



A Prudential plc company 

EASTSPRING INVESTMENTS REGULAR INVESTMENT CHOICE FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 June 2024.

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to be 'YSH', written in a cursive style.

YAP SIOK HOON

Executive Director/Chief Executive Officer

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FUND INFORMATION

Name of Fund	Eastspring Investments Regular Investment Choice Fund (the "Fund")
Fund Category/ Type	Fund-of-Funds (Equity)/Growth
Fund Objective	<p>The Fund seeks to provide investor with long-term capital appreciation by investing in a diversified portfolio of Collective Investment Scheme(s).</p> <p>ANY MATERIAL CHANGE TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p>
Performance Benchmark	<p>FTSE Bursa Malaysia 100 Total Return Index</p> <p>Source: www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	<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
	(%)	(%)	(%)
Collective investment schemes	98.49	96.01	95.96
Cash and other assets	1.51	3.99	4.04
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	26,115	18,771	12,858
Units In Circulation (Units '000)	48,006	41,064	27,665
Net Asset Value Per Unit (RM)	0.5440	0.4571	0.4648
Highest Net Asset Value Per Unit (RM) [#]	0.5521	0.4837	0.5235
Lowest Net Asset Value Per Unit (RM) [#]	0.4576	0.4490	0.4603
Total Return (%)			
- Capital Growth	19.01	(1.66)	(4.93)
- Income Distribution	-	3.21	-
Total Return (%)	19.01	1.50	(4.93)
Gross Distribution Per Unit (RM)	-	0.0144	-
Net Distribution Per Unit (RM)	-	0.0144	-
Total Expense Ratio (TER) (%) [*]	1.64	1.69	1.99
Portfolio Turnover Ratio (PTR) (times) [^]	0.32	0.27	0.37

[#] Figure shown as ex-distribution.

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

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

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.7.2023 to 30.6.2024	3 years 1.7.2021 to 30.6.2024	Since commencement 30.9.2020 to 30.6.2024
	(%)	(%)	(%)
Average total return	19.01	4.72	3.14

Year ended	1.7.2023 to 30.6.2024	1.7.2022 to 30.6.2023	1.7.2021 to 30.6.2022	Since commencement 30.9.2020 to 30.6.2021
	(%)	(%)	(%)	(%)
Annual total return	19.01	1.50	(4.93)	(2.22)

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

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

n = Number of years

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

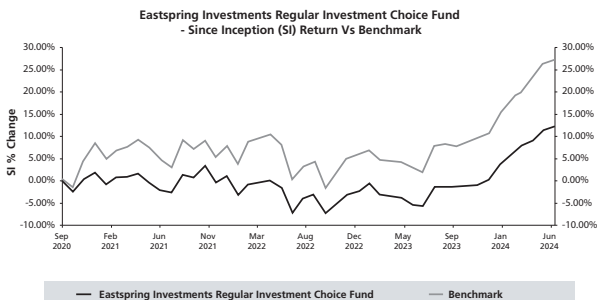
MANAGER'S REPORT

Fund Performance

Since inception, the Fund recorded a return of 12.29%, underperforming the benchmark return of 27.18% by 14.89%.

During the period under review, the Fund registered a return of 19.01%, underperforming the benchmark return of 24.54% by 5.53%.

For the period under review, the Fund gained 19.01% on the back of buoyant Malaysian equities driven by domestic reform initiatives and multi-year infrastructure projects, as well as healthy labour market. The Fund however underperformed mainly due to lower exposure into Utilities and Financials.



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

Benchmark: FTSE Bursa Malaysia 100 Total Return Index

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

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 30 June 2024:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	19.01	19.01	24.54

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

Distribution/ Unit Split

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

Investment Strategy During the Period Under Review

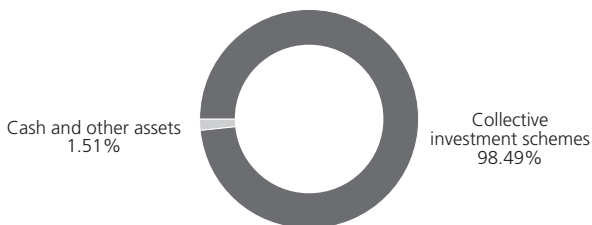
During the period, we keep highly invested in equities reflecting our positive view on local equities given continued exuberance of news flows surrounding AI, data centre and Johor economic transformation. We keep our largest holding in Growth given Malaysia improving fundamental backdrop and on sustained commodity prices. We reduced exposure into Small Cap in 1Q24 but quickly added in 2Q24 on expectation of tech sector recovery in 2H24 and on positive news flow from the launch of Malaysia's National Semiconductor Strategy. The Fund added exposure to Asia Pacific ex-Japan to take advantage of AI optimism and as policy moves in China indicate a determination to stabilise its financial market.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2024	30-Jun 2023	Changes
	(%)	(%)	(%)
Collective investment schemes	98.49	96.01	2.48
Cash and other assets	1.51	3.99	(2.48)

Asset Allocation as at 30 June 2024



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

State of Affairs of the Fund

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

MARKET REVIEW

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

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

Malaysian equities performed relatively well in the 4Q2023. October was a fairly eventful month, with the announcement of Budget 2024 which investors took to be fairly neutral. Within the Budget, subsidies are lower in 2024 at 10% of operating expenditures (versus 14% in 2023), and the announcement of additional infrastructure goodies were announced such as the restoration of LRT3 stations and extension of LRT to mainland. Not long after this, a slew of economic data released in the US, continued to highlight the strength of the US economy, withstanding the surge in interest rates thus far. Investors speculated that this would be a risk for the US Federal Reserve to remain hawkish on their interest rate policy, providing strength to the US Dollar. The MYR traded at Asian Financial

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

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

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

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

The Malaysian equity markets continued its positive performance in the beginning of 2Q2024, outperforming Emerging Markets and Asia Ex-Japan, amidst the turbulence in the Middle East, recently exacerbated by the Iran-Israel conflict, and the US Fed renewed rhetoric of “higher for longer”. On the 13 April 2024, Iran launched dozens of drones towards Israel, escalating tensions and setting the state for a direct military confrontation between the two nations. Thankfully, on the intervention of their allies, this de-escalated quickly post the incident. Domestically, the news for the month was the launch of the Energy Exchange (“ENEGEM”) by the Ministry of Energy Transition and Water Transformation, inviting interested parties to participate in the inaugural auction for purchasing green electricity from Malaysia’s supply system to be supplied to Singapore. The auction will begin with a 100MW pilot run, utilizing the existing interconnection between Singapore and Peninsular Malaysia. On 25 April, EPF announced the restructuring of contributors’ accounts, to introduce a new Account 3, which will allow for the flexibility of withdrawals for those members below age 55 years old starting 11 May.

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

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

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

ASIA PACIFIC EX-JAPAN

For the period under review, Asia Pacific ex-Japan markets continued to underperform its developed market counterparts. Asia Pacific ex-Japan markets as represented by the MSCI Asia Pacific ex-Japan index ("MXAPJ Index") was up 10.3%, versus the MSCI World index which posted a +18.4% return. Asia Pacific ex-Japan markets continued to be volatile in the period under review.

The start of the financial period under review saw seasonal weakness across most major markets, and the spike in the 10Y UST which hit the high of 4.6% further dampened sentiment. The Fed reaffirmed higher-for-longer rates in the September FOMC following stronger than expected US economic data. However, towards the end of 2024, there was a rapid shift in market expectations from "higher-for-longer" to a "US goldilocks" (rapid disinflation which will allow the Fed to cut rates without significant growth deteriorating in the US) scenario. As a result, markets that are lower rate beneficiaries such as Taiwan and Korea outperformed. The India market also gained further towards year end following favourable state election result which saw the Prime Minister Narendra Modi expanding its dominance in India. On the other hand, HK/ China and Thailand markets continued to lag their regional peers. Sentiment in HK/ China continued to be very weak due to persistent concerns over geopolitics, property/ LGFV risks and a lack of a major stimulus to shore up the economy.

¹ Source: Bloomberg; World indices

The third quarter of the financial period under review started weak as Hong Kong/China stocks continued to weigh on sentiment following policymakers' reluctance to embark on large scale stimulus. Whilst earnings have disappointed, companies were compensating it via larger share buybacks and/or higher dividends. On the other hand, Korea and Taiwan markets continued to benefit from the chip cycle recovery and AI-related thematic play. Korea also benefitted from foreign fund inflow as the government's Value-Up program gained traction. As the quarter progressed, expectations of the first rate cut in the US have also been pushed back. Towards the last quarter of the financial year, main themes that took place on the global front were stronger-than-expected US data which led to good-news-is-bad-news dynamics, hawkish Fed minutes and the "higher-for-longer" signalling by the Fed. The chip-cycle recovery and AI-related thematic play continued following NVIDIA's stronger than expected results, its still-strong forward guidance as well as continued momentum in AI server spending. As a result, technology hardware stocks in both Korea and Taiwan outperformed strongly. Hong Kong/ China markets recovered following the dismal January-March quarter on the back of policy support measures. Despite that, the fundamentals of the Chinese stocks remain lacklustre as the economic data continued to be mixed. Among the ASEAN markets, both Malaysia (optimism surrounding implementation of various economic policies) and Singapore (yield and defensive) markets outperformed its MIST peers. India continued to record positive returns despite its elevated valuation metrics as the market continued to be supported by strong domestic equity flows as well as optimism over the economy's long term structural dynamics. Geopolitical tensions exacerbated by the Iran-Israel conflict where Iran launched dozens of drones towards Israel, escalating tensions and settling the state for a direct military confrontation between the two nations. Thankfully, on the intervention of their allies, this de-escalated quickly post the incident.

Within Asia, the best performing markets were Taiwan (+36.2%), India (+25.1%) and Malaysia (+15.5%) in local currency return. Contrary wise, the worst performing markets were Thailand (-13.5%), Hong Kong (-6.3%) and China (-7.3%).

The US economic indicators are suggesting a path of moderate growth, disinflation, and rising productivity. Against such backdrop, the Fed will be likely to deliver rate cut(s) this year and this should generally be supportive of stocks. China's economy on the other hand continues to be muted, and based on recent economic data, it could be challenging to maintain the growth momentum into 2H24. As such, more stimulus measures including monetary and fiscal support might be needed in 2H24. Asean markets could also benefit from the soft-landing narrative in the US and possibly a weaker US\$.

REBATES AND SOFT COMMISSIONS

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

EASTSPRING INVESTMENTS REGULAR INVESTMENT CHOICE FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

STATEMENT BY THE MANAGER

We, Yap Siok Hoon and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 20 to 53 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 June 2024 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

YAP SIOK HOON
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 23 August 2024

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

We have acted as Trustee of the Fund for the financial year ended 30 June 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 23 August 2024

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Regular Investment Choice Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 June 2024, and of its financial performance and its cash flows for the financial year ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 June 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 20 to 53.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
Date: 23 August 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		RM	RM
INVESTMENT INCOME			
Gross dividend Income		1,087,071	731,161
Interest income from deposits with licensed financial institutions		9,285	11,654
Net gain/(loss) on financial assets at fair value through profit or loss	7	3,147,173	(343,205)
		<u>4,243,529</u>	<u>399,610</u>
EXPENSES			
Management fee	3	(336,205)	(244,929)
Trustee fee	4	(15,000)	(15,000)
Audit fee		(6,500)	(6,500)
Tax agent fee		(3,700)	(4,499)
Other expenses		(5,478)	(5,324)
		<u>(366,883)</u>	<u>(276,252)</u>
PROFIT BEFORE TAXATION		3,876,646	123,358
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>3,876,646</u>	<u>123,358</u>
Profit after taxation is made up of the following:			
Realised amount		814,265	668,710
Unrealised amount		3,062,381	(545,352)
		<u>3,876,646</u>	<u>123,358</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024	2023
		RM	RM
ASSETS			
Cash and cash equivalents	8	401,507	845,850
Financial assets at fair value through profit or loss	7	25,719,461	18,021,257
Management fee rebate receivable		31,743	21,735
Amount due from Manager		283,913	-
TOTAL ASSETS		26,436,624	18,888,842
LIABILITIES			
Accrued management fee		32,107	23,036
Amount due to Manager		60,204	58,871
Amount due to Trustee		1,230	1,233
Amount due to broker		200,000	-
Other payables and accruals		27,976	35,197
TOTAL LIABILITIES		321,517	118,337
NET ASSET VALUE OF THE FUND		26,115,107	18,770,505
EQUITY			
Unit holders' capital		23,243,992	19,776,036
Retained earnings/(accumulated losses)		2,871,115	(1,005,531)
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		26,115,107	18,770,505
NUMBER OF UNITS IN CIRCULATION	9	48,006,230	41,063,823
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		0.5440	0.4571

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Unit holders' capital	Retained earnings/ (accumulated losses)	Total
		RM	RM	RM
Balance as at 1 July 2023		19,776,036	(1,005,531)	18,770,505
Movement in unit holders' contribution:				
Creation of units from applications		7,371,347	-	7,371,347
Cancellation of units		(3,903,391)	-	(3,903,391)
Total comprehensive income for the financial year		-	3,876,646	3,876,646
Balance as at 30 June 2024		<u>23,243,992</u>	<u>2,871,115</u>	<u>26,115,107</u>
Balance as at 1 July 2022		13,765,602	(907,309)	12,858,293
Movement in unit holders' contribution:				
Creation of units from applications		7,827,144	-	7,827,144
Creation of units from distribution		456,873	-	456,873
Cancellation of units		(2,038,290)	-	(2,038,290)
Distribution (Gross/Net: 1.44 sen)	6	(235,293)	(221,580)	(456,873)
Total comprehensive income for the financial year		-	123,358	123,358
Balance as at 30 June 2023		<u>19,776,036</u>	<u>(1,005,531)</u>	<u>18,770,505</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024	2023
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		4,680,000	1,300,000
Purchase of investments		(9,360,039)	(7,560,000)
Interest income received from deposits with licensed financial institutions		9,285	11,654
Dividends received		1,086,587	731,084
Management fee paid		(327,134)	(237,792)
Management fee rebate received		319,000	227,644
Trustee fee paid		(15,003)	(15,000)
Payment for other fees and expenses		(22,415)	(23,102)
Net cash used in operating activities		<u>(3,629,719)</u>	<u>(5,565,512)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		7,087,434	7,932,476
Payments for cancellation of units		(3,902,058)	(1,993,812)
Net cash generated from financing activities		<u>3,185,376</u>	<u>5,938,664</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(444,343)	373,152
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>845,850</u>	<u>472,698</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	<u>401,507</u>	<u>845,850</u>

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

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

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

There are no other standards, amendments to standards or interpretations that are effective for financial year beginning on 1 July 2023 that have a material effect on the financial statements of the Fund.

b. New standards, amendments and interpretations effective after 1 January 2023 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B. INCOME RECOGNITION

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

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

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

C. TAXATION

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

D. FUNCTIONAL AND PRESENTATION CURRENCY

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

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

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

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

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

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

ii. Recognition and measurement

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

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

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

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

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

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

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

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

F. AMOUNT DUE FROM/(TO) BROKERS

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amount due from 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.

G. CASH AND CASH EQUIVALENTS

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

H. FOREIGN CURRENCY TRANSLATION

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

I. UNIT HOLDERS' CAPITAL

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

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

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

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

J. DISTRIBUTION

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

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

1. INFORMATION ON THE FUND

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

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

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

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

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

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2024				
Cash and cash equivalents	8	401,507	-	401,507
Collective investment schemes	7	-	25,719,461	25,719,461
Management fee rebate receivable		31,743	-	31,743
Amount due from Manager		283,913	-	283,913
		<u>717,163</u>	<u>25,719,461</u>	<u>26,436,624</u>
2023				
Cash and cash equivalents	8	845,850	-	845,850
Collective investment schemes	7	-	18,021,257	18,021,257
Management fee rebate receivable		21,735	-	21,735
		<u>867,585</u>	<u>18,021,257</u>	<u>18,888,842</u>

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

Market risk

i. Price risk

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

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

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment schemes	25,719,461	18,021,257

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

	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%)	27,005,434	1,285,973	18,922,320	901,063
-5% (2023: -5%)	24,433,488	(1,285,973)	17,120,194	(901,063)

ii. Interest rate risk

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

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

Stock/Issuer risk

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

Fund management risk

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

Liquidity risk

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

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
2024			
Accrued management fee	32,107	-	32,107
Amount due to Manager	60,204	-	60,204
Amount due to Trustee	1,230	-	1,230
Amount due to broker	200,000	-	200,000
Other payables and accruals	-	27,976	27,976
Contractual undiscounted cash outflows	<u>293,541</u>	<u>27,976</u>	<u>321,517</u>
2023			
Accrued management fee	23,036	-	23,036
Amount due to Manager	58,871	-	58,871
Amount due to Trustee	1,233	-	1,233
Other payables and accruals	-	35,197	35,197
Contractual undiscounted cash outflows	<u>83,140</u>	<u>35,197</u>	<u>118,337</u>

Credit/Default risk

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

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

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

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

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

	Cash and cash equivalents	Management fee rebate receivable	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2024</u>				
Financial Services				
- AA1	401,507	-	-	401,507
Other				
- NR	-	31,743	283,913	315,656
	<u>401,507</u>	<u>31,743</u>	<u>283,913</u>	<u>717,163</u>
<u>2023</u>				
Financial Services				
- AAA	800,067	-	-	800,067
- AA1	45,783	-	-	45,783
Other				
- NR	-	21,735	-	21,735
	<u>845,850</u>	<u>21,735</u>	<u>-</u>	<u>867,585</u>

None of these financial assets are past due or impaired.

Non-compliance risk

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

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

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM23,243,992 (2023: RM19,776,036) and retained earnings of RM2,871,115 (2023: accumulated losses of RM1,005,531). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

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

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

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

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

i. Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2024</u>				
Financial assets at fair value through profit or loss:				
Collective investment schemes	25,719,461	-	-	25,719,461
<u>2023</u>				
Financial assets at fair value through profit or loss:				
Collective investment schemes	18,021,257	-	-	18,021,257

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

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

3. MANAGEMENT FEE

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

For the financial year ended 30 June 2024, management fee is recognised at a rate of 1.50% (2023: 1.50%) per annum on the net asset value of the Fund, calculated on a daily basis.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum excluding foreign custodian fees and charges.

For the financial year ended 30 June 2024, the Trustee fee is recognised at a rate of 0.055% (2023: 0.055%) subject to a minimum fee of RM15,000 per annum on the net asset value of the Fund, (excluding foreign custodian fees and charges), calculated on daily basis.

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

5. TAXATION

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

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

	2024	2023
	RM	RM
Profit before taxation	3,876,646	123,358
Tax at Malaysian statutory rate of 24% (2023: 24%)	930,395	29,606
Tax effects of:		
Investment income not subject to tax	(1,018,447)	(95,907)
Expenses not deductible for tax purposes	5,803	5,958
Restriction on the tax deductible expenses for Unit Trust Funds	82,249	60,343
Taxation	-	-

6. DISTRIBUTION

	2024	2023
	RM	RM
Distribution to unit holders is from the following sources:		
Dividend income	-	280,774
Interest income	-	3,557
Dividend equalisation	-	235,293
		<hr/>
Gross realised income	-	519,624
Less: Expenses	-	(62,751)
		<hr/>
		456,873
		<hr/>
Gross distribution per unit (sen)	-	1.44
Net distribution per unit (sen)	-	1.44
		<hr/>
Ex-Date	-	18 October 2022
		<hr/>

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

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

During the financial year ended 30 June 2024, the Fund incurred unrealised losses of RM Nil (2023: RM545,352).

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment schemes	25,719,461	18,021,257
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised loss on disposal	(244,216)	(31,979)
Change in unrealised fair value gain/(loss)	3,062,381	(545,352)
Management fee rebate [#]	329,008	234,126
	<u>3,147,173</u>	<u>(343,205)</u>

[#] In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of the collective investment schemes has been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund's investments in collective investment schemes has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of the collective investment schemes is reflected as an increase in the net asset value of the collective investment schemes. The rebate of management fee is from 0.50% to 1.50% per annum or RM329,008 (2023: RM234,126) calculated on net asset value of collective investment schemes on a daily basis.

Collective investment schemes

	Quantity	Aggregate cost	Fair value as at 30.6.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>2024</u>				
Eastspring Investments Asia Pacific Equity MY Fund	1,835,026	1,237,757	1,307,823	5.01
Eastspring Investments Small-cap Fund	3,601,597	2,594,355	2,719,926	10.42
Eastspring Investments Growth Fund	10,017,497	7,218,008	7,487,078	28.67
Eastspring Investments Cash Management Fund	13,501	7,556	7,631	0.03
Eastspring Investments Equity Income Fund	9,040,223	6,819,646	7,189,689	27.53
Eastspring Investments MY Focus Fund	6,909,204	6,647,521	7,007,314	26.83
	<u>31,417,048</u>	<u>24,524,843</u>	<u>25,719,461</u>	<u>98.49</u>

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

1,194,618

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

25,719,461

Collective investment schemes

	Quantity	Aggregate cost	Fair value as at 30.6.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>2023</u>				
Eastspring Investments Small-cap Fund	4,672,007	3,415,202	3,008,306	16.03
Eastspring Investments Growth Fund	6,662,688	4,903,008	4,288,106	22.84
Eastspring Investments Cash Management Fund	931,291	518,164	520,871	2.77
Eastspring Investments Equity Income Fund	7,497,472	5,649,646	5,180,003	27.60
Eastspring Investments MY Focus Fund	5,582,190	5,403,000	5,023,971	26.77
	<u>25,345,648</u>	<u>19,889,020</u>	<u>18,021,257</u>	<u>96.01</u>

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

(1,867,763)

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

18,021,257

8. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Bank balance with a licensed bank	401,507	45,783
Deposit with licensed financial institution	-	800,067
	<u>401,507</u>	<u>845,850</u>

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

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

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

9. UNITS IN CIRCULATION

	2024	2023
	No. of units	No. of units
At the beginning of the financial year	41,063,823	27,664,553
Creation of units during the financial year:		
Arising from applications	14,764,502	16,727,926
Arising from distribution	-	1,017,533
Cancellation of units during the financial year	<u>(7,822,095)</u>	<u>(4,346,189)</u>
At the end of the financial year	<u>48,006,230</u>	<u>41,063,823</u>

10. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

Name of issuer	Value of trades RM	Percentage of total trades %
<u>2024</u>		
Eastspring Investments Berhad [#]	14,240,000	100.00
<u>2023</u>		
Eastspring Investments Berhad [#]	8,860,000	100.00

[#] Included in transactions by the Fund are trades conducted with the Manager, Eastspring Investments Berhad, amounting to RM14,240,000 (2023: RM8,860,000).

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

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

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

Units held by Manager and parties related to the Manager:

	2024		2023	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	2,064	1,123	2,064	944
Director of Eastspring Investments Berhad	-	-	35,798	16,363

The above units were transacted at the prevailing market price.

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

Significant related parties transactions

	2024	2023
	RM	RM
Purchase of units in collective investment schemes managed by Eastspring Investments Berhad	9,560,039	7,560,000
Sales of units in collective investment schemes managed by Eastspring Investments Berhad	4,680,000	1,300,000

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

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

12. TOTAL EXPENSE RATIO ("TER")

	2024	2023
	%	%
TER	1.64	1.69

TER is derived from the following calculation:

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

A = Management fee (excluding management fee rebate)

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM22,402,592 (2023: RM16,333,428).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2024	2023
PTR (times)	0.32	0.27

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM9,560,039 (2023: RM7,560,000)

total disposals for the financial year = RM4,680,000 (2023: RM1,300,000)

14. APPROVAL OF FINANCIAL STATEMENTS

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

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

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

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

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SALE & PURCHASE OF UNITS

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Persiaran TRX Barat

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Kuala Lumpur

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