



A Prudential plc company 

# EASTSPRING INVESTMENTS TARGET INCOME FUND 8

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 March 2024.**

You may also download these reports from our website at [www.eastspring.com/my](http://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 'YSH' or similar initials, written in a cursive style.

**Yap Siok Hoon**

Non-Independent, Executive Director and Chief Executive Officer

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## FUND INFORMATION

<b>Name of Fund</b>	<p>Eastspring Investments Target* Income Fund 8 (the “Fund”)</p> <p>* The Fund aims (i.e. <b>Target</b>) to distribute income on an annual basis from coupon payments received from the bonds investments.</p>
<b>Fund Category/ Type</b>	<p>Bond (close-ended)/income</p>
<b>Fund Objective</b>	<p>The Fund endeavours to provide regular income** during the tenure of the Fund.</p> <p>** Income declared will be paid out by way of e-payment (i.e. telegraphic, online transfer or other forms of electronic payment) according to Unit Holders’ instructions in the account opening form.</p>
<b>Termination Date</b>	<p>29 August 2024</p>
<b>Duration of the Fund</b>	<p>Five (5) years close-ended bond fund.</p>
<b>Performance Benchmark</b>	<p>5-year Maybank fixed deposit rate as at Commencement Date.</p> <p>Please note that investors may obtain information on the benchmark from the Manager upon request.</p> <p>As the Fund will invest in local and foreign markets across various bonds of different ratings, the risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p>
<b>Fund Income Distribution Policy</b>	<p>Subject to the availability of income, distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.</p>

## KEY PERFORMANCE DATA FOR THE FINANCIAL YEAR ENDED

Category	2024	2023	2022
	(%)	(%)	(%)
Unquoted fixed income securities	92.32	98.62	85.79
Derivatives	(8.49)	(3.93)	0.91
Cash and other assets	16.17	5.31	13.30
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Net Asset Value (NAV) (RM'000)	225,381	234,264	439,085
Units In Circulation (Units '000)	241,523	250,688	477,109
Net Asset Value Per Unit (RM)	0.9332	0.9345	0.9203
Highest Net Asset Value Per Unit (RM)#	0.9331	0.9744	1.0148
Lowest Net Asset Value Per Unit (RM)#	0.8789	0.8162	0.8869
Total Return (%)			
- Capital Growth	(0.15)	1.53	(11.64)
- Income Distribution	1.68	-	5.10
Total Return (%)	1.53	1.53	(7.14)
Gross Distribution Per Unit (RM)	0.0155	-	0.0515
Net Distribution Per Unit (RM)	0.0155	-	0.0515
Total Expense Ratio (TER) (%)*	0.31	0.29	0.29
Portfolio Turnover Ratio (PTR) (times)^	0.79	0.39	0.14

# Figures shown as ex-distribution.

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

^ The higher fund turnover ratio was driven mainly by market volatility and tax efficiency trades. Over the period in review, heightened market volatility provided trading opportunities while Malaysia's tax ruling on foreign interest income provided an impetus for ongoing rebalancing measures to optimize after-tax returns for investors.

## KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.4.2023 to 31.3.2024	3 years 1.4.2021 to 31.3.2024	Since commencement 29.8.2019 to 31.3.2024
	(%)	(%)	(%)
Average total return	1.53	(1.44)	0.98

Year ended	1.4.2023 to 31.3.2024	1.4.2022 to 31.3.2023	1.4.2021 to 31.3.2022	1.4.2020 to 31.3.2021	Since commencement 29.8.2019 to 31.3.2020
	(%)	(%)	(%)	(%)	(%)
Annual total return	1.53	1.53	(7.14)	16.02	(5.74)

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

**Bases of calculation and assumptions made in calculating returns:**

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

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

$\text{NAV}_0$  = 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.**

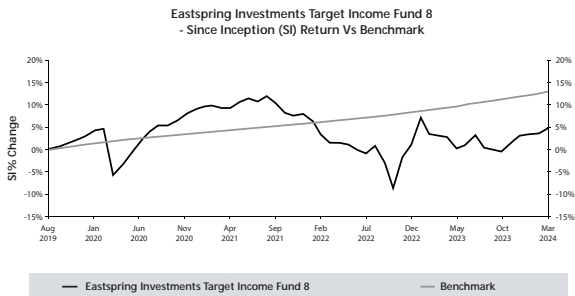
# MANAGER'S REPORT

## Fund Performance

Since inception, the Fund recorded a positive return of 4.69%, underperforming its benchmark return of 12.87% by 8.18%.

For the period under review, the Fund registered a positive return of 1.53%, underperforming its benchmark return of 3.32% by 1.79%.

The Fund delivered positive returns over the period under review as Asian and Emerging Market (EM) USD bond markets generally performed well against the backdrop of improved risk sentiment. Fixed income markets rebounded from their November 2023 lows as US Treasury yields declined. Some of the Fund's key contributors included its exposures to Ukraine as well as Indonesian real estate's corporate credits. Longer dated bonds also supported returns as credit spreads tightened.



## MANAGER'S REPORT (CONTINUED)

### Fund Performance (continued)

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

**Benchmark:** 5-year Maybank fixed deposit rate as at Commencement Date.

Fund performance is sourced from Lipper for Investment Management, 31 March 2024 and the benchmark is obtainable from Eastspring Investments Berhad upon request.

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

### Analysis of Fund Performance

For the financial year ended 31 March 2024:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
1.68	(0.15)	1.53	3.32

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

### Distribution/ Unit Split

Ex-Date	17-Apr-23
Distribution Per Unit	(RM)

Gross	0.0155
Net	0.0155
Unit Split	Nil

Impact on NAV arising from distribution for the financial year ended 31 March 2024.

Ex-Date	17-Apr-23
	(RM per Unit)

Net Asset Value before distribution	0.9357
Less: distribution	(0.0155)
Net Asset Value after distribution	0.9202



## MANAGER'S REPORT (CONTINUED)

### Investment Strategy During the Period Under Review

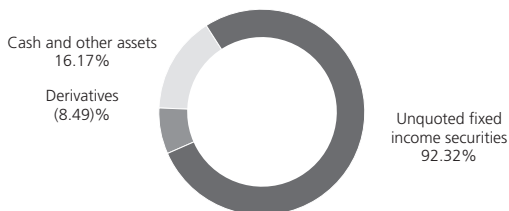
As this is a close-ended bond fund, the Fund will be managed on a semi-active basis by the Fund Manager. Semi-active management of the portfolio refers to an approach where most of the Fund's bond investments will be held to maturity. Nevertheless, the Fund Manager may trade and rebalance its investments from time to time, for reasons such as the following:

- Increased default risk or uptrend interest rate concerns;
- Hedging transactions in the event that the sale of the security at risk is not possible; and
- Reinvesting the proceeds from matured securities and coupon income

### Asset Allocation

Asset Allocation	31-Mar 2024	31-Mar 2023	Changes
	(%)	(%)	(%)
Unquoted fixed income securities	92.32	98.62	(6.30)
Derivatives	(8.49)	(3.93)	(4.56)
Cash and other assets	16.17	5.31	10.86

### Asset Allocation as at 31 March 2024



During the period under review, as the Fund employs hedging, the negative derivative position was due to the mark to market effect of the Fund's derivative holdings.

## MANAGER'S REPORT (CONTINUED)

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**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.

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**Cross-Trade Transaction**

During the period under review, there were cross-trades executed through a dealer or a financial institution on an arm's length and fair value basis and in the best interest of the Fund. There were no cross-trades executed for the period from 1 May 2023 to 31 August 2023, the month of December 2023 and for the period from 1 February 2024 to 31 March 2024. The investment committee for the Fund has reviewed that such trades for the month of April 2023 and for the period from 1 September 2023 to 30 November 2023 were transacted on an arm's length and fair value basis and in the best interest of the Fund. The trade for the month of January 2024 will be tabled for review at the upcoming investment committee meeting.

## MARKET REVIEW

Asian bonds and emerging market hard currency debt registered gains over the year as sentiment improved between late 2023 and the first quarter of 2024. Risk appetite was on a general downtrend in early 2023, but quickly reversed in the fourth quarter as market concerns about an elevated inflationary environment dissipated.

The second quarter of 2023 was dominated by banking sector uncertainties while markets also recalibrated expectations on inflation and central bank policy. The failure of Credit Suisse weakened confidence and drove investors to the safety of high-quality assets. In May, concerns over a US debt ceiling gridlock surfaced, coinciding with heightened US Treasury yields. Fitch Ratings cited a weak fiscal outlook for the US and downgraded its long-term ratings to 'AA+'.

Over the third quarter, higher US Treasury yields and a general weakness in China weighed on the returns of both Asian and emerging market bonds. Treasury yields continued rising on the back of a hawkish Federal Reserve, a US rating downgrade and the rising prospect of a US government shutdown amid a political deadlock at the end of September.

However, investor appetite soon recovered with better than expected data in the US and real GDP growth in China reaching 5.2% in 2023. The People's Bank of China maintained an accommodative monetary policy, while policymakers also announced several support measures to lift confidence in the real estate market.

Overall, the US Treasury ("UST") yield curve bear steepened as the two- and ten-year UST yields increased 56bps and 70bps to 4.62% and 4.19% respectively. The JP Morgan Asia Credit Index ("JACI") and JP Morgan EMBI Global Diversified Index ("EMBIGD") gained 5.9% and 11.3% respectively.

## 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 TARGET INCOME FUND 8

## FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 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 18 to 80 are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 March 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: 27 May 2024

# TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS TARGET INCOME FUND 8 ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 March 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: 27 May 2024



# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS TARGET INCOME FUND 8

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Our opinion

In our opinion, the financial statements of Eastspring Investments Target Income Fund 8 ("the Fund") give a true and fair view of the financial position of the Fund as at 31 March 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 March 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 18 to 80.

### 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: 27 May 2024

## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME</b>			
Interest income from deposits			
with licensed financial institutions		249,556	993,105
Interest income from unquoted			
fixed income securities		12,792,875	13,656,154
Exit fee income		397,037	320,586
Net gain on financial assets at			
fair value through profit or loss	7	23,479,160	8,094,076
Net loss on forward foreign			
currency contracts	9	(31,820,269)	(12,770,526)
Net foreign currency exchange gain/(loss)		482,281	(5,851,399)
		<u>5,580,640</u>	<u>4,441,996</u>
<b>EXPENSES</b>			
Management fee	3	(445,615)	(658,601)
Trustee fee	4	(133,685)	(197,581)
Audit fee		(13,000)	(13,000)
Tax agent fee		(7,600)	(5,000)
Other expenses		(83,041)	(87,969)
		<u>(682,941)</u>	<u>(962,151)</u>
<b>PROFIT BEFORE TAXATION</b>		4,897,699	3,479,845
<b>TAXATION</b>	5	<u>(1,574,431)</u>	<u>(3,372,111)</u>
<b>PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME</b>		<u>3,323,268</u>	<u>107,734</u>
Profit after taxation is made up of the following:			
Realised amount		(33,228,517)	(8,356,466)
Unrealised amount		36,551,785	8,464,200
		<u>3,323,268</u>	<u>107,734</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 MARCH 2024

	Note	2024	2023
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	8	35,163,901	12,699,955
Financial assets at fair value through profit or loss	7	208,103,387	231,109,864
Forward foreign currency contracts at fair value through profit or loss	9	12,288	1,958,185
Other receivables		3,250	3,709
Tax recoverable		1,440,729	-
<b>TOTAL ASSETS</b>		<u>244,723,555</u>	<u>245,771,713</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	9	19,157,096	11,153,174
Accrued management fee		38,052	39,793
Amount due to Manager		108,335	123,632
Amount due to Trustee		11,416	11,938
Other payables and accruals		27,321	32,348
Tax payable		-	146,700
<b>TOTAL LIABILITIES</b>		<u>19,342,220</u>	<u>11,507,585</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>225,381,335</u>	<u>234,264,128</u>
<b>EQUITY</b>			
Unit holders' capital		263,254,833	271,587,050
Accumulated losses		(37,873,498)	(37,322,922)
<b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>225,381,335</u>	<u>234,264,128</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>241,523,204</u>	<u>250,688,221</u>
<b>NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)</b>		<u>0.9332</u>	<u>0.9345</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 MARCH 2024

	Note	Unit holders' capital	Accumulated losses	Total
		RM	RM	RM
Balance as at 1 April 2023		271,587,050	(37,322,922)	234,264,128
Movement in unit holders' contribution:				
Cancellation of units		(8,332,217)	-	(8,332,217)
Distribution (Gross/Net: 1.55 sen)	6	-	(3,873,844)	(3,873,844)
Total comprehensive income for the financial year		-	3,323,268	3,323,268
Balance as at 31 March 2024		<u>263,254,833</u>	<u>(37,873,498)</u>	<u>225,381,335</u>
Balance as at 1 April 2022		476,515,620	(37,430,656)	439,084,964
Movement in unit holders' contribution:				
Cancellation of units		(204,928,570)	-	(204,928,570)
Total comprehensive income for the financial year		-	107,734	107,734
Balance as at 31 March 2023		<u>271,587,050</u>	<u>(37,322,922)</u>	<u>234,264,128</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 MARCH 2024

	Note	2024	2023
		RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		261,515,275	242,171,760
Payments for purchase of investments		(213,068,361)	(92,892,557)
Net realised (loss)/gain on forward foreign currency contract		(21,870,450)	433,179
Interest income received from deposits with licensed financial institutions		249,556	993,105
Interest income received from unquoted fixed income securities		10,831,598	16,370,389
Exit fee income received		397,496	317,406
Management fee paid		(447,356)	(692,218)
Trustee fee paid		(134,207)	(207,666)
Tax paid		(3,161,860)	(3,242,779)
Payment for other fees and expenses		(108,668)	(117,025)
Net foreign currency exchange gain/(loss)		481,312	(5,851,960)
Net cash generated from operating activities		<u>34,684,335</u>	<u>157,281,634</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for cancellation of units		(8,347,514)	(204,822,585)
Distribution paid		(3,873,844)	-
Net cash used in financing activities		<u>(12,221,358)</u>	<u>(204,822,585)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		22,462,977	(47,540,951)
<b>EFFECTS OF FOREIGN EXCHANGE DIFFERENCES</b>		969	561
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>12,699,955</u>	<u>60,240,345</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	8	<u>35,163,901</u>	<u>12,699,955</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 MARCH 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 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 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 L.

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 April 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 April 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).

Interest income from unquoted fixed income securities including amortisation of premium and accretion of discount are recognised using the effective interest method.

Exit fee income is a redemption fee charged to unit holders on cancellation of units before the maturity date and is recognised upon cancellation of units.

**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.

Tax on interest income from foreign unquoted fixed income securities is based on the tax regime of the respective countries that the Fund invests in.

**D. FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Fund are measured using the currency as 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. 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.

## **F. 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 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.

The Fund classifies cash and cash equivalents and other 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 the obligation under the liabilities are extinguished; i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" including the effects of currency translation 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.

Derivative investments are forward foreign currency contracts. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains and losses on the derivative financial instrument are recognised in statement of comprehensive income when settled or at date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument.

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 based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission as per the Securities Commission's ("SC")

Guidelines on Unit Trust Funds. Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the price obtained by Reuters. Where Reuters prices are not available on valuation day, these unquoted fixed income securities will be valued by reference to the average indicative yield quoted by three independent ad reputable financial institutions.

Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA or the Reuters price 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 a non-BPA price or the Reuters price;
- (ii) obtains necessary internal approvals to use the non-BPA price or the Reuters 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 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.

## **G. CASH AND CASH EQUIVALENTS**

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

## **H. 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. DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The Fund's derivative financial instruments comprise forward foreign currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of statements of financial position with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as financial assets/liabilities at fair value through profit or loss and accounted for in accordance with the accounting policy set out in Note F to the financial statements.



## **K. 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.

**L. 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 TO 31 MARCH 2024

### 1. INFORMATION ON THE FUND

Eastspring Investments Target Income Fund 8 (the “Fund”) was constituted pursuant to the execution of a Deed dated 17 May 2019 entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 15 July 2019 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Fund seeks to achieve its objective by investing in local and/or foreign debt securities. The Fund will invest a minimum of 70% of its NAV in local and/or foreign debt securities. Not more than 60% of the Fund’s NAV may be invested either in non-rated debt securities and/or debt securities rated below investment grade rating by RAM, MARC or other rating agencies (i.e. lower than BBB3 rating by RAM or below investment grade rating by other rating agencies) while the remainder will be invested in investment grade bonds. Additionally, up to 30% of the Fund’s NAV may be invested in liquid assets.

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

The main objective of the Fund is to provide regular income during the tenure of the Fund.

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 market risk (inclusive of price risk, interest rate risk and foreign exchange/currency risk), country risk, fund management risk, liquidity risk, non-compliance 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 Deed.

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Total
		RM	RM	RM	RM
<u>2024</u>					
Cash and cash equivalents	8	35,163,901	-	-	35,163,901
Unquoted fixed income securities	7	-	208,103,387	-	208,103,387
Forward foreign currency contracts at fair value through profit or loss	9	-	12,288	(19,157,096)	(19,144,808)
Other receivables		3,250	-	-	3,250
		<u>35,167,151</u>	<u>208,115,675</u>	<u>(19,157,096)</u>	<u>224,125,730</u>
<u>2023</u>					
Cash and cash equivalents	8	12,699,955	-	-	12,699,955
Unquoted fixed income securities	7	-	231,109,864	-	231,109,864
Forward foreign currency contracts at fair value through profit or loss	9	-	1,958,185	(11,153,174)	(9,194,989)
Other receivables		3,709	-	-	3,709
		<u>12,703,664</u>	<u>233,068,049</u>	<u>(11,153,174)</u>	<u>234,618,539</u>

All liabilities except forward foreign currency contract 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 March which are exposed to price risk:

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Unquoted fixed income securities*	208,103,387	231,109,864

\* Includes interest receivable of RM3,139,350 (2023: RM3,219,471).

The following table summarises the sensitivity of the Fund's profit after tax and net asset value to movements in prices of 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 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 unquoted fixed income securities, having regard to the historical volatility of the prices.

	2024		2023	
% Change in price	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%)	215,212,239	10,248,202	239,284,913	11,394,520
-5% (2023: -5%)	194,715,835	(10,248,202)	216,495,873	(11,394,520)

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 are subject to interest rate fluctuations. 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 pricing of unquoted fixed income securities held by the Fund at the end of each reporting financial year as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 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%)	(105,018)	(360,006)
-1% (2023: -1%)	105,756	442,087

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

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.

	<b>Unquoted fixed income securities</b>	<b>Forward foreign currency contracts</b>	<b>Cash and cash equivalents</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>2024</u>				
EUR	-	-	40,150	40,150
SGD	-	-	32	32
USD	208,103,387	(19,144,808)	2,763,649	191,722,228
	<u>208,103,387</u>	<u>(19,144,808)</u>	<u>2,803,831</u>	<u>191,762,410</u>
<u>2023</u>				
EUR	7,026,107	388,404	195,493	7,610,004
SGD	-	(168,506)	919,765	751,259
USD	224,083,757	(9,414,887)	1,747,642	216,416,512
	<u>231,109,864</u>	<u>(9,194,989)</u>	<u>2,862,900</u>	<u>224,777,775</u>



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

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

	<b>Change in foreign exchange rate</b>	<b>Impact on profit after tax</b>	<b>Impact on net asset value</b>
	<b>%</b>	<b>RM</b>	<b>RM</b>
<u>2024</u>			
EUR	5.31	2,132	2,132
SGD	3.48	1	1
USD	5.51	10,563,895	10,563,895
<hr/>			
<u>2023</u>			
EUR	8.47	644,567	644,567
SGD	4.52	33,957	33,957
USD	5.76	12,465,591	12,465,591
<hr/>			

## **Country risk**

A unit trust fund that invests in foreign countries may experience more rapid and extreme changes in value than a unit trust fund that invests exclusively in Malaysia. Nationalisation, expropriation or confiscatory, taxation, currency blockage, political changes or diplomatic developments could adversely affect a unit trust fund's investments in a foreign country. In the event of nationalisation, expropriation or other confiscation, a unit trust fund could lose its entire investment in foreign countries. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated. Careful consideration shall be given to risk factors such as liquidity, political and economic environment before any investments are made in a foreign country.

## **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 interests of unit holders.

## **Liquidity risk**

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

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

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

	<b>Less than 1 month</b>	<b>Between 1 month to 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2024</b>				
Forward foreign currency contracts at fair value through profit or loss	3,587,685	15,569,411	-	19,157,096
Accrued management fee	38,052	-	-	38,052
Amount due to Manager	108,335	-	-	108,335
Amount due to Trustee	11,416	-	-	11,416
Other payables and accruals	-	27,321	-	27,321
Contractual undiscounted cash outflows	<u>3,745,488</u>	<u>15,596,732</u>	<u>-</u>	<u>19,342,220</u>
<b>2023</b>				
Forward foreign currency contracts at fair value through profit or loss	-	6,387,365	4,765,809	11,153,174
Accrued management fee	39,793	-	-	39,793
Amount due to Manager	123,632	-	-	123,632
Amount due to Trustee	11,938	-	-	11,938
Other payables and accruals	-	32,348	-	32,348
Contractual undiscounted cash outflows	<u>175,363</u>	<u>6,419,713</u>	<u>4,765,809</u>	<u>11,360,885</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.

## **Capital risk**

The capital of the Fund is represented by equity consisting of unit holders' capital of RM263,254,833 (2023: RM271,587,050) and accumulated losses of RM37,873,498 (2023: RM37,322,922). 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. In the case of the Fund, both the Manager and the External Manager regularly review the ratings assigned to the Issuer so that the necessary steps can be taken if the ratings fall below those prescribed by the Deed.

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 Fund seeks to mitigate credit/default risk by investing in high quality unquoted fixed income securities and entering into forward foreign currency contracts with reputable counterparties.

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

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<b>2024</b>				
Financial Services				
- AAA	20,913,227	-	-	20,913,227
- AA1	14,250,674	-	-	14,250,674
Unquoted Fixed Income Securities				
Communications				
- A	-	958,635	-	958,635
- BBB	-	2,839,454	-	2,839,454
Consumer Discretionary				
- Baa1	-	949,568	-	949,568
Consumer Staples				
- BB	-	753,567	-	753,567
Energy				
- B+	-	9,834,044	-	9,834,044
- BB	-	3,296,026	-	3,296,026
- BBB	-	1,120,203	-	1,120,203
- BBB-	-	7,109,969	-	7,109,969
- C	-	726,793	-	726,793
- NR	-	8,683,730	-	8,683,730
Financials				
- A	-	924,061	-	924,061
- A-	-	3,816,103	-	3,816,103
- A+	-	18,558,701	-	18,558,701
- A2	-	932,493	-	932,493
- A3	-	4,386,905	-	4,386,905
- Aa3	-	9,665,289	-	9,665,289
- B1	-	1,893,486	-	1,893,486
- Baa3	-	14,946,849	-	14,946,849
- BB-	-	4,645,940	-	4,645,940
- BBB	-	9,418,968	-	9,418,968
- BBB-	-	10,355,242	-	10,355,242

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<u>2024</u> (continued)				
Unquoted Fixed Income Securities (continued)				
- BBB+	-	9,525,685	-	9,525,685
- CC	-	6,733,400	-	6,733,400
- CCC+	-	1,367,975	-	1,367,975
- NR	-	5,589,513	-	5,589,513
Government				
- AA	-	1,895,763	-	1,895,763
- BB	-	921,297	-	921,297
- BB+	-	2,861,904	-	2,861,904
- BBB	-	549,992	-	549,992
- BBB-	-	3,796,877	-	3,796,877
- NR	-	4,717,941	-	4,717,941
Industrials				
- Baa2	-	2,788,010	-	2,788,010
- BBB	-	21,046,806	-	21,046,806
- BBB-	-	2,814,413	-	2,814,413
Materials				
- BBB	-	3,068,493	-	3,068,493
- BBB-	-	1,424,463	-	1,424,463
- BBB+	-	9,395,676	-	9,395,676
Utilities				
- A2	-	918,132	-	918,132
- BB	-	953,224	-	953,224
- BBB-	-	6,105,344	-	6,105,344
- NR	-	5,812,453	-	5,812,453
Forward foreign currency contracts				
- AAA	-	12,288	-	12,288
Other				
- NR	-	-	3,250	3,250
	<u>35,163,901</u>	<u>208,115,675</u>	<u>3,250</u>	<u>243,282,826</u>

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<b>2023</b>				
Financial Services				
- AAA	9,003,884	-	-	9,003,884
- AA1	3,696,071	-	-	3,696,071
Unquoted fixed income securities				
Communications				
- BBB	-	2,599,486	-	2,599,486
Consumer Discretionary				
- A+	-	883,225	-	883,225
- BBB	-	1,760,441	-	1,760,441
Consumer Staples				
- BB	-	586,836	-	586,836
Energy				
- BBB	-	5,698,162	-	5,698,162
- BBB-	-	12,861,410	-	12,861,410
- BB	-	2,132,364	-	2,132,364
- BB-	-	1,758,019	-	1,758,019
- B+	-	8,509,297	-	8,509,297
- C	-	2,701,238	-	2,701,238
- NR	-	771,750	-	771,750
Financials				
- AA+	-	887,624	-	887,624
- AA-	-	1,777,193	-	1,777,193
- A+	-	884,818	-	884,818
- A	-	1,646,208	-	1,646,208
- A-	-	3,513,731	-	3,513,731
- A2	-	850,519	-	850,519
- A3	-	873,219	-	873,219
- Aa3	-	894,176	-	894,176
- BBB+	-	3,148,593	-	3,148,593
- BBB	-	9,894,131	-	9,894,131

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<u>2023</u> (continued)				
Unquoted Fixed Income Securities (continued)				
- BBB-	-	19,299,441	-	19,299,441
- Baa2	-	710,407	-	710,407
- Baa3	-	8,999,046	-	8,999,046
- BB-	-	4,181,621	-	4,181,621
- NR	-	2,657,669	-	2,657,669
Government				
- BBB+	-	881,129	-	881,129
- BBB	-	586,362	-	586,362
- BBB-	-	8,841,880	-	8,841,880
- BB+	-	5,256,336	-	5,256,336
- BB-	-	850,417	-	850,417
- B	-	1,777,456	-	1,777,456
- B-	-	888,818	-	888,818
- NR	-	1,785,198	-	1,785,198
Industrials				
- AA	-	809,528	-	809,528
- BBB+	-	783,998	-	783,998
- BBB	-	15,856,072	-	15,856,072
- BBB-	-	7,264,707	-	7,264,707
- B+	-	4,020,818	-	4,020,818
- Baa2	-	2,553,696	-	2,553,696
- CC	-	914,716	-	914,716
Materials				
- A-	-	827,503	-	827,503
- BBB+	-	8,630,615	-	8,630,615
- BBB-	-	6,060,810	-	6,060,810
- BB	-	714,563	-	714,563
- Baa1	-	2,373,488	-	2,373,488
- NR	-	858,539	-	858,539



	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<u>2023</u> (continued)				
Unquoted Fixed Income Securities (continued)				
Real Estate				
- BBB	-	896,518	-	896,518
- B+	-	6,121,179	-	6,121,179
- B-	-	1,083,964	-	1,083,964
- B1	-	8,309,207	-	8,309,207
- Baa1	-	848,409	-	848,409
- Baa3	-	8,641,258	-	8,641,258
- CCC	-	4,476,977	-	4,476,977
- C	-	3,223,389	-	3,223,389
- Caa1	-	1,559,866	-	1,559,866
- NR	-	2,425,960	-	2,425,960
Utilities				
- A2	-	3,452,450	-	3,452,450
- BBB+	-	1,608,811	-	1,608,811
- BB	-	857,071	-	857,071
- BB-	-	1,485,508	-	1,485,508
- NR	-	13,102,024	-	13,102,024
Forward foreign currency contracts				
- AAA	-	1,958,185	-	1,958,185
Other				
- NR	-	-	3,709	3,709
	12,699,955	233,068,049	3,709	245,771,713

## **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 traded derivatives and 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. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each financial year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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 and financial liabilities (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:				
Unquoted fixed income securities	- 208,103,387		- 208,103,387	
Forward foreign currency contracts	- 12,288		- 12,288	
	<u>- 208,115,675</u>		<u>- 208,115,675</u>	
Financial liabilities at fair value through profit or loss:				
Forward foreign currency contracts	- (19,157,096)		- (19,157,096)	
	<u>- (19,157,096)</u>		<u>- (19,157,096)</u>	
<u>2023</u>				
Financial assets at fair value through profit or loss:				
Unquoted fixed income securities	- 231,109,864		- 231,109,864	
Forward foreign currency contracts	- 1,958,185		- 1,958,185	
	<u>- 233,068,049</u>		<u>- 233,068,049</u>	
Financial liabilities at fair value through profit or loss:				
Forward foreign currency contracts	- (11,153,174)		- (11,153,174)	
	<u>- (11,153,174)</u>		<u>- (11,153,174)</u>	

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 and forward foreign currency contracts. 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 F to the financial statements.

- ii. The carrying value of cash and cash equivalents, other receivables and all liabilities, except for forward foreign currency contracts 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 0.20% per annum of the net asset value of the Fund accrued and calculated on a daily basis.

For the financial year ended 31 March 2024, the management fee is recognised at a rate of 0.20% (2023: 0.20%) per annum on the net asset value of the Fund, excluding foreign custodian charges, 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 0.06% per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum (excluding foreign custodian fees and charges).

For the financial year ended 31 March 2024, the Trustee fee is recognised at a rate of 0.06% (2023: 0.06%) subject to a minimum fee of RM15,000 per annum on the net asset value of the Fund, excluding foreign custodian charges, calculated on daily basis.

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

## 5. TAXATION

	2024	2023
	RM	RM
Tax charged for the financial year:		
Current taxation	2,081,270	3,188,479
(Over)/under provision of taxation in prior year	(506,839)	183,632
Taxation	<u>1,574,431</u>	<u>3,372,111</u>

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	<u>4,897,699</u>	<u>3,479,845</u>
Tax at Malaysian statutory rate of 24% (2023: 24%)	1,175,448	835,163
Tax effects of:		
Investment loss not deductible for tax purposes	741,916	1,992,803
Expenses not deductible for tax purposes	53,838	69,731
Restriction on tax deductible expenses for Unit Trust Funds	110,068	161,184
(Over)/under provision of taxation in prior year	(506,839)	183,632
Foreign income subject to different tax rate	-	129,598
Taxation	<u>1,574,431</u>	<u>3,372,111</u>

**6. DISTRIBUTION**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Distributions to unit holders are from the following sources:		
Exit fee income (net of tax)	58,621	-
Interest income	4,093,356	-
Gross realised income	4,151,977	-
Less: Expenses	(278,133)	-
	<u>3,873,844</u>	<u>-</u>
Gross distribution per unit (sen)	1.55	-
Net distribution per unit (sen)	1.55	-
Ex-Date	<u>17 April 2023</u>	<u>-</u>

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.

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
Unquoted fixed income securities	208,103,387	231,109,864
Net gain on financial assets at fair value through profit or loss:		
Realised loss on disposals	(23,021,475)	(13,573,268)
Change in unrealised fair value gain	46,500,635	21,667,344
	<u>23,479,160</u>	<u>8,094,076</u>

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.125% ABQ Finance Limited 24.9.2024 (A2)	200,000	836,538	932,493	0.41
4.375% Baidu, Inc. 14.5.2024 (A)	200,000	946,990	958,635	0.43
6.75% Banco Mercantil Del Norte S.A. 27.6.2024 (BB-)	500,000	2,077,162	2,339,408	1.04
3.375% Bluestar Finance Holdings Limited 16.7.2024 (BBB)	650,000	3,034,353	3,068,493	1.36
5.75% BRF S.A. 21.9.2050 (BB)	200,000	815,455	753,567	0.33
3.425% CCCI Treasure Limited 21.11.2024 (Baa2)	600,000	2,526,821	2,788,010	1.24
3.08% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A2)	200,000	820,650	918,132	0.41
4.10% Chinalco Capital Holdings Limited 11.9.2024 (BBB+)	2,000,000	8,391,987	9,395,676	4.17
4.00% Chouzhou International Investment Limited 18.2.2025 (BBB)	200,000	831,226	932,484	0.41
3.97% CRCC Chengan Limited 27.6.2024 (Baa1)	200,000	887,500	949,568	0.42
6.75% Dar Al-Arkan Sukuk Company Limited 15.2.2025 (B1)	400,000	1,687,480	1,893,486	0.84



Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.30% Dianjian Haiyu Limited 20.6.2024 (BBB)	2,000,000	8,499,565	9,523,525	4.23
2.95% DIB Sukuk Limited 20.2.2025 (A)	200,000	833,143	924,061	0.41
3.939% ESIC Sukuk Limited 30.7.2024 (Baa3)	2,000,000	8,489,815	9,391,300	4.17
5.70% Export-Import Bank of India 11.3.2025 (BBB-)	800,000	3,829,245	3,796,877	1.68
2.875% Federative Republic of Brazil 6.6.2025 (BB)	200,000	829,563	921,297	0.41
4.50% First Abu Dhabi Bank P.J.S.C. 31.12.2099 (Baa3)	200,000	851,579	931,041	0.41
5.55% Greenko Solar (Mauritius) Limited 29.1.2025 (BB)	700,000	3,009,821	3,296,026	1.46
5.50% Greenko Wind Projects (Mauritius) Ltd 6.4.2025 (BB)	200,000	873,125	953,224	0.42
6.375% HSBC Holdings Plc 17.9.2024 (BBB)	1,000,000	4,222,229	4,722,402	2.10
3.25% Huarong Finance 2019 Co., Ltd 13.10.2024 (BBB)	800,000	3,350,852	3,744,785	1.66
3.75% Huarong Finance 2019 Co., Ltd 29.5.2024 (BBB)	200,000	953,154	951,781	0.42

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
5.50% Joint-Stock Commercial Mortgage Bank "Ipoteka-Bank" 19.11.2025 (BB-)	500,000	2,105,119	2,306,532	1.02
0.00% Kondor Finance Plc 19.7.2022 (C)	190,000	778,487	726,793	0.32
5.40% Kookmin Bank 28.5.2024 (A+)	600,000	2,883,033	2,961,546	1.31
5.40% Kookmin Bank 12.1.2025 (NR)	400,000	1,883,468	1,900,428	0.84
5.83% Kookmin Bank 28.6.2024 (Aa3)	800,000	3,767,300	3,830,215	1.70
5.92% Kookmin Bank 2.8.2024 (Aa3)	400,000	1,893,353	1,960,360	0.87
7.25% LMIRT Capital Pte Ltd 19.6.2024 (CC)	1,500,000	6,657,184	6,733,400	2.99
6.387% Malayan Banking Berhad 16.8.2024 (A3)	920,000	4,329,338	4,386,905	1.95
6.375% Medco Bell Pte Ltd 30.1.2027 (B+)	300,000	1,477,994	1,394,864	0.62
6.70% Mexican Petroleum 16.2.2032 (BBB)	111,000	468,204	439,474	0.19
5.00% Modernland Overseas Pte Ltd 30.4.2027 (NR)	76,877	120,113	126,630	0.06
5.00% Modernland Overseas Pte Ltd 30.4.2027 (NR)	400,000	1,613,156	667,331	0.30
4.50% NBK Tier 1 Financing (2) Limited 27.11.2025 (Baa3)	1,000,000	4,244,682	4,624,508	2.05

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
5.36% Nonghyup Bank 22.4.2024 (A+)	600,000	2,783,082	2,976,705	1.32
5.95% Nonghyup Bank 18.11.2024 (A+)	600,000	2,884,423	2,894,597	1.28
5.375% Oil India Limited 17.4.2024 (NR)	1,400,000	6,545,782	6,773,390	3.01
4.397% Oman Sovereign Sukuk SAOC 1.6.2024 (BB+)	400,000	1,890,312	1,907,865	0.85
4.625% ONGC Videsh Limited 15.7.2024 (BBB-)	1,000,000	4,506,769	4,744,997	2.11
4.25% Oversea-Chinese Banking Corporation Limited 19.6.2024 (BBB+)	2,000,000	9,394,370	9,525,685	4.23
3.25% Power Finance Corporation Limited 16.9.2024 (BBB-)	200,000	836,696	933,973	0.41
4.25% PT Adaro Indonesia 31.10.2024 (BBB-)	500,000	2,175,618	2,364,972	1.05
4.75% PT Indonesia Asahan Aluminium (Persero) 15.5.2025 (BBB-)	300,000	1,319,655	1,424,463	0.63
4.875% PT Pelabuhan Indonesia (Persero) 1.10.2024 (BBB)	2,200,000	10,506,400	10,590,797	4.70
5.125% PT Perusahaan Gas Negara TBK 16.5.2024 (BBB-)	1,270,000	6,044,123	6,105,344	2.71

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.45% PT Saka Energi Indonesia 5.5.2024 (B+)	1,764,000	8,172,332	8,439,180	3.74
4.25% PT Tower Bersama Infrastructure TBK 21.1.2025 (BBB-)	600,000	2,719,181	2,814,413	1.25
5.285% QNB Finance Ltd 18.4.2024 (A+)	600,000	2,855,947	2,975,076	1.32
5.445% QNB Finance Ltd 10.1.2025 (A+)	400,000	1,876,343	1,903,661	0.84
5.70% QNB Finance Ltd 24.8.2024 (Aa3)	600,000	2,880,311	2,924,961	1.30
3.375% REC Limited 25.7.2024 (BBB-)	2,000,000	8,446,679	9,421,269	4.18
3.87% Republic of Panama 23.7.2060 (BBB)	200,000	939,563	549,992	0.24
2.875% Saudi Arabian Oil Company 16.4.2024 (NR)	400,000	1,875,475	1,910,340	0.85
5.82361% Shinhan Bank 24.5.2024 (Aa3)	200,000	912,548	949,753	0.42
6.50% SMC Global Power Holdings Corp. 25.4.2024 (NR)	1,200,000	5,179,298	5,812,453	2.58
4.80% Socialist Republic of Vietnam 19.11.2024 (BB+)	200,000	909,064	954,039	0.42
4.875% State Bank of India 17.4.2024 (NR)	600,000	2,859,848	2,895,124	1.28
3.75% Thaioil Treasury Center Company Limited 18.6.2050 (BBB)	200,000	863,134	680,729	0.30

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
5.25% The Korea Development Bank 21.1.2025 (AA)	400,000	1,877,835	1,895,763	0.84
8.125% Theta Capital Pte Ltd 22.1.2025 (CCC+)	300,000	1,243,993	1,367,975	0.61
0.00% United States of America 2.4.2024 (NR)	400,000	1,916,250	1,888,723	0.84
0.00% United States of America 9.4.2024 (NR)	400,000	1,906,729	1,886,794	0.84
0.00% United States of America 16.4.2024 (NR)	200,000	935,067	942,424	0.42
3.50% Weibo Corporation 5.6.2024 (BBB)	600,000	2,545,333	2,839,454	1.26
6.00% Woori Bank 18.10.2024 (A+)	1,000,000	4,853,865	4,847,116	2.15
4.3% Xi Yang Overseas Limited 5.6.2024 (A-)	800,000	3,390,101	3,816,103	1.69
	<u>44,381,877</u>	<u>198,865,810</u>	<u>208,103,387</u>	<u>92.32</u>

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

9,237,577

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

208,103,387

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	EUR	RM	RM	%
7.125% Kondor Finance Plc 19.7.2024 (C)	2,000,000	9,854,091	2,295,010	0.98
3.75% Mexican Petroleum 21.2.2024 (BBB)	1,000,000	4,662,694	4,731,097	2.02

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.45% ABJA Investment Co Pte Limited 24.7.2023 (BBB-)	200,000	870,237	882,690	0.38
3.125% ABQ Finance Limited 24.9.2024 (A2)	200,000	835,772	850,519	0.36
3.875% Aldar Sukuk (No.2) Limited 22.10.2029 (Baa1)	200,000	851,512	848,409	0.36
2.80% Alibaba Group Holding Limited 6.6.2023 (A+)	200,000	846,330	883,225	0.38
5.65% Azure Power Solar Energy Private Limited 24.12.2024 (BB-)	200,000	874,072	752,102	0.32
6.75% Banco Mercantil Del Norte S.A. 27.6.2024 (BB-)	500,000	2,098,173	2,055,060	0.88
5.75% BRF S.A. 21.9.2050 (BB)	200,000	815,150	586,836	0.25

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.425% CCCI Treasure Limited 21.11.2024 (Baa2)	600,000	2,529,613	2,553,696	1.09
7.25% Central China Real Estate Limited 16.7.2024 (C)*	200,000	817,639	202,952	0.09
7.65% Central China Real Estate Limited 27.8.2023 (C)*	200,000	886,613	222,462	0.09
7.75% Central China Real Estate Limited 24.5.2024 (C)*	200,000	840,083	219,257	0.09
5.00% Chalieco Hong Kong Corporation Limited 21.5.2023 (B+)	900,000	3,808,013	4,020,818	1.72
9.50% China Evergrande Group 11.4.2022 (NR)**	1,000,000	3,999,267	325,238	0.14
3.08% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A2)	200,000	820,052	835,327	0.36
2.85% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A2)	600,000	2,484,613	2,617,123	1.12
2.95% Chinalco Capital Holdings Limited 24.2.2027 (A-)	200,000	829,540	827,503	0.35

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.10% Chinalco Capital Holdings Limited 11.9.2024 (BBB+)	2,000,000	8,393,030	8,630,615	3.68
4.00% Chouzhou International Investment Limited 18.2.2025 (BBB)	200,000	830,420	846,524	0.36
6.55% CIFI Holdings (Group) Co. Limited 28.3.2024 (NR)***	800,000	3,291,751	742,806	0.32
4.25% Clean Renewable Power (Mauritius) Pte. Ltd 25.3.2027 (BB-)	191,000	784,652	733,406	0.31
5.50% Commonwealth Bank of Australia 14.11.2023 (AA-)	200,000	961,061	900,787	0.38
6.75% Dar Al-Arkan Sukuk Company Limited 15.2.2025 (B1)	1,000,000	4,206,812	4,392,911	1.88
7.25% Development Bank of Mongolia 23.10.2023 (B)	200,000	870,665	880,297	0.38
4.30% Dianjian Haiyu Limited 20.6.2024 (BBB)	2,000,000	8,531,800	8,794,280	3.75
2.95% DIB Sukuk Limited 20.2.2025 (A)	200,000	832,590	847,461	0.36
2.625% ENN Energy Holdings Limited 17.9.2030 (BBB+)	200,000	825,768	740,675	0.32
3.939% ESIC Sukuk Limited 30.7.2024 (Baa3)	2,000,000	8,494,525	8,641,258	3.69



Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.875% Export-Import Bank of India 12.3.2024 (BBB-)	200,000	890,441	873,599	0.37
6.07% Export-Import Bank of India 6.3.2024 (BBB-)	800,000	3,602,871	3,563,157	1.52
6.20% Export-Import Bank of India 20.3.2024 (BBB-)	1,000,000	4,490,354	4,405,124	1.88
3.875% FAB Sukuk Company Limited 22.1.2024 (AA-)	200,000	891,375	876,406	0.37
6.375% Federal Republic of Nigeria 12.7.2023 (B-)	200,000	885,684	888,818	0.38
2.875% Federative Republic of Brazil 6.6.2025 (BB-)	200,000	834,244	850,417	0.36
4.50% First Abu Dhabi Bank P.J.S.C 31.12.2099 (Baa3)	200,000	850,204	847,161	0.36
4.90% Gansu Provincial Highway Aviation Tourism Investment Group Co., Ltd 30.3.2025 (BBB+)	200,000	837,769	783,998	0.33
4.974% GLP China Holdings Limited 26.2.2024 (BBB-)	1,400,000	5,956,154	5,547,869	2.37
5.625% Government of Mongolia 1.5.2023 (B)	200,000	921,643	897,159	0.38
5.55% Greenko Solar (Mauritius) Limited 29.1.2025 (BB)	500,000	2,035,140	2,132,364	0.91

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
5.50% Greenko Wind Projects (Mauritius) Ltd 6.4.2025 (BB)	200,000	867,610	857,071	0.37
1.50% Hero Asia Investment Limited 18.11.2023 (BBB+)	200,000	829,543	868,136	0.37
6.375% HSBC Holdings Plc 17.9.2024 (BBB)	2,000,000	8,538,031	8,224,466	3.51
3.25% Huarong Finance 2019 Co., Ltd 13.10.2024 (BBB+)	800,000	3,346,468	3,148,593	1.34
2.25% Huaxin Cement International Finance Company Limited 19.11.2025 (Baa1)	600,000	2,489,257	2,373,488	1.01
5.375% India Green Energy Holdings 29.4.2024 (BB-)	250,000	1,060,271	1,090,311	0.47
4.75% Indian Oil Corporation Limited 16.1.2024 (BBB-)	400,000	1,781,303	1,772,760	0.76
5.50% Joint-Stock Commercial Mortgage Bank "Ipoteka-Bank" 19.11.2025 (BB-)	500,000	2,101,967	2,126,561	0.91
1.875% Joy Treasure Assets Holdings Inc. 17.11.2025 (A)	200,000	830,579	798,747	0.34
7.625% Kondor Finance Plc 8.11.2026 (C)	400,000	1,705,028	406,228	0.17

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
7.375% Kondor Finance Plc 19.7.2022 (NR)****	700,000	2,868,111	771,750	0.33
5.40% Kookmin Bank 22.1.2024 (NR)	600,000	2,628,580	2,657,669	1.13
5.3425% Korea Development Bank 17.1.2024 (NR)	200,000	883,344	888,572	0.38
5.355% Korea Development Bank 25.11.2023 (NR)	200,000	931,531	896,626	0.38
7.25% LMIRT Capital Pte Limited 19.6.2024 (CCC)	1,500,000	6,648,835	4,476,977	1.91
6.90% Logan Group Company Limited 9.6.2024 (NR)*****	600,000	2,506,146	613,122	0.26
7.25% MC Brazil Downstream Trading S.A R.L. 30.6.2031 (BB-)	192,980	825,921	667,708	0.29
6.375% Medco Bell Pte Limited 30.1.2024 (B+)	300,000	1,255,667	1,204,991	0.51
6.70% Mexican Petroleum 16.2.2032 (BBB)	111,000	467,913	393,830	0.17
3.10% Minor International Public Company Limited 31.12.2099 (BBB)	400,000	1,815,477	1,760,441	0.75
3.625% MISC Capital Two (Labuan) Limited 6.4.2025 (BBB)	200,000	867,937	871,274	0.37

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
0.00% Modernland Overseas Pte Limited 30.4.2027 (NR)	35,237	-	67,766	0.03
6.95% Modernland Overseas Pte Limited 13.4.2024 (C)	1,342,403	4,383,109	2,578,718	1.10
4.50% NBK Tier 1 Financing (2) Limited 27.11.2025 (Baa3)	2,000,000	8,480,109	8,151,885	3.48
5.42% NongHyup Bank 27.11.2023 (A+)	200,000	953,899	884,818	0.38
5.375% Oil India Limited 17.4.2024 (BBB-)	400,000	1,794,589	1,805,641	0.77
4.625% Ongc Videsh Limited 15.7.2024 (BBB-)	800,000	3,512,210	3,526,638	1.51
3.95% Power Finance Corporation Limited 23.4.2030 (BBB-)	400,000	1,626,804	1,567,686	0.67
3.25% Power Finance Corporation Limited 16.9.2024 (BBB-)	600,000	2,508,720	2,560,281	1.09
6.25% Powerlong Real Estate Holdings Limited 10.8.2024 (NR)*****	200,000	865,968	219,489	0.09
4.25% PT Adaro Indonesia 31.10.2024 (BBB-)	900,000	3,894,045	3,851,225	1.64
11.00% PT Alam Sutera Realty TBK 2.11.2025 (Caa1)	400,000	1,892,041	1,559,866	0.67

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.625% PT Bank Rakyat Indonesia (Persero) TBK 20.7.2023 (BBB)	200,000	889,468	885,424	0.38
4.75% PT Indonesia Asahan Aluminium (Persero) 15.5.2025 (BBB-)	300,000	1,315,420	1,326,895	0.57
4.50% PT Pelabuhan Indonesia II (Persero) 2.5.2023 (BBB)	400,000	1,855,630	1,794,650	0.77
4.30% PT Pertamina (Persero) 20.5.2023 (BBB)	200,000	901,062	893,596	0.38
5.125% PT Perusahaan Gas Negara TBK 16.5.2024 (BBB-)	1,287,000	5,832,206	5,756,371	2.46
4.45% PT Saka Energi Indonesia 5.5.2024 (B+)	1,700,000	7,174,315	7,304,306	3.12
2.05% PT Sarana Multi Infrastruktur (Persero) 11.5.2026 (BBB)	200,000	809,828	784,241	0.33
4.25% PT Tower Bersama Infrastructure TBK 21.1.2025 (BBB-)	400,000	1,752,979	1,716,838	0.73
5.60% QNB Finance Limited 23.12.2023 (Aa3)	200,000	899,446	894,176	0.38
7.875% Rail Capital Markets Plc 15.7.2026 (CC)	200,000	852,463	191,063	0.08
8.25% Rail Capital Markets Plc 9.7.2024 (CC)	750,000	3,242,242	723,653	0.31

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.375% REC Limited 25.7.2024 (BBB-)	2,500,000	10,563,885	10,792,565	4.61
4.75% Republic of Azerbaijan 18.3.2024 (BB+)	800,000	3,428,855	3,498,775	1.49
3.87% Republic of Panama 23.7.2060 (BBB)	200,000	940,555	586,362	0.25
4.20% Republic of the Philippines 21.1.2024 (BBB+)	200,000	883,117	881,129	0.38
3.766% RHB Bank Berhad 19.2.2024 (A3)	200,000	883,472	873,219	0.37
6.00% RKPF Overseas 2019 (A) Limited 4.9.2025 (B1)	200,000	849,669	678,699	0.29
6.70% RKPF Overseas 2019 (A) Limited 30.9.2024 (B1)	800,000	3,359,120	3,237,597	1.38
8.75% Ronshine China Holdings Limited 25.10.2022 (NR)*****	200,000	822,349	39,690	0.02
11.5% Scenery Journey Limited 24.10.2022 (NR)*	200,000	592,546	70,560	0.03
4.80% Shandong Iron and Steel Xinheng International Company Limited 28.7.2024 (NR)	200,000	852,409	858,539	0.37
5.95% SMC Global Power Holdings Corp. 5.5.2025 (NR)	1,000,000	4,284,916	3,904,528	1.67

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
5.70% SMC Global Power Holdings Corp. 21.1.2026 (NR)	1,200,000	4,940,733	4,345,173	1.85
6.50% SMC Global Power Holdings Corp. 25.4.2024 (NR)	1,200,000	5,204,680	4,852,323	2.07
4.80% Socialist Republic of Vietnam 19.11.2024 (BB+)	400,000	1,793,857	1,757,561	0.75
4.375% State Bank of India 24.1.2024 (BBB-)	200,000	879,229	877,316	0.37
4.50% State Bank of India 28.9.2023 (BBB-)	800,000	3,497,392	3,501,593	1.49
3.70% Taiyuan Longcheng Development Investment Group Co., Ltd 26.6.2023 (BBB)	600,000	2,584,835	2,655,748	1.13
3.75% Thairoil Treasury Center Company Limited 18.6.2050 (BBB)	200,000	862,463	573,235	0.24
2.10% The Airport Authority Hong Kong 31.12.2099 (AA)	200,000	820,814	809,528	0.35
5.40% The Hong Kong Mortgage Corporation Limited 26.2.2024 (AA+)	200,000	889,496	887,624	0.38
8.125% Theta Capital Pte Limited 22.1.2025 (B-)	300,000	1,242,533	1,083,964	0.46
4.15% Vanke Real Estate (Hong Kong) Company Limited 18.4.2023 (BBB)	200,000	886,973	896,518	0.38

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
2.95% Vigorous Champion International Limited 25.2.2031 (Baa2)	200,000	806,725	710,407	0.30
3.50% Weibo Corporation 5.6.2024 (BBB)	600,000	2,554,219	2,599,486	1.11
4.95% West China Cement Limited 8.7.2026 (BB)	200,000	848,474	714,563	0.31
4.30% Xi Yang Overseas Limited 5.6.2024 (A-)	800,000	3,402,409	3,513,731	1.50
6.75% Yanlord Land (HK) Co., Limited 23.4.2023 (B+)	400,000	1,803,758	1,809,644	0.77
6.80% Yanlord Land (HK) Co., Limited 27.2.2024 (B+)	1,000,000	4,239,709	4,311,535	1.84
8.70% Zhenro Properties Group Limited 3.8.2022 (NR)*****	1,000,000	4,025,241	347,289	0.15
	<u>62,759,620</u>	<u>268,372,922</u>	<u>231,109,864</u>	<u>98.62</u>

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

(37,263,058)

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

231,109,864



- \* Central China Real Estate Limited (the "Company") announced on 3 April 2023 seeking a two-year extension of their 2023 bonds and a concurrent consent solicitation on the other remaining bonds to waive off any cross-acceleration clause. The new bonds do not carry any guarantee from its second largest shareholder Henan Railway and failed to address the capital structure nor cash flow needs problems. A more holistic restructuring is required in order for the bond price to recover from the lows. The current extension and consent solicitation expires on 18 April 2023.
  
- \*\* China Evergrande Group (the "Company") failed to repay interest payment on two coupon payments which grace period expired on 6 December 2021, and triggered cross-default across its entire financial indebtedness including those that were issued under Scenery Journey which we hold the 11.500% 24.10.2022. The Company had engaged China International Capital Corporation (CICC) Limited, Houlihan Lokey and BOCI Asia Limited as joint financial advisors for a holistic restructuring proposal. The Company announced on 22 March 2023 a restructuring proposal that included the Scenery Journey bond that the Fund held with a proposed 4 to 8 years extension but failed to address debt sustainability. Therefore, the Manager is monitoring the situation closely and looking to exit the position.
  
- \*\*\* On 11 October 2022, the Trustee, China Construction Bank (Asia) Corporation Limited put out a notice stating that CIFI Holdings (Group) Company Limited (the "Company") has not paid interest on the 6.950% 8.4.2025 convertible bond which had no grace period and an event of default had occurred. On 1 November 2022, CIFI Holdings (Group) Company Limited (the "Company") announced the suspension of principal and interest payments for their offshore senior notes, including the 6.550% 28.3.2024 which is held by the Fund. It defaulted on the senior notes after failing to cure the missed coupons for 4.375% 14.4.2027, within the 30-day grace period that ended on 11 November 2022. CIFI's default came as a surprise to the market given the perceived better support and funding access it had compared to other private developers. The Company was still able to raise HKD622million from an equity placement and CNY1.2billion from an onshore three-year medium-term note guaranteed by state-owned China Bond Insurance Corporation in August and September 2022 respectively. The Company appointed Haitong International Securities Company Limited as its financial advisor and Linklaters as its legal advisor in

October 2022 to explore a restructuring proposal for its offshore liabilities. The Company announced on 10 March 2023 a preliminary restructuring framework which includes key terms such as no principal haircut, partial amortisation of principal and maturity extension not exceeding 7 years.

\*\*\*\* Kondor Finance Plc, the financing arm of Naftogaz of Ukraine (“Naftogaz”), Ukraine’s largest national oil and gas company defaulted on its US\$335M bond due on 19 July 2022 when the Government of Ukraine instructed it to defer payments for up to 2 years. At the time of default, Naftogaz had more than sufficient cash on its balance sheet to make the payments and leading up to the event, the Company communicated that it had the resources and the intention to pay its obligations on time. The Government nonetheless ordered it to not pay and approach investors with a restructuring plan, part of a 2-year freeze on all sovereign and state agencies payments to free up resources to deal with Russia’s invasion. Bondholders have rejected three proposals since then.

\*\*\*\*\* Logan Group Company Limited (the “Company”) went into a downward spiral after Debtwire reported in January 2022 that the Company had sizable undisclosed private placement notes which led to rating downgrades and triggered debt acceleration clauses. The Company has announced in August 2022, the appointment of Haitong International Securities Company Limited as its financial advisor and Sidley Austin as its legal advisor. The Company has missed the principal payments of the 7.500% 25.8.2022 senior notes that were due on 25 August 2022 which triggered the cross default on our holdings of 5.750% 14.1.2023. In late December 2022, the Company further announced it has appointed Cosimo Borrelli of Kroll as its Chief Restructuring Officer (CRO) to accelerate the restructuring process. Since then, the Logan Group’s ad hoc group (AHG) which represents more than 25% of offshore USD bondholders, and being advised by PJT Partners and Ropes & Gray had launched several winding-up petitions to force the company to accelerate negotiations. While the Company has communicated its preliminary restructuring proposal in March 2023, it has fallen short of the AHG’s expectation. The CRO mentioned that an improved restructuring proposal will be released in late April or early May and the Company hopes to complete the restructuring in 2023.

- \*\*\*\*\* Powerlong Real Estate Holdings Limited (the “Company”) launched an exchange offer on 4 July 2022 for two of its senior notes maturing in July and November 2022 to extend the maturity into new 4.000% July 2023 and 7.125% January 2023 senior notes. The company launched a concurrent consent solicitation for the other outstanding senior notes to waive off any cross default, that includes the 6.250% 10.8.2024 that is held by the Fund, which was completed on 16 July 2022. Despite the exchange offer, the Company’s liquidity remains stretch and had been servicing its interest payment during the grace period. The Company further announced on 25 July 2022 there were US\$21.2million and US\$37.2million of not-tendered bonds left outstanding and not paid.
- \*\*\*\*\* Ronshine China Holding Limited (the “Company”) announced on 10 July 2022 that it was unable to cure their missed interest payment, for 8.100% senior notes due on 9 June 2022, within the 30-day grace period. The Company was driven into a tight liquidity situation given the overall tightening property and financing policies. The details of the debt restructuring plan has yet to be announced and the bonds are still tradeable in the market.
- \*\*\*\*\* Zhenro Properties Group Limited (the “Company”) announced on 10 April 2022 that they are unable to pay US\$20.42million in interest payment due on 10 March 2022. Events of default have thus occurred across the outstanding senior notes including 8.700% 3.8.2022 that is held by the Fund. The Company cited the Shanghai COVID lockdown situation, unfavourable housing and financing environment as the reasons for the tight liquidity. The Company has announced the appointment of Ernst & Young (China) Advisory Limited on 30 August 2022 for a holistic debt restructuring review. On 6 March 2023, the Company indicated a preliminary proposal will be circulated for consideration by the end of March 2023, however there had been a delay.

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

	2024	2023
	%	%
Unquoted fixed income securities	6.02	8.57

## 8. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Bank balances with a licensed bank	14,250,674	3,696,071
Deposits with licensed financial institution	20,913,227	9,003,884
	<u>35,163,901</u>	<u>12,699,955</u>

The currency exposure profile of cash and cash equivalents are as follows:

	2024	2023
	RM	RM
MYR	32,360,070	9,837,055
EUR	40,150	195,493
SGD	32	919,765
USD	2,763,649	1,747,642
	<u>35,163,901</u>	<u>12,699,955</u>

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

	2024	2023
	%	%
Deposits with licensed financial institution	3.30	3.15

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

## 9. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 14 (2023: 34) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM164,181,110 (receivable) and RM183,325,918 (payable) (2023: RM499,989,495 (receivable) and RM509,184,484 (payable)). The forward foreign currency contracts entered into during the financial year were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in EUR, SGD and USD. As the Fund has not adopted hedge accounting during the financial year, the change in the fair value of the forward foreign currency contracts is recognised immediately in the profit or loss.

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>

Financial assets at fair value through profit or loss:

Forward foreign currency contracts	12,288	1,958,185
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Financial liabilities at fair value through profit or loss:

Forward foreign currency contracts	(19,157,096)	(11,153,174)
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	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>

Net loss on forward foreign currency contracts  
at fair value through profit or loss:

Realised (loss)/gain on forward foreign currency contracts	(21,870,450)	433,179
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Unrealised loss on forward foreign currency contracts	(9,949,819)	(13,203,705)
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	(31,820,269)	(12,770,526)
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Name of issuer	Receivables	Payables	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	RM	RM	RM	%
CIMB Bank Berhad Hong Leong Bank Berhad	79,898,900	89,685,504	(9,786,604)	(4.34)
HSBC Bank Malaysia Berhad	11,821,860	12,200,109	(378,249)	(0.17)
	72,460,350	81,440,305	(8,979,955)	(3.98)
	<u>164,181,110</u>	<u>183,325,918</u>	<u>(19,144,808)</u>	<u>(8.49)</u>

Name of issuer	Receivables	Payables	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	RM	RM	RM	%
CIMB Bank Berhad Hong Leong Bank Berhad	367,218,635	372,983,961	(5,765,326)	(2.46)
HSBC Bank Malaysia Berhad	4,774,110	4,746,832	27,278	0.01
	127,996,750	131,453,691	(3,456,941)	(1.48)
	<u>499,989,495</u>	<u>509,184,484</u>	<u>(9,194,989)</u>	<u>(3.93)</u>

## 10. UNITS IN CIRCULATION

	2024	2023
	No. of units	No. of units
At the beginning of the financial year	250,688,221	477,109,247
Cancellation of units during the financial year	(9,165,017)	(226,421,026)
At the end of the financial year	<u>241,523,204</u>	<u>250,688,221</u>

## 11. TRANSACTIONS WITH DEALERS

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

Name of dealers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total		of total
	RM	%	RM	%
<u>2024</u>				
BOFA Securities, Inc.	38,234,133	11.32	-	-
The Hongkong and Shanghai Banking Corporation Limited	37,128,542	10.99	-	-
Credit Agricole Corporate and Investment Bank	36,080,224	10.68	-	-
Citigroup Global Markets Limited	35,852,484	10.62	-	-
Nomura International Plc	20,342,613	6.02	-	-
Wells Fargo Securities LLC	18,598,330	5.51	-	-
BNP Paribas Securities Services	18,370,908	5.44	-	-
Deutsche Bank AG	16,018,943	4.74	-	-
Mizuho Securities Asia Ltd	15,408,288	4.56	-	-
Morgan Stanley & Co. International Plc	14,534,785	4.30	-	-
Others	87,122,138	25.82	-	-
	<u>337,691,388</u>	<u>100.00</u>	-	-

Name of dealers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total trades		of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
BNP Paribas Securities Services	25,863,500	10.62	-	-
UBS AG Securities Services	22,256,705	9.14	-	-
HSBC Bank Malaysia Berhad	20,043,000	8.23	-	-
CIMB Bank Berhad - Singapore	20,008,000	8.22	-	-
J.P. Morgan Securities Plc	17,365,554	7.13	-	-
Barclays Capital Inc	10,313,795	4.24	-	-
Societe Generale Paris Branch	9,644,434	3.96	-	-
Jefferies International Ltd	9,318,865	3.83	-	-
China International Capital Corporation Hong Kong Securities Limited	8,974,987	3.69	-	-
Goldman Sachs International London	8,870,875	3.64	-	-
Others	90,773,028	37.30	-	-
	<u>243,432,743</u>	<u>100.00</u>	-	-

All dealers highlighted above are not related to the Manager.



## 12. 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
Eastspring Investments Berhad	The Manager
Prudential Plc	Ultimate holding company of the Manager
Eastspring Investments Group Private Limited	Immediate holding company of the Manager
Director of Eastspring Investments Berhad	Director of the Manager

### Units held by Manager:

	2024		2023	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	558	521	558	522

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 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.

**13. TOTAL EXPENSE RATIO (“TER”)**

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
TER	0.31	0.29

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

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 RM222,859,118 (2023: RM329,452,922).

#### 14. PORTFOLIO TURNOVER RATIO (“PTR”)

	2024	2023
PTR (times)	0.79	0.39

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM213,068,361 (2023: RM91,204,384)

total disposals for the financial year = RM137,208,187 (2023: RM164,844,044)

#### 15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 27 May 2024.

# CORPORATE DIRECTORY

## **THE MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

Level 25, Menara Hong Leong

No. 6, Jalan Damanela

Bukit Damansara

50490 Kuala Lumpur

BUSINESS OFFICE

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Persiaran TRX Barat

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## **TRUSTEE**

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## **SALE & PURCHASE OF UNITS**

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**ENQUIRIES**

CLIENT SERVICES

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