,144,081	2,344,320	3.69
QES Group Berhad	865,000	519,055	601,175	0.95
Sunway Berhad	90,000	321,283	324,900	0.51
	<u>2,708,100</u>	<u>7,766,214</u>	<u>7,530,753</u>	<u>11.84</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Hap Seng Plantations Holdings Berhad	345,000	833,384	607,200	0.96
IOI Corporation Berhad	235,000	1,054,106	869,500	1.37
Johor Plantations Group Berhad	111,200	93,408	93,408	0.15
Kuala Lumpur Kepong Berhad	95,000	2,086,449	1,960,800	3.08
Sarawak Oil Palms Berhad	200,000	655,042	564,000	0.89
SD Guthrie Berhad	253,000	1,186,923	1,067,660	1.68
TSH Resources Berhad	288,000	401,168	331,200	0.52
	<u>1,527,200</u>	<u>6,310,480</u>	<u>5,493,768</u>	<u>8.65</u>
<u>Property</u>				
Eastern & Oriental Berhad	608,000	642,092	598,880	0.94
Mah Sing Group Berhad	295,000	424,076	510,350	0.80
S P Setia Berhad	433,000	656,228	597,540	0.94
UEM Sunrise Berhad	555,000	631,506	599,400	0.94
	<u>1,891,000</u>	<u>2,353,902</u>	<u>2,306,170</u>	<u>3.62</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Inari Amertron Berhad	148,000	494,872	547,600	0.86
Pentamaster Corporation Berhad	39,000	198,140	195,780	0.31
SNS Network Technology Berhad	398,000	206,661	300,490	0.47
	585,000	899,673	1,043,870	1.64
<u>Telecommunications & Media</u>				
Axiata Group Berhad	197,000	830,908	514,170	0.81
CelcomDigi Berhad	456,000	1,932,892	1,678,080	2.64
REDtone Digital Berhad	316,000	241,281	325,480	0.51
Telekom Malaysia Berhad	372,000	2,093,902	2,514,720	3.96
TIME dotCom Berhad	61,000	316,706	306,830	0.48
	1,402,000	5,415,689	5,339,280	8.40
<u>Transportation & Logistics</u>				
MISC Berhad	221,000	1,675,837	1,882,920	2.96
Tasco Berhad	329,000	312,688	304,325	0.48
	550,000	1,988,525	2,187,245	3.44

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Utilities</u>				
Ranhill Utilities Berhad	424,110	507,435	597,995	0.94
Tenaga Nasional Berhad	163,000	1,837,313	2,246,140	3.53
YTL Corporation Berhad	225,000	620,505	776,250	1.22
YTL Power International Berhad	153,000	595,369	737,460	1.16
	<u>965,110</u>	<u>3,560,622</u>	<u>4,357,845</u>	<u>6.85</u>
TOTAL QUOTED SECURITIES	<u>15,057,210</u>	44,519,718	<u>44,477,792</u>	69.95
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>(41,926)</u>	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>44,477,792</u>	

i. Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
IJM Corporation Berhad	338,000	607,464	503,620	0.93
<u>Consumer Products & Services</u>				
Genting Berhad	319,000	1,648,785	1,295,140	2.38
Genting Malaysia Berhad	419,000	1,294,233	1,030,740	1.90
MR D.I.Y. Group (M) Berhad	331,000	653,009	526,290	0.97
PETRONAS Dagangan Berhad	22,700	556,858	503,940	0.93
PPB Group Berhad	33,000	564,270	519,420	0.96
QL Resources Berhad	89,000	522,951	477,040	0.88
Sime Darby Berhad	411,000	991,729	842,550	1.55
	1,624,700	6,231,835	5,195,120	9.57
<u>Energy</u>				
Dialog Group Berhad	332,000	1,133,468	683,920	1.26
Hibiscus Petroleum Berhad	1,078,000	1,091,417	932,470	1.72
	1,410,000	2,224,885	1,616,390	2.98

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Financial Services</u>				
AMMB Holdings Berhad	76,000	277,567	275,120	0.51
Bursa Malaysia Berhad	45,000	346,286	289,800	0.53
CIMB Group Holdings Berhad	306,000	1,693,777	1,548,360	2.85
Malayan Banking Berhad	63,000	560,055	543,690	1.00
Public Bank Berhad	667,000	2,889,349	2,567,950	4.72
RHB Bank Berhad	50,527	286,463	274,362	0.50
	<u>1,207,527</u>	<u>6,053,497</u>	<u>5,499,282</u>	<u>10.11</u>
<u>Health Care</u>				
Duopharma Biotech Berhad	83,000	208,462	107,900	0.20
KPJ Healthcare Berhad	510,000	549,556	571,200	1.05
	<u>593,000</u>	<u>758,018</u>	<u>679,100</u>	<u>1.25</u>
<u>Industrial Products & Services</u>				
Malaysia Smelting Corporation Berhad	286,000	591,508	560,560	1.03
PETRONAS Chemicals Group Berhad	328,000	2,424,515	1,968,000	3.62
Press Metal Aluminium Holdings Berhad	233,000	1,217,714	1,095,100	2.01
	<u>847,000</u>	<u>4,233,737</u>	<u>3,623,660</u>	<u>6.66</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Genting Plantations Berhad	55,700	569,365	328,630	0.60
Hap Seng Plantations Holdings Berhad	290,000	725,859	539,400	0.99
IOI Corporation Berhad	235,000	1,054,106	876,550	1.61
Kuala Lumpur Kepong Berhad	105,000	2,309,248	2,305,800	4.24
Sarawak Oil Palms Berhad	213,000	697,619	521,850	0.96
Sime Darby Plantation Berhad	253,000	1,186,923	1,049,950	1.93
TSH Resources Berhad	528,000	735,475	485,760	0.89
	<u>1,679,700</u>	<u>7,278,595</u>	<u>6,107,940</u>	<u>11.22</u>
<u>Property</u>				
S P Setia Berhad	516,000	700,109	281,220	0.52
Sime Darby Property Berhad	1,086,000	800,068	504,990	0.93
UEM Sunrise Berhad	1,730,000	871,922	467,100	0.86
	<u>3,332,000</u>	<u>2,372,099</u>	<u>1,253,310</u>	<u>2.31</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
CTOS Digital Berhad	193,000	374,999	268,270	0.49
Genetec Technology Berhad	45,000	111,938	104,400	0.19
Inari Amertron Berhad	118,000	389,849	323,320	0.59
	<u>356,000</u>	<u>876,786</u>	<u>695,990</u>	<u>1.27</u>
<u>Telecommunications & Media</u>				
Axiata Group Berhad	197,000	830,908	522,050	0.96
CelcomDigi Berhad	385,000	1,636,459	1,582,350	2.91
Maxis Berhad	136,000	607,959	557,600	1.03
REDtone Digital Berhad	711,000	391,382	504,810	0.93
Telekom Malaysia Berhad	223,900	1,102,764	1,099,349	2.02
TIME dotCom Berhad	211,000	841,502	1,097,200	2.02
	<u>1,863,900</u>	<u>5,410,974</u>	<u>5,363,359</u>	<u>9.87</u>
<u>Transportation & Logistics</u>				
MISC Berhad	114,000	828,253	816,240	1.50

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Utilities</u>				
PETRONAS Gas Berhad	27,000	460,043	450,900	0.83
Tenaga Nasional Berhad	173,000	1,925,425	1,565,650	2.88
	200,000	2,385,468	2,016,550	3.71
TOTAL QUOTED SECURITIES	<u>13,565,827</u>	<u>39,261,611</u>	<u>33,370,561</u>	<u>61.38</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(5,891,050)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>33,370,561</u>		

ii. Collective investment scheme

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
Eastspring Investments Asia Pacific Equity MY Fund	14,167,516	10,506,738	10,097,189	15.88
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(409,549)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			10,097,189	

ii. Collective investment scheme

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
Eastspring Investments Asia Pacific Equity MY Fund	<u>11,992,529</u>	9,005,127	<u>8,076,968</u>	14.86
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(928,159)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>8,076,968</u>	

iii. Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.6.2024	Percentage of net asset value of the Fund
	RM	RM	RM	%
4.20% Bumitama Agri Ltd. 22.7.2026 (AA2)	1,500,000	1,538,456	1,538,679	2.42
5.09% Southern Power Generation Sdn Bhd 30.4.2029 (AA- IS)	1,000,000	1,008,646	1,058,186	1.66
4.53% Danainfra Nasional Berhad 1.4.2037 (NR)	2,000,000	2,022,588	2,128,568	3.35
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>4,500,000</u>	4,569,690	<u>4,725,433</u>	7.43
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>155,743</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>4,725,433</u>		

iii. Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	RM	RM	RM	%
4.53% Danainfra Nasional Berhad 1.4.2037 (NR)	2,000,000	2,022,092	2,106,092	3.87
5.09% Southern Power Generation Sdn Bhd 30.4.2029 (AA- IS)	1,000,000	1,008,924	1,045,534	1.92
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>3,000,000</u>	<u>3,031,016</u>	<u>3,151,626</u>	<u>5.79</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>120,610</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>3,151,626</u>		

The effective weighted average interest rate of unquoted fixed income securities per annum as at the date of the statement of financial position are as follows:

	2024	2023
	%	%
Unquoted fixed income securities	<u>3.97</u>	<u>4.17</u>

8. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Bank balance with a licensed bank	84,428	50,954
Deposits with licensed financial institution	4,051,115	9,690,810
	<u>4,135,543</u>	<u>9,741,764</u>

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

	2024	2023
	%	%
Deposits with licensed financial institution	<u>3.35</u>	<u>3.05</u>

The deposits have an average maturity of 1 day (2023: 3 days).

9. UNITS IN CIRCULATION

	2024	2023
	No. of units	No. of units
At the beginning of the financial year	61,375,138	60,822,447
Creation of units during the financial year:		
Arising from applications	4,672,829	3,751,817
Arising from distribution	2,524,231	2,398,391
Cancellation of units during the financial year	<u>(5,556,793)</u>	<u>(5,597,517)</u>
At the end of the financial year	<u>63,015,405</u>	<u>61,375,138</u>

10. TRANSACTIONS WITH BROKERS/DEALERS

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

Name of brokers/ dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2024</u>				
Maybank Investment Bank Berhad	14,789,315	17.43	28,652	17.82
CGS International Securities Malaysia Sdn Bhd	12,103,122	14.27	23,137	14.39
Kenanga Investment Sdn Bhd	10,484,842	12.36	19,738	12.28
RHB Investment Bank Berhad	10,466,155	12.35	18,141	11.29
CLSA Securities Malaysia Sdn Bhd	8,887,277	10.48	17,642	10.98
J.P. Morgan Securities (Malaysia) Sdn Bhd	6,110,461	7.20	11,642	7.24
UBS Securities Malaysia Sdn Bhd	5,915,920	6.97	11,240	6.99
UOB Kay Hian Securities (M) Sdn Bhd	5,691,931	6.71	10,815	6.73
CIMB Securities Sdn Bhd	2,751,635	3.24	5,488	3.41
Affin Hwang Investment Berhad Berhad	2,038,616	2.41	3,883	2.42
Others #	5,588,055	6.58	10,366	6.45
	84,827,329	100.00	160,744	100.00

Name of brokers/ dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
CGS – CIMB Securities Sdn Bhd	5,833,777	14.63	14,102	17.69
RHB Investment Bank Berhad	5,554,582	13.93	10,679	13.39
Maybank Investment Bank Berhad	3,882,951	9.74	7,391	9.27
KAF Equities Sdn Bhd	3,460,131	8.68	6,302	7.90
Kenanga Investment Bank Berhad	3,200,693	8.02	5,910	7.41
J.P. Morgan Securities (Malaysia) Sdn Bhd	3,022,656	7.58	5,771	7.24
UOB Kay Hian Securities (M) Sdn Bhd	3,016,878	7.56	5,800	7.28
CLSA Securities Malaysia Sdn Bhd	2,804,868	7.03	6,112	7.67
Credit Suisse Securities (Malaysia) Sdn Bhd	2,632,319	6.60	5,053	6.34
Macquarie Capital Securities (Malaysia) Sdn Bhd	2,250,257	5.64	4,287	5.38
Others #	4,226,680	10.59	8,318	10.43
	<u>39,885,792</u>	<u>100.00</u>	<u>79,725</u>	<u>100.00</u>

Included in transactions by the Fund are trades conducted with Eastspring Investments Berhad, the Manager amounting to RM1,501,611 (2023: RM245,122).

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 Asia Pacific Equity MY Fund	Collective investment scheme managed by Eastspring Investments Berhad
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:

	2024		2023	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,751	1,766	1,679	1,488

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. The Manager is of the opinion that all transactions with the related party have been entered into in the normal course of business at agreed terms between the related party.

Significant related parties transactions

	2024	2023
	RM	RM
Purchase of units in collective investment scheme managed by Eastspring Investments Berhad	1,501,611	245,122

12. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	1.31	1.38

TER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (excluding sales and service tax on transaction cost and withholding tax)

F = Average net asset value of the Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM59,029,539 (2023: RM55,840,757).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	0.72	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 = RM45,074,224 (2023: RM17,316,680)

total disposals for the financial year = RM39,801,399 (2023: RM23,595,397)

14. APPROVAL OF FINANCIAL STATEMENTS

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

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

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200001028634 (531241-U)

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NAME

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