

EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 31 December 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

TABLE OF CONTENTS

Fund Information	1
Key Performance Data	2
Manager's Report	4
Market Review	10
Rebates and Soft Commissions	11
Securities Lending or Repurchase Transactions	11
Statement by the Manager	14
Trustee's Report to the Unit Holders of Eastspring Investments Global Emerging Markets Fund	15
Independent Auditors' Report to the Unit Holders of Eastspring Investments Global Emerging Markets Fund	16
Statement of Comprehensive Income	20
Statement of Financial Position	21
Statement of Changes in Equity	22
Statement of Cash Flows	23
Material Accounting Policy Information	24
Notes to the Financial Statements	32
Corporate Directory	54

FUND INFORMATION

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

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	2024	2023	2022
	(%)	(%)	(%)
Collective investment scheme	98.98	98.92	98.94
Cash and other assets	1.02	1.08	1.06
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	47,835	52,900	57,673
Units In Circulation (Units '000)	115,100	131,073	158,602
Net Asset Value Per Unit (RM)	0.4156	0.4036	0.3636
Highest Net Asset Value Per Unit (RM)	0.4643	0.4164	0.4712
Lowest Net Asset Value Per Unit (RM)	0.3847	0.3601	0.3455
Total Return (%)			
- Capital Growth	2.97	11.00	(19.80)
- Income Distribution	-	-	-
Total Return (%)	2.97	11.00	(19.80)
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Total Expense Ratio (TER) (%)*	1.93	1.93	1.92
Portfolio Turnover Ratio (PTR) (times)^	0.30	0.14	0.04

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

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

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.1.2024 to 31.12.2024	3 years 1.1.2022 to 31.12.2024	5 years 1.1.2020 to 31.12.2024
	(%)	(%)	(%)
Average total return	2.97	(2.89)	1.20

Year ended	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021	1.1.2020 to 31.12.2020
	(%)	(%)	(%)	(%)	(%)
Annual total return	2.97	11.00	(19.88)	(2.09)	18.36

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

Bases of calculation and assumptions made in calculating returns:

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

$$\text{NAV}_t = \text{NAV at the end of the period}$$

$$\text{NAV}_0 = \text{NAV at the beginning of the period}$$

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

Adjusted for unit split and distribution paid out for the period

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

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

MANAGER'S REPORT

Fund Performance

For the 5-year period, the Fund recorded a return of 6.13%, underperforming the benchmark return of 19.00% by 12.87%.

During the period under review, the Fund registered a return of 2.97%, underperforming the benchmark return of 4.61% by 1.64%.

The fund rose in US dollar terms and outperformed its benchmark with notably strong stock selection more than offsetting negative country allocation.

The fund's overweight to Brazil was the biggest detractor from returns in terms of country allocation. The fund was overweight South Africa at the start and end of 2024 and neutrally positioned between March 2024 and November 2024; the overall impact of the overweight position was negative. The fund's overweight to Poland, and the underweight to India, also had a negative impact. In contrast, the overweight to Taiwan contributed to returns as did the underweight to Saudi Arabia. During the period we were able to exit some Russian holdings. As Schroders have valued all remaining Russian positions at zero since 3 March 2022, there was a positive impact.



MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

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

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

Source: Lipper for Investment Management and www.msci.com, as at 31 December 2024.

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

Analysis of Fund Performance

For the financial year ended 31 December 2024:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	2.97	2.97	4.61

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

Distribution/ Unit Split

No distribution or unit split were declared for the financial year ended 31 December 2024.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

During the first quarter, we increased the magnitude of the overweight to Taiwan, moving closer to the model recommendation. Both the structural and cyclical outlook for technology, the key driver of the Taiwan market, remain positive. We also moved Korea from a small underweight to neutral. We expect Korea to benefit from the trade and technology cycle recovery, and valuations are attractive. We moved Indonesia from underweight to overweight, in line with the model. The structural outlook is positive, and fiscal and monetary constraints should ease post elections. We increased the overweight to Poland, where the medium-term growth outlook is supportive, and recent political change is positive. We also added to the overweight to Chile, where monetary policy easing is underway, regulatory risk has decreased, and valuations are attractive. Finally, in a risk reduction move, we slightly moderated our underweight to India. The structural outlook is positive, but valuations are expensive.

This was funded by moving South Africa from overweight to neutral, in-line with the model. Structural challenges are ongoing, and reform has been slow. Although valuations are attractive, the upcoming election brings additional near-term risk.

In the second quarter, we entered small positions in Malaysia and Turkey. In Malaysia, the currency and equity market are cheap but stock opportunities are limited. In Turkey, we identified a decent stock opportunity but trimmed active risk at the margin towards the end of the quarter. We also took Korea and Mexico from neutral to marginally overweight, overriding the model for Mexico. In Korea, the trade cycle is recovering, and valuations are attractive, and in Mexico, policy concerns persist but the market is defensive and nearshoring presents a long-term opportunity. We also increased the magnitude of the overweight to Poland, where the medium-term economic growth outlook remains firm, political change is positive, and valuations are attractive.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review (continued)

These moves were funded by moderating the overweight to Brazil on the prospect of Fed rate cut delays, and taking Indonesia from neutral to underweight, in a model override. Reform progress in Indonesia has been positive but is increasingly priced in. We also overrode the model and moved South Africa from neutral to a small underweight owing to looming elections uncertainty. This was short lived as the Government of National Unity added calm. We also moderated the overweight to Chile, moving closer to the model neutral recommendation, and increased the underweight to Saudi Arabia, which is expensive.

During the third quarter, we increased the overweights to Poland and Mexico. Both countries have good medium-term growth prospects, supported by global supply chain reorientations. We reduced the underweight to India in a risk reduction move ahead of November's US elections. We reduced the underweights to Malaysia and the UAE, and entered Qatar and Thailand, in all cases owing to bottom-up opportunities. Finally, we added to an off-benchmark position in Argentina.

Early in the quarter, we overrode the model and took China to a small underweight from neutral on concerns about US election risk. We moved back to neutral at the end of the quarter after Chinese authorities announced a macro pivot to support growth. We moderated the overweights to Brazil and Taiwan. In Brazil, real rates are high and valuations are cheap, but rising inflation expectations and fiscal concerns led the central bank to raise rates. In Taiwan, we took profits on technology names after strong performance. We moved Korea from overweight to neutral, given its sensitivity to a global slowdown. We also reduced the overweight to Greece, took Chile to neutral from overweight, and exited Turkey, in all cases owing to stock specific decisions.

MANAGER'S REPORT (CONTINUED)

**Investment
Strategy During
the Period Under
Review
(continued)**

During the fourth quarter, we increased our overweight allocations in Mexico and Poland where attractive valuations are supported by global supply chain reorientations. We further reduced the underweight to India due to lower exposure to tariffs and geopolitical uncertainty. We also reduced our underweight to Thailand driven by bottom-up opportunities and the prospect of fiscal easing. We overrode the model and moved South Africa from neutral to overweight upon an easing in political uncertainty. Finally, we continued to add to off-benchmark positions in Argentina.

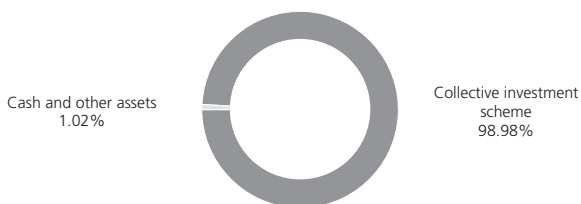
This was funded by overriding the model and taking both China and Indonesia from neutral to underweight, on the back of increased tariff/geopolitical risk for China and Indonesia's sensitivity to a stronger US dollar. We moved Korea further underweight amid a slow down in the trade cycle, political uncertainty and its exposure to tariff risk. We moved Saudi Arabia further underweight mainly due to expensive valuations. Lastly, we trimmed our overweight to Brazil due to a weakening fiscal outlook.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	31-Dec 2024	31-Dec 2023	Changes
	(%)	(%)	(%)
Collective investment scheme	98.98	98.92	0.06
Cash and other assets	1.02	1.08	(0.06)

Asset Allocation as at 31 December 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

Emerging market (“EM”) equities rose in US dollar terms over the period, although some way behind developed market equities. Concerns about US interest rates staying “higher for longer” were a headwind for EM early in the year. However, money policy easing measures announced by both US and Chinese authorities in September and again before year-end were supportive towards the end of the period. More recently, policy uncertainty following Donald Trump’s presidential election victory in November has weighed on EM returns in general, not least because of investor concerns about the potential impact of Trump’s proposed tariffs, particularly on China. Elections were held in a number of EM during 2024, some of which were well received by markets while others caused some volatility.

Taiwan was the strongest index market, benefiting from global optimism about artificial intelligence-related technology. January’s presidential election saw the ruling Democratic Progressive Party (“DPP”) remain in power, although it lost its majority in parliament, and the previous vice president Lai Ching-te voted in as president. China was well ahead of the index, boosted by optimism about the authorities’ support for the economy which included monetary policy measures and guidance that fiscal policy measures are forthcoming. India outperformed, helped by political developments. Prime Minister Modi’s Bharatiya Janata Party-led (“BJP”) National Democratic Alliance retained its parliamentary majority in the country’s general election, which was held in the first half of the year, although the BJP lost its single party majority.

South Africa ended the year behind the index. While investors welcomed the formation of a coalition “Government of National Unity” between the ruling African National Congress Party, the key opposition Democratic Alliance and a number of smaller parties in June, US-election-related uncertainty weighed on the index market later in the period. Thailand and Saudi Arabia both gained in US dollar terms but underperformed the index.

The remaining EM delivered negative returns. Korea was down double-digits. Not only has poor performance from index heavyweight Samsung Electronics proved a headwind, political instability following the impeachment of first the president and then the acting president in December, has also been detrimental to the index market. Political developments also weighed on the Mexican market following Claudia Sheinbaum’s election as president in June and her Morena party’s supermajority. Investor worries centre on the party’s intention to achieve meaningful reforms and the prospect of institutions being weakened given proposed judicial reforms. Brazil declined. Three interest rate hikes between September and December, in response to stubbornly high inflation and concerns about the fiscal outlook weighed on the index market.

REBATES AND SOFT COMMISSIONS

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

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EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 20 to 53 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 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: 24 February 2025

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

We have acted as Trustee of the Fund for the financial year ended 31 December 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.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 24 February 2025

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Global Emerging Markets Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 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 31 December 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 20 to 53.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
Date: 24 February 2025

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
		RM	RM
INVESTMENT INCOME			
Interest income from deposits			
with licensed financial institutions		26,072	21,796
Net gain on financial assets			
at fair value through profit or loss	6	4,888,530	7,362,021
Net foreign currency exchange loss		(338,685)	(170,415)
		<u>4,575,917</u>	<u>7,213,402</u>
EXPENSES			
Management fee	3	(1,042,709)	(1,018,944)
Trustee fee	4	(46,343)	(45,286)
Audit fee		(6,600)	(6,600)
Tax agent fee		(3,992)	(3,700)
Other expenses		(18,316)	(16,544)
		<u>(1,117,960)</u>	<u>(1,091,074)</u>
PROFIT BEFORE TAXATION		3,457,957	6,122,328
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>3,457,957</u>	<u>6,122,328</u>
Profit after taxation is made up of the following:			
Realised amount		2,738,188	253,279
Unrealised amount		719,769	5,869,049
		<u>3,457,957</u>	<u>6,122,328</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 31 DECEMBER 2024

	Note	2024	2023
		RM	RM
ASSETS			
Cash and cash equivalents	7	632,362	653,852
Financial assets at fair value through profit or loss	6	47,345,189	52,329,403
Amount due from Manager		31,338	128,819
Amount due from brokers		231,310	101,394
Management fee rebate receivables		61,723	65,945
TOTAL ASSETS		<u>48,301,922</u>	<u>53,279,413</u>
LIABILITIES			
Accrued management fee		74,824	80,009
Amount due to Manager		374,363	282,410
Amount due to Trustee		3,326	3,556
Other payables and accruals		14,272	13,332
TOTAL LIABILITIES		<u>466,785</u>	<u>379,307</u>
NET ASSET VALUE OF THE FUND		<u>47,835,137</u>	<u>52,900,106</u>
EQUITY			
Unit holders' capital		35,526,889	44,049,815
Retained earnings		12,308,248	8,850,291
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>47,835,137</u>	<u>52,900,106</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>115,099,791</u>	<u>131,072,896</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.4156</u>	<u>0.4036</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 31 DECEMBER 2024

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 January 2024	44,049,815	8,850,291	52,900,106
Movement in unit holders' contribution:			
Creation of units from applications	20,279,400	-	20,279,400
Cancellation of units	(28,802,326)	-	(28,802,326)
Total comprehensive income for the financial year	-	3,457,957	3,457,957
Balance as at 31 December 2024	<u>35,526,889</u>	<u>12,308,248</u>	<u>47,835,137</u>
Balance as at 1 January 2023	54,944,540	2,727,963	57,672,503
Movement in unit holders' contribution:			
Creation of units from applications	8,705,565	-	8,705,565
Cancellation of units	(19,600,290)	-	(19,600,290)
Total comprehensive income for the financial year	-	6,122,328	6,122,328
Balance as at 31 December 2023	<u>44,049,815</u>	<u>8,850,291</u>	<u>52,900,106</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 31 DECEMBER 2024

	Note	2024	2023
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		21,650,088	13,412,123
Purchase of investments		(12,764,172)	(2,095,830)
Interest income received from deposits with licensed financial institutions		26,072	21,796
Management fee paid		(1,047,894)	(1,026,894)
Management fee rebate received		861,134	845,570
Trustee fee paid		(46,573)	(45,639)
Payment for other fees and expenses		(27,968)	(29,395)
Realised foreign exchange loss		(338,520)	(170,415)
Net cash generated from operating activities		<u>8,312,167</u>	<u>10,911,316</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		20,376,881	8,644,079
Payments for cancellation of units		(28,710,373)	(19,610,888)
Net cash used in financing activities		<u>(8,333,492)</u>	<u>(10,966,809)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(21,325)	(55,493)
EFFECT OF FOREIGN EXCHANGE DIFFERENCES		(165)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>653,852</u>	<u>709,345</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	<u>632,362</u>	<u>653,852</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 31 DECEMBER 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. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

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

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

- a. Standards, amendments to published standards and interpretations that are applicable and effective:

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 January 2024 that have a material effect on the financial statements of the Fund.

- b. Standards and amendments that have been issued that are applicable to the Fund but not yet effective:
 - Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026)
 - The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition).

- There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).
- MFRS 18 ‘Presentation and Disclosure in Financial Statements’ (effective 1 January 2027) replaces MFRS 101 ‘Presentation of Financial Statements’
 - The new MFRS introduces a new structure of profit or loss statement.
 - i. Income and expenses are classified into 3 new main categories:
 - Operating category which typically included results from the main business activities;
 - Investing category that presents the results of investments in associates and joint venture and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
 - ii. Entities are required to present two new specified subtotals: ‘Operating profit or loss’ and ‘Profit or loss before financing and income taxes’.
 - Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
 - Changes to the guidance on aggregate and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

B. INCOME RECOGNITION

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

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

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

C. TAXATION

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

D. FUNCTIONAL AND PRESENTATION CURRENCY

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

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

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

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

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

ii. Recognition and measurement

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

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

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

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

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

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

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

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

F. AMOUNT DUE FROM/(TO) BROKERS

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

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

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.

G. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and short-term deposits with licensed financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

H. FOREIGN CURRENCY TRANSLATION

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

I. UNIT HOLDERS' CAPITAL

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

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

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

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

J. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. INFORMATION ON THE FUND

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

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

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

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

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

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost RM	Financial assets at fair value through profit or loss RM	Total RM
2024				
Cash and cash equivalents	7	632,362	-	632,362
Collective investment scheme	6	-	47,345,189	47,345,189
Amount due from Manager		31,338	-	31,338
Amount due from brokers		231,310	-	231,310
Management fee rebate receivables		61,723	-	61,723
		<u>956,733</u>	<u>47,345,189</u>	<u>48,301,922</u>
2023				
Cash and cash equivalents	7	653,852	-	653,852
Collective investment scheme	6	-	52,329,403	52,329,403
Amount due from Manager		128,819	-	128,819
Amount due from brokers		101,394	-	101,394
Management fee rebate receivables		65,945	-	65,945
		<u>950,010</u>	<u>52,329,403</u>	<u>53,279,413</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 31 December which are exposed to price risk.

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment scheme	47,345,189	52,329,403

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

% Change in price	2024		2023	
	Market value	Impact on profit after tax and net asset value	Market value	Impact on profit after tax and net asset value
	RM	RM	RM	RM
+5% (2023: +5%)	49,712,448	2,367,259	54,945,873	2,616,470
-5% (2023: -5%)	44,977,930	(2,367,259)	49,712,933	(2,616,470)

ii. Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

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

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

iii. Foreign exchange/Currency risk

Currency risk is associated with investments denominated in foreign currencies. When the foreign currencies fluctuate in an unfavourable movement against Ringgit Malaysia, the investments will face currency losses in addition to the capital gain/(loss). The Manager will evaluate the likely directions of a foreign currency versus Ringgit Malaysia based on considerations of economic fundamentals such as interest rate differentials, balance of payments position, debt levels and technical chart considerations.

The following table sets out the foreign exchange/currency risk concentrations and counterparties of the Fund.

	Financial assets at fair value through profit or loss	Amount due from brokers	Total
	RM	RM	RM
<u>2024</u>			
EURO	47,345,189	231,310	47,576,499
<u>2023</u>			
EURO	52,329,403	101,394	52,430,797

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on each currency's respective historical volatility, with all variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate.

Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/(decrease) in net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

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

	Change in price	Impact on profit after tax	Impact on net asset value
	%	RM	RM
<u>2024</u>			
EURO	+/- 5.38	+/- 2,559,616	+/- 2,559,616
<u>2023</u>			
EURO	+/- 6.08	+/- 3,187,792	+/- 3,187,792

Stock/Issuer risk

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

Fund management risk

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

Liquidity risk

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

The Fund maintains sufficient level of liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise cash balances, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2024</u>			
Accrued management fee	74,824	-	74,824
Amount due to Manager	374,363	-	374,363
Amount due to Trustee	3,326	-	3,326
Other payables and accruals	-	14,272	14,272
Contractual undiscounted cash outflows	<u>452,513</u>	<u>14,272</u>	<u>466,785</u>
<u>2023</u>			
Accrued management fee	80,009	-	80,009
Amount due to Manager	282,410	-	282,410
Amount due to Trustee	3,556	-	3,556
Other payables and accruals	-	13,332	13,332
Contractual undiscounted cash outflows	<u>365,975</u>	<u>13,332</u>	<u>379,307</u>

Credit/Default risk

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

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

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

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

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

	Cash and cash equivalents	Amount due from Manager	Amount due from brokers	Management fee rebate receivables	Total
	RM	RM	RM	RM	RM
2024					
Financial Services					
- AAA	632,362	-	-	-	632,362
Other					
- NR	-	31,338	231,310	61,723	324,371
	<u>632,362</u>	<u>31,338</u>	<u>231,310</u>	<u>61,723</u>	<u>956,733</u>

2023

Financial Services					
- AAA	610,163	-	-	-	610,163
- AA1	43,689	-	-	-	43,689
Other					
- NR	-	128,819	101,394	65,945	296,158
	<u>653,852</u>	<u>128,819</u>	<u>101,394</u>	<u>65,945</u>	<u>950,010</u>

None of these financial assets are past due or impaired.

Country risk

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

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

Emerging markets risk

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

- (i) low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed capital markets;
- (ii) uncertain national policies and social, political and economic instability, increasing the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavourably diplomatic developments;
- (iii) possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other laws or restrictions applicable to such investments;
- (iv) national policies which may limit a portfolio's investment opportunities such as restrictions on investment in issuers or industries deemed sensitive to national interests; and
- (v) the lack of relatively early development of legal structures governing private and foreign investments and private property.

Non-compliance risk

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

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

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM35,526,889 (2023: RM44,049,815) and retained earnings of RM12,308,248 (2023: RM8,850,291). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

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

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

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques.

i. Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2024</u>				
Financial assets at fair value through profit or loss:				
Collective investment scheme	47,345,189	-	-	47,345,189
<u>2023</u>				
Financial assets at fair value through profit or loss:				
Collective investment scheme	52,329,403	-	-	52,329,403

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

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

3. MANAGEMENT FEE

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

For the financial year ended 31 December 2024, management fee is recognised at a rate of 1.80% (2023: 1.80%) per annum on the net asset value of the Fund, calculated on a daily basis.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.08% per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum (excluding foreign custodian fees and charges).

For the financial year ended 31 December 2024, the Trustee fee is recognised at a rate of 0.08% (2023: 0.08%) subject to a minimum fee of RM18,000 per annum on the net asset value of the Fund, calculated on daily basis.

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

5. TAXATION

	2024	2023
	RM	RM

Tax charged for the financial year:

Current taxation	-	-
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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	3,457,957	6,122,328
Tax at Malaysian statutory rate of 24% (2023: 24%)	829,910	1,469,359
Tax effects of:		
Investment income not subject to tax	(1,098,220)	(1,731,217)
Expenses not deductible for tax purposes	16,476	15,727
Restriction on the tax deductible expenses for Unit Trust Funds	251,834	246,131
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment scheme	<u>47,345,189</u>	<u>52,329,403</u>
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	3,311,684	653,643
Change in unrealised fair value gain	719,934	5,869,049
Management fee rebate on collective investment scheme [#]	<u>856,912</u>	<u>839,329</u>
	<u>4,888,530</u>	<u>7,362,021</u>

[#] In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of the collective investment scheme has been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund's investments in collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme. The rebate of management fee is 1.50% per annum or RM856,912 (2023: 1.50% per annum or RM839,329) calculated on net asset value of Schroder International Selection Fund Emerging Markets on a daily basis.

Collective investment scheme

	Quantity	Aggregate cost	Fair value as at 31.12.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
Schroder International Selection Fund Emerging Markets - Class A	<u>624,574</u>	42,785,946	<u>47,345,189</u>	98.98
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>4,559,243</u>	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>47,345,189</u>	

Collective investment scheme

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

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

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

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

Target Fund's top 10 holdings

i. Target Fund's top 10 holdings as at 31 December 2024 is as follows:

	Percentage of Target Fund's NAV
	(%)
Taiwan Semiconductor Manufacturing Co Ltd	9.98
Tencent Holdings Ltd	6.48
Samsung Electronics Co Ltd	3.09
Meituan	2.30
MediaTek Inc	2.26
HDFC Bank Ltd	2.00
Hon Hai Precision Industry Co Ltd	1.94
Trip.com Group Ltd	1.79
Tata Consultancy Services Ltd	1.73
ICICI Bank Ltd	1.69
Total	33.26

ii. Target Fund's top 10 holdings as at 31 December 2023 is as follows:

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

7. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Bank balances with a licensed bank	132,317	43,689
Deposits with licensed financial institution	500,045	610,163
	<u>632,362</u>	<u>653,852</u>

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

	2024	2023
	%	%
Deposits with licensed financial institution	<u>3.25</u>	<u>3.25</u>

The deposits have an average maturity of 2 days (2023: 1 day).

8. UNITS IN CIRCULATION

	2024	2023
	No. of units	No. of units
At the beginning of the financial year	131,072,896	158,602,321
Creation of units arising from applications during the financial year	49,685,943	22,133,774
Cancellation of units during the financial year	(65,659,048)	(49,663,199)
At the end of the financial year	<u>115,099,791</u>	<u>131,072,896</u>

9. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

Name of issuer	Value of trades	Percentage of total trades
	RM	%
<u>2024</u> Schroder Investment Management (Singapore) Limited	34,544,177	100.00
<u>2023</u> Schroder Investment Management (Singapore) Limited	15,445,029	100.00

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

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

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

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

Units held by Manager and parties related to the Manager:

	2024		2023	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,000	416	1,000	404
Directors of Eastspring Investments Berhad	8,981	3,733	-	-

The above units were transacted at the prevailing market price.

The units are held legally and beneficially by the Manager and are within the prescribed limit allowed by the SC's Guidelines on Unit Trust Funds. Other than the above, there were no units held by the Directors or parties related to the Manager.

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

11. TOTAL EXPENSE RATIO (“TER”)

	2024	2023
	%	%
TER	1.93	1.93

TER is derived from the following calculation:

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

A = Management fee (excluding management fee rebate)

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM57,902,583 (2023: RM56,541,442).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	0.30	0.14

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 = RM12,764,172 (2023: RM2,095,830)

total disposals for the financial year = RM21,780,005 (2023: RM13,349,199)

13. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 24 February 2025.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

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TRUSTEE

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