



A Prudential plc company 

EASTSPRING INVESTMENTS TARGET INCOME FUND 12

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

We are pleased to enclose a copy of the Annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 28 February 2023.

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang Chee Kin'. The signature is fluid and cursive, with the first name 'Raymond' being larger and more prominent than the last name 'Tang Chee Kin'.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

Name of Fund	<p>Eastspring Investments Target* Income Fund 12 (the “Fund”)</p> <p>* The Fund aims (i.e.Target) to distribute income on an annual basis from the coupon payments received from the bonds investments.</p>
Fund Category/ Type	<p>Bond (close-ended)/income</p>
Fund Objective	<p>The Fund endeavours to provide regular income** during the tenure of the Fund.</p> <p>** Income declared will be paid out either 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>
Termination Date	<p>10 December 2023</p>
Duration of the Fund	<p>Three (3) years close-ended bond fund</p>
Performance Benchmark	<p>3-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>
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/PERIOD ENDED

Category	28.2.2023	Since commencement 10.12.2020 to 28.2.2022
	(%)	(%)
Unquoted fixed income securities	97.03	75.49
Derivatives	(3.73)	0.13
Cash and other assets	6.70	24.38
Total	100.00	100.00
Net Asset Value (NAV) (RM'000)	179,912	183,826
Units In Circulation (Units '000)	197,128	202,980
Net Asset Value Per Unit (RM)	0.9127	0.9056
Highest Net Asset Value Per Unit (RM) [#]	0.9203	0.9472
Lowest Net Asset Value Per Unit (RM) [#]	0.8659	0.9056
Total Return (%)		
- Capital Growth	0.77	(9.43)
- Income Distribution	-	1.49
Total Return (%)	0.77	(8.08)
Gross Distribution Per Unit (RM)	-	0.0140
Net Distribution Per Unit (RM)	-	0.0140
Total Expense Ratio (TER) (%) [*]	0.09	0.12
Portfolio Turnover Ratio (PTR) (times) [^]	0.72	0.97

[#] Figures 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 1.3.2022 to 28.2.2023	Since commencement 10.12.2020 to 28.2.2023
	(%)	(%)

Average total return	0.77	(3.39)
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Year ended	1.3.2022 to 28.2.2023	Since commencement 10.12.2020 to 28.2.2022
	(%)	(%)

Annual total return	0.77	(8.08)
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Source: The above total return of the Fund was sourced from Lipper for Investment Management.

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

n = 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

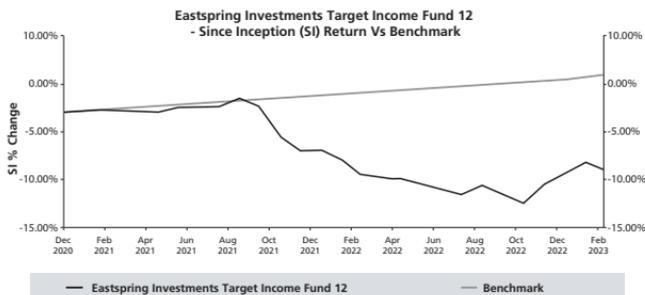
Fund Performance

Since inception, the Fund registered a return of -7.37%, underperforming the benchmark return of 4.84% by 12.21%.

During the period under review, the Fund registered a return of 0.77%, underperforming the benchmark return of 2.45% by 1.68%.

The Fund recorded a gain over the 12-month period despite volatile market conditions in Asian and emerging market credits. Duration detracted from performance due to rising risk-free rates over the period, but this was mitigated by the Fund's accrual income from underlying bond investments.

Exposures to China were resilient on the whole, bucking the weak market trend. Positive credit selection effects in Chinese financials and real estate credits, and robust returns from Chinese quasi-sovereign bonds, overshadowed losses from Pakistan quasi-sovereign notes as well as Ukraine financial corporate credits.



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

Benchmark: 3-year Maybank fixed deposit rate as at the Commencement Date.

Fund performance is sourced from Lipper for Investment Management, 28 February 2023 and the benchmark is obtainable from Eastspring Investments Berhad upon request.

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 28 February 2023:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	0.77	0.77	2.45

* 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 28 February 2023.

Investment Strategy During the Period Under Review

As this is a close-ended bond fund with a fixed tenure, the Fund will be managed primarily with a semi-active management strategy. The Fund's bond investments will be typically held to maturity. At the maturity of these debt securities held by the Fund, the issuers will be obligated to pay the face value of the bonds, provided there is no occurrence of credit events e.g. default.

Nevertheless, the Fund Manager continues to monitor the Fund's investments and may trade and rebalance its investments under the following scenarios:

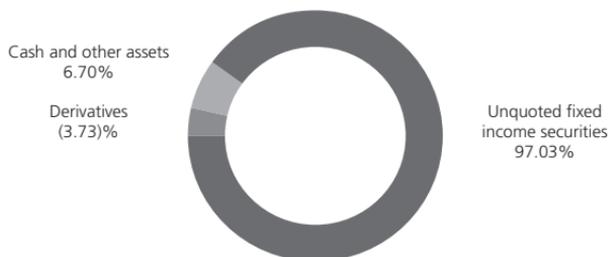
- Increased default risk and/or uptrend interest rate concerns;
- Hedging transactions in the event that the sale of the security at risk is not possible; and
- Reinvesting proceeds from maturing securities.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	28-Feb 2023	28-Feb 2022	Changes
	(%)	(%)	(%)
Unquoted fixed income securities	97.03	75.49	21.54
Derivatives	(3.73)	0.13	(3.86)
Cash and other assets	6.70	24.38	(17.68)

Asset Allocation as at 28 February 2023



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.

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.

MANAGER'S REPORT (CONTINUED)

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 months of June 2022, September 2022, December 2022 and February 2023. The investment committee for the Fund has reviewed that such trades for the periods from 1 March 2022 to 31 March 2022, from 1 May 2022 to 31 May 2022, from 1 July 2022 to 31 August 2022, and from 1 October 2022 to 30 November 2022 were transacted on an arm's length and fair value basis and in the best interest of the Fund. The remaining trades for the month of April 2022 and the trades for the month of January 2023 will be tabled for review at the upcoming investment committee meeting.

MARKET REVIEW

Asian and emerging economies declined in the 12-month period ending 28 February 2023 amid inflationary pressures, slower economic growth and heightened geopolitical risks. Emerging-market government bonds had a tumultuous year during 2022 as investors were forced to deal with a number of negative developments. Russia's invasion of Ukraine placed pressure on supply chains and pushed commodity prices higher. For weaker emerging-market economies such as Sri Lanka and Pakistan, economic distress and political uncertainty led to surging bond yields and mounting difficulties to service their hard currency debts.

After acknowledging that elevated inflation is no longer transitory in nature, the US Federal Reserve began raising its policy rate in a gradual fashion beginning with a 25 basis point hike in March 2022. However, as inflation continued to rise to multi-decade highs amid the recovering economy and robust labor market, the Federal Reserve quickly shifted gears and embarked on one of its most aggressive tightening. In less than over a year, the central bank hiked the Federal Funds rate by 450 bps, sending US Treasury yields meaningfully higher and creating a level of inversion in the US Treasury yield curve last seen in the 1970s and early 1980s. The upward move in bond yields caught market participants off guard, leading to a sharp and abrupt repricing of global rates.

In China, rising Covid cases and disorder in the property market weighed on the economy. The enforcement of a zero-Covid policy resulted in lockdowns, travel restrictions and public discontent last year. In the early half of 2022, the real estate market was under a lot of stress, as easing measures from policymakers have been piecemeal and failed to make a large impact on the physical market. Several developers had trouble honouring their debt obligations and making timely payments.

However, market sentiment turned positive towards the end of 2022 amid softer inflationary prints and a less hawkish tone from central banks. Risk appetite improved as China eased COVID controls and introduced a series of measure to support the property sector. On 26 December, Chinese authorities announced that all COVID-19 quarantine measures would be lifted from 8 January. It was a good start to the year as most fixed income assets were broadly positive in January 2023 but overall, Asian and emerging-markets ("EM") USD bonds posted returns of -5.5% and -8.6% respectively over the period under review, as proxied by the JP Morgan Asia Credit Index and Emerging Markets Bond Index Global Diversified.

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 12

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

STATEMENT BY THE MANAGER

We, Tang Chee Kin and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 18 to 88 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 28 February 2023 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 20 April 2023

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS TARGET INCOME FUND 12 ("Fund")

We have acted as Trustee of the Fund for the financial year ended 28 February 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching
Senior Manager, Trustee Operations

Jiva Munusamy
Head, Client Management

Kuala Lumpur
Date: 20 April 2023

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS TARGET INCOME FUND 12

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Target Income Fund 12 ("the Fund") give a true and fair view of the financial position of the Fund as at 28 February 2023, 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 28 February 2023, 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 a summary of significant accounting policies, as set out on pages 18 to 88.

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: 20 April 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

	Note	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
		RM	RM
INVESTMENT INCOME/(LOSS)			
Interest income from deposits with licensed financial institutions		944,828	1,232,059
Interest income from unquoted fixed income securities		336,515	9,502,270
Exit fee income		104,982	20,155
Net gain/(loss) on financial assets at fair value through profit or loss	6	8,192,866	(27,586,540)
Net (loss)/gain on forward foreign currency contracts	8	(7,064,266)	239,353
Net foreign currency exchange gain		387,356	472,183
		2,902,281	(16,120,520)
EXPENSES			
Trustee fee	3	(107,268)	(147,206)
Audit fee		(13,000)	(13,000)
Tax agent fee		(5,500)	(4,900)
Other expenses		(41,450)	(74,256)
		(167,218)	(239,362)
PROFIT/(LOSS) BEFORE TAXATION		2,735,063	(16,359,882)
TAXATION	4	(1,424,766)	(4,837)
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)		1,310,297	(16,364,719)
Profit/(loss) after taxation is made up of the following:			
Realised amount		(5,419,785)	5,830,957
Unrealised amount		6,730,082	(22,195,676)
		1,310,297	(16,364,719)

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

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2023

	Note	2023	2022
		RM	RM
ASSETS			
Cash and cash equivalents	7	17,761,360	44,871,874
Financial assets at fair value through profit or loss	6	174,638,468	138,768,601
Forward foreign currency contracts at fair value through profit or loss	8	-	1,071,986
Other receivables		-	35
Tax recoverable		-	5,940
TOTAL ASSETS		<u>192,399,828</u>	<u>184,718,436</u>
LIABILITIES			
Forward foreign currency contracts at fair value through profit or loss	8	6,705,664	832,634
Amount due to Manager		-	1,767
Amount due to Trustee		8,335	8,620
Amount due to broker		5,382,000	-
Other payables and accruals		31,397	49,070
Tax payable		360,169	-
TOTAL LIABILITIES		<u>12,487,565</u>	<u>892,091</u>
NET ASSET VALUE OF THE FUND		<u>179,912,263</u>	<u>183,826,345</u>
EQUITY			
Unit holders' capital		197,822,073	203,046,452
Accumulated losses		(17,909,810)	(19,220,107)
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>179,912,263</u>	<u>183,826,345</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>197,128,433</u>	<u>202,979,617</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.9127</u>	<u>0.9056</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

	Note	Unit holders' capital	Accumulated losses	Total
		RM	RM	RM
Balance as at 1 March 2022		203,046,452	(19,220,107)	183,826,345
Movement in unit holders' contribution:				
Cancellation of units		(5,224,379)	-	(5,224,379)
Total comprehensive income for the financial year		-	1,310,297	1,310,297
Balance as at 28 February 2023		<u>197,822,073</u>	<u>(17,909,810)</u>	<u>179,912,263</u>
Balance as at 26 October 2020 (date of launch)		-	-	-
Movement in unit holders' contribution:				
Creation of units from applications		206,039,470	-	206,039,470
Cancellation of units		(2,993,018)	-	(2,993,018)
Distribution (Gross/Net: 1.40 sen)	5	-	(2,855,388)	(2,855,388)
Total comprehensive loss for the financial period		-	(16,364,719)	(16,364,719)
Balance as at 28 February 2022		<u>203,046,452</u>	<u>(19,220,107)</u>	<u>183,826,345</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

	Note	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		202,429,761	200,359,544
Payments for purchase of investments		(230,428,544)	(363,176,480)
Net realised loss on forward foreign currency contracts		(119,250)	-
Interest income received from deposits with licensed financial institutions		944,828	1,232,059
Interest income received from unquoted fixed income securities		6,040,297	5,964,066
Exit fees income received		105,017	20,120
Trustee fee paid		(107,553)	(138,586)
Payment for other fees and expenses		(77,623)	(43,086)
Tax paid		(1,058,657)	(10,777)
Net realised foreign currency exchange gain		387,356	472,183
Net cash used in operating activities		<u>(21,884,368)</u>	<u>(155,320,957)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		-	206,039,470
Payments for cancellation of units		(5,226,146)	(2,991,251)
Distribution paid		-	(2,855,388)
Net cash (used in)/generated from financing activities		<u>(5,226,146)</u>	<u>200,192,831</u>

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

	Note	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
		RM	RM
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(27,110,514)	44,871,874
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR/(DATE OF LAUNCH)		44,871,874	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR/ PERIOD	7	17,761,360	44,871,874

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with the MFRS and IFRS 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/period. 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 2022:

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

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

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

B. INCOME RECOGNITION

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

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

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

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

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/period.

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/period-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 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 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 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.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest rate method over the period from the date of placement to the date of maturity of the respective deposits.

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 and 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 security 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 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/period.

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 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 period 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. 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.

J. AMOUNT DUE FROM/(TO) BROKERS

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

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

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

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

K. DISTRIBUTION

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

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 28 FEBRUARY 2023

1. INFORMATION ON THE FUND

Eastspring Investments Target Income Fund 12 (the "Fund") was constituted pursuant to the execution of a Deed dated 25 August 2020 entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee").

The Fund was launched on 26 October 2020 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Fund is a 3-years close-ended bond fund, in which, to achieve its objective, the Fund will invest a minimum of 70% of the Fund's NAV in local and/or foreign bonds. Not more than 40% of the Fund's NAV may be invested either in non-rated bonds and/or bonds rated below investment grade by RAM, MARC or other rating agencies (i.e. lower than BBB3 rating by RAM or its equivalent rating by MARC or below investment grade rating by other rating agencies) while the remainder will be invested in investment grade bonds. Non-rated bonds are bonds that have not received a credit rating from one or more of the abovementioned credit rating agencies. Although the Fund is expected to invest up to 40% of the Fund's NAV in non-rated bonds and/or bonds rated below investment grade, there is a risk that this limit may be exceeded if investment grade bonds held within the portfolio were downgraded to below investment grade. This may result in the Fund being exposed to higher credit risk. In the event the 40% limit is exceeded, the External Investment Manager will rectify such breach within a reasonable period of not more than three (3) months by disposing of the non-rated bonds and/or bonds rated below investment grade to 40% of the Fund's NAV. In addition, up to 30% of the Fund's NAV may be invested in liquid assets.

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

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 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:

			Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Total
	Note	Financial assets at amortised cost RM	RM	RM	RM
<u>2023</u>					
Cash and cash equivalents	8	17,761,360	-	-	17,761,360
Unquoted fixed income securities	7	-	174,638,468	-	174,638,468
Forward foreign currency contracts at fair value through profit or loss	9	-	-	(6,705,664)	(6,705,664)
		<u>17,761,360</u>	<u>174,638,468</u>	<u>(6,705,664)</u>	<u>185,694,164</u>

		Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Total
	Note	Financial assets at amortised cost		
		RM	RM	RM
<u>2022</u>				
Cash and cash equivalents	8	44,871,874	-	- 44,871,874
Unquoted fixed income securities	7	-	138,768,601	- 138,768,601
Forward foreign currency contracts at fair value through profit or loss	9	-	1,071,986	(832,634) 239,352
Other receivables		35	-	- 35
		<u>44,871,909</u>	<u>139,840,587</u>	<u>(832,634) 183,879,862</u>

All liabilities except forward foreign currency contracts are financial liabilities which are carried at amortised cost.

Market risk

i. Price risk

Price risk is the risk that fair value of the investment in unquoted fixed income securities will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's net asset value and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and asset allocation whereby the unquoted fixed income securities exposure will be reduced in the event of anticipated market weakness.

The table below shows assets of the Fund as at 28 February which are exposed to price risk:

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Unquoted fixed income securities*	<u>174,638,468</u>	<u>138,768,601</u>

* Includes interest receivable of RM1,946,814 (2022: RM2,099,294).

The following table summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to movements in prices of unquoted fixed income securities at the end of each reporting financial year/period. 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.

% Change in price	2023		2022	
	Market value	Impact on profit after tax and net asset value	Market value	Impact on loss after tax and net asset value
	RM	RM	RM	RM
+5% (2022: +5%)	181,326,237	8,634,583	143,502,772	6,833,465
-5% (2022: -5%)	164,057,071	(8,634,583)	129,835,842	(6,833,465)

ii. Interest rate risk

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

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

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

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

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

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

The table below summarises the sensitivity of the Fund's profit/(loss) 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/period as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2022: 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.

	2023	2022
% Change in interest rate of unquoted fixed income securities	Impact on profit after tax and net asset value	Impact on loss after tax and net asset value
	RM	RM
+1% (2022: +1%)	(311,580)	(237,680)
-1% (2022: -1%)	266,732	226,252

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

As the Fund may invest its assets in unquoted fixed income securities denominated in a wide range of currencies other than Ringgit Malaysia ("RM"), the net asset value of the Fund expressed in RM may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between RM and such other currencies. The risk is minimised through investing in a wide range of foreign currencies denominated assets and thus, diversifying the risk of single currency exposure.

In the normal course of investment, the Manager will usually not hedge foreign currency exposure. The Manager may however, depending on prevailing market circumstances at particular point in time, choose to use forward or swap contracts for hedging and risk reduction purposes.

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

	Unquoted fixed income securities	Forward foreign currency contracts	Cash and cash equivalents	Amount due to broker	Total
	RM	RM	RM	RM	RM
<u>2023</u>					
SGD	4,039,070	(132,344)	64,964	-	3,971,690
USD	150,361,263	(6,573,320)	3,296,626	(5,382,000)	141,702,569
	<u>154,400,333</u>	<u>(6,705,664)</u>	<u>3,361,590</u>	<u>(5,382,000)</u>	<u>145,674,259</u>
<u>2022</u>					
SGD	3,098,218	46,829	33,181	-	3,178,228
USD	89,566,532	192,523	15,466,727	-	105,225,782
	<u>92,664,750</u>	<u>239,352</u>	<u>15,499,908</u>	<u>-</u>	<u>108,404,010</u>

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to changes in foreign exchange movements at the end of each reporting financial year/period. The analysis is based on the assumption that the foreign exchange rate changes by 4.51% and 5.46% (2022: 5%) 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.

	Change in foreign exchange rate	Impact on profit/(loss) after tax	Impact on net asset value
	%	RM	RM
<u>2023</u>			
SGD	4.51	179,123	179,123
USD	5.46	7,736,960	7,736,960
<u>2022</u>			
SGD	5	158,911	158,911
USD	5	5,261,289	5,261,289

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.

	Less than 1 month	Between 1 month to 1 year	More than 1 year	Total
	RM	RM	RM	RM
<u>2023</u>				
Forward foreign currency contracts at fair value through profit or loss	-	6,705,664	-	6,705,664
Amount due to Trustee	8,335	-	-	8,335
Amount due to broker	5,382,000	-	-	5,382,000
Other payables and accruals	-	31,397	-	31,397
Contractual undiscounted cash outflows	<u>5,390,335</u>	<u>6,737,061</u>	<u>-</u>	<u>12,127,396</u>
<u>2022</u>				
Forward foreign currency contracts at fair value through profit or loss	-	24,990	807,644	832,634
Amount due to Manager	1,767	-	-	1,767
Amount due to Trustee	8,620	-	-	8,620
Other payables and accruals	-	49,070	-	49,070
Contractual undiscounted cash outflows	<u>10,387</u>	<u>74,060</u>	<u>807,644</u>	<u>892,091</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 RM197,822,073 (2022: RM203,046,452) and accumulated losses of RM17,909,810 (2022: RM19,220,107). 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, principals and proceeds from realisation of investments. In the case of the Fund, both the Manager and the External Fund 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.

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The 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
2023				
Financial Services				
- AAA	10,001,753	-	-	10,001,753
- AA1	7,759,607	-	-	7,759,607
Unquoted Fixed Income Securities				
Automotive				
- BBB+	-	903,127	-	903,127
Consumer Discretionary				
- A+	-	1,788,365	-	1,788,365
- BBB	-	2,656,364	-	2,656,364
- BBB+	-	2,539,056	-	2,539,056
Energy				
- A	-	849,807	-	849,807
- BB	-	865,294	-	865,294
- BB-	-	1,876,809	-	1,876,809
- BB+	-	2,238,217	-	2,238,217
- NR	-	772,784	-	772,784

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<u>2023</u> (continued)				
Financial Services				
- AAA	-	15,278,523	-	15,278,523
- AA3	-	13,982,591	-	13,982,591
- AA+	-	8,088,203	-	8,088,203
- AA-	-	910,210	-	910,210
- A3	-	1,767,889	-	1,767,889
- A+	-	1,793,262	-	1,793,262
- A-	-	825,270	-	825,270
- A	-	2,269,712	-	2,269,712
- Baa2	-	862,216	-	862,216
- Baa3	-	2,176,754	-	2,176,754
- BB	-	4,421,229	-	4,421,229
- BBB	-	6,649,384	-	6,649,384
- BBB-	-	16,723,035	-	16,723,035
- BBB+	-	6,224,600	-	6,224,600
- NR	-	22,863,864	-	22,863,864
Industrials				
- AA	-	871,121	-	871,121
- BB+	-	844,370	-	844,370
- CC	-	188,426	-	188,426
- NR	-	718,041	-	718,041
Materials				
- BB	-	768,987	-	768,987
- BBB-	-	2,676,398	-	2,676,398
- NR	-	861,703	-	861,703
Mining/Diversified				
- BBB-	-	3,260,431	-	3,260,431

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<u>2023</u> (continued)				
Oil and Gas				
- B+	-	3,482,473	-	3,482,473
- BB-	-	720,356	-	720,356
- BBB	-	2,464,647	-	2,464,647
- BBB-	-	4,003,310	-	4,003,310
- NR	-	2,743,923	-	2,743,923
Real Estate				
- B+	-	2,696,611	-	2,696,611
- BB	-	803,058	-	803,058
- BBB	-	781,733	-	781,733
- BBB+	-	907,461	-	907,461
- C	-	314,741	-	314,741
- CCC-	-	553,524	-	553,524
- NR	-	2,912,475	-	2,912,475
Real Estate Investment Trust				
- NR	-	1,631,809	-	1,631,809
Sovereign				
- B-	-	891,319	-	891,319
- BB	-	899,504	-	899,504
- BB-	-	728,176	-	728,176
- BB+	-	2,721,976	-	2,721,976
- CCC+	-	292,086	-	292,086
Technology				
- NR	-	913,869	-	913,869
Telecommunication				
- BBB-	-	863,113	-	863,113

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<u>2023</u> (continued)				
Transportation				
- BBB	-	5,087,533	-	5,087,533
- BBB-	-	810,162	-	810,162
Utilities				
- A2	-	5,297,027	-	5,297,027
- BBB-	-	1,787,287	-	1,787,287
- NR	-	814,252	-	814,252
	17,761,360	174,638,468	-	192,399,828

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<u>2022</u>				
Financial Services				
- AA1	15,870,444	-	-	15,870,444
- AA2	29,001,430	-	-	29,001,430
Unquoted Fixed Income Securities				
- AAA IS	-	15,590,223	-	15,590,223
- AAA	-	10,613,128	-	10,613,128
- AA3	-	15,230,056	-	15,230,056
- A	-	813,295	-	813,295
- A-	-	4,234,685	-	4,234,685
- A2	-	2,535,102	-	2,535,102
- BBB+	-	8,353,504	-	8,353,504
- BBB	-	7,084,436	-	7,084,436
- Baa2	-	1,596,648	-	1,596,648
- BBB-	-	6,898,762	-	6,898,762
- BB+	-	1,538,447	-	1,538,447
- BB	-	761,396	-	761,396
- Ba2	-	1,485,938	-	1,485,938
- BB-	-	5,367,725	-	5,367,725
- Ba3	-	6,541,322	-	6,541,322

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Other receivables	Total
	RM	RM	RM	RM
<u>2022</u> (continued)				
- B+	-	7,425,525	-	7,425,525
- B	-	3,092,557	-	3,092,557
- B2	-	4,060,057	-	4,060,057
- B-	-	1,197,561	-	1,197,561
- C	-	771,787	-	771,787
- D	-	1,878,191	-	1,878,191
- NR	-	31,698,256	-	31,698,256
Forward foreign currency contracts				
- AAA	-	1,071,986	-	1,071,986
Other				
- NR	-	-	35	35
	44,871,874	139,840,587	35	184,712,496

None of these financial assets are past due or impaired.

Fair value estimation

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

The fair value of financial assets traded in active market (such as traded derivatives and trading securities) are based on quoted market prices at the close of trading on the financial year/period 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>2023</u>				
Financial assets at fair value through profit or loss:				
Unquoted fixed income securities	-	174,638,468	-	174,638,468
	-	174,638,468	-	174,638,468
Financial liabilities at fair value through profit or loss:				
Forward foreign currency contracts	-	(6,705,664)	-	(6,705,664)
<u>2022</u>				
Financial assets at fair value through profit or loss since inception:				
Unquoted fixed income securities	-	138,768,601	-	138,768,601
Forward foreign currency contracts	-	1,071,986	-	1,071,986
	-	139,840,587	-	139,840,587
Financial liabilities at fair value through profit or loss since inception:				
Forward foreign currency contracts	-	(832,634)	-	(832,634)

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. 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 28 February 2023, the Trustee fee is recognised at a rate of 0.06% (2022: 0.06%) 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.

4. TAXATION

	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
	RM	RM
Tax charged for the financial year/period:		
Current taxation	1,396,070	4,837
Under provision of tax in prior year	28,696	-

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

	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
	RM	RM
Profit/(loss) before taxation	2,735,063	(16,359,882)
Tax at Malaysian statutory rate of 24% (2022: 24%)	656,415	(3,926,372)
Tax effects of:		
Investment loss not deductible for tax purposes	577,753	3,873,762
Expenses not deductible for tax purposes	37,012	54,327
Restriction on tax deductible expenses for Unit Trust Funds	3,120	3,120
Foreign income subject to different tax rate	121,770	-
Under provision of taxation in prior year	28,696	-
Taxation	1,424,766	4,837

5. DISTRIBUTION

	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
	RM	RM
Distribution to unit holders are from the following sources:		
Exit fee income (net of tax)	-	1,083
Interest income	-	4,422,872
Net realised loss on sale of investments	-	(1,465,289)
		<hr/>
Gross realised income	-	2,958,666
Less: Expenses	-	(103,278)
		<hr/>
	-	2,855,388
		<hr/>
Gross distribution per unit (sen)	-	1.40
		<hr/>
Net distribution per unit (sen)	-	1.40
		<hr/>
Ex-Date	-	26 November 2021
		<hr/>

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

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

During the financial period ended 28 February 2022, the Fund incurred an unrealised losses of RM22,195,676.

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Unquoted fixed income securities	174,638,468	138,768,601

	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised loss on disposals	(5,482,232)	(5,151,508)
Change in unrealised fair value gain/(loss)	13,675,098	(22,435,032)
	8,192,866	(27,586,540)

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	RM	RM	RM	%
4.30% Cagamas Berhad 27.10.2023 (AAA)	15,000,000	15,422,697	15,278,523	8.49
3.85% Hong Leong Assurance Berhad 31.1.2030 (AA3)	5,000,000	5,021,844	4,959,612	2.76

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	SGD	RM	RM	%
5.375% AIMS APAC REIT 31.12.2099 (NR)	250,000	795,024	832,670	0.46
2.90% Keppel Corporation Limited 31.12.2099 (NR)	250,000	2,502,469	772,784	0.43
3.80% Suntec Real Estate Investment Trust 31.12.2099 (NR)	250,000	781,450	799,139	0.44
5.25% United Overseas Bank Limited 31.12.2099 (BBB+)	250,000	823,012	855,818	0.48
3.30% Vertex Venture Holdings Ltd 28.7.2028 (NR)	250,000	781,135	778,659	0.43

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.40% 1MDB Global Investments Limited 9.3.2023 (NR)	1,000,000	4,137,466	4,551,253	2.53
4.45% Abja Investment Co., Pte Ltd 24.7.2023 (BBB-)	600,000	2,598,414	2,676,398	1.49
2.80% Alibaba Group Holding Limited 6.6.2023 (A+)	400,000	1,688,297	1,788,365	0.99
3.875% Bluestar Finance Holdings Limited 31.12.2099 (BBB)	800,000	3,347,347	3,584,275	1.99
3.425% CCCI Treasure Limited 21.11.2024 (Baa2)	200,000	813,703	862,216	0.48
7.75% Central China Real Estate Limited 24.5.2024 (C)*****	200,000	824,156	314,741	0.17
2.85% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A2)	1,200,000	5,004,830	5,297,027	2.94
2.45% China Overseas Grand Oceans Finance IV (Cayman) Limited 9.2.2026 (BBB)	200,000	810,926	781,733	0.43

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
2.95% Chinalco Capital Holdings Limited 24.2.2027 (A-)	200,000	827,252	825,270	0.46
4.25% Clean Renewable Power (Mauritius) Pte Ltd 25.3.2027 (BB-)	196,000	820,769	774,379	0.43
4.875% Comision Federal de Electricidad 15.1.2024 (BBB-)	400,000	1,829,669	1,787,287	0.99
5.50% Commonwealth Bank of Australia 14.11.2023 (AA-)	200,000	957,263	910,210	0.51
3.939% ESIC Sukuk Limited 30.7.2024 (NR)	500,000	2,105,162	2,176,754	1.21
3.875% Export-Import Bank of India 12.3.2024 (BBB-)	600,000	2,757,341	2,689,953	1.50
6.07% Export-Import Bank of India 6.3.2024 (NR)	1,200,000	5,382,000	5,384,960	2.99
6.375% Federal Republic of Nigeria 12.7.2023 (B-)	200,000	880,576	891,319	0.50
3.25% Gansu Provincial Highway Aviation Tourism Investment Group Co., Ltd 3.11.2023 (BBB+)	400,000	1,644,625	1,723,411	0.96

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.90% Gansu Provincial Highway Aviation Tourism Investment Group Co., Ltd 30.3.2025 (BBB+)	200,000	855,880	815,645	0.45
4.974% GLP China Holdings Limited 26.2.2024 (BBB-)	200,000	850,468	810,162	0.45
4.75% GMR Hyderabad International Airport Limited 2.2.2026 (BB+)	200,000	812,232	844,370	0.47
4.875% Greenko Investment Company 16.8.2023 (BB)	1,000,000	4,330,669	4,421,229	2.46
5.50% Greenko Wind Projects (Mauritius) Ltd 6.4.2025 (BB)	200,000	863,652	865,294	0.48
4.90% HKMTGC 21.2.2024 (NR)	1,000,000	4,348,461	4,491,521	2.50
5.40% HKMTGC 26.2.2024 (NR)	800,000	3,541,985	3,596,682	2.00
6.25% HSBC Holdings Plc 23.3.2023 (BBB)	300,000	1,300,448	1,383,242	0.77
2.125% Huarong Finance 2019 Co., Ltd 30.9.2023 (BBB+)	200,000	834,162	874,721	0.49
5.375% India Green Energy Holdings 29.4.2024 (BB-)	250,000	1,065,927	1,102,430	0.61

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.73% Indian Railway Finance Corporation Limited 29.3.2024 (BBB-)	200,000	890,273	891,088	0.50
3.00% Kia Corporation 25.4.2023 (BBB+)	200,000	886,628	903,127	0.50
0.00% Kondor Finance Plc 19.7.2022 (NR)***	400,000	1,604,513	428,318	0.24
5.09% Kookmin Bank 18.10.2023 (NR)	200,000	941,580	897,279	0.50
5.10% Kookmin Bank 18.10.2023 (NR)	400,000	1,891,503	1,817,202	1.01
5.40% Kookmin Bank 22.1.2024 (NR)	800,000	3,489,266	3,591,373	2.00
5.343% Korea Development Bank 17.1.2024 (NR)	1,000,000	4,398,530	4,505,764	2.50
5.355% Korea Development Bank 25.11.2023 (NR)	200,000	927,809	909,056	0.51
3.625% Korea Expressway Corporation 18.5.2025 (AA)	200,000	885,456	871,121	0.48
7.875% KWG Group Holdings Limited 30.8.2024 (NR)	400,000	1,690,104	718,777	0.40
4.75% Lenovo Group Limited 29.3.2023 (NR)	200,000	900,654	913,869	0.51
7.50% LMIRT Capital Pte Ltd 9.2.2026 (CCC+)	200,000	811,604	553,524	0.31

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
6.50% Logan Group Company Limited 16.7.2023 (B+)****	600,000	2,516,968	761,889	0.42
7.25% MC Brazil Downstream Trading S.a r.l. 30.6.2031 (BB-)	192,980	820,957	720,356	0.40
3.10% Minor International Public Company Limited 31.12.2099 (BBB)	600,000	2,634,245	2,656,364	1.48
3.625% MISC Capital Two (Labuan) Limited 6.4.2025 (BBB)	200,000	865,417	870,080	0.48
5.42% NongHyup Bank 27.11.2023 (A+)	400,000	1,899,983	1,793,262	1.00
4.125% NWD Finance (BVI) Limited 31.12.2099 (NR)	200,000	834,725	688,924	0.38
5.375% Oil India Limited 17.4.2024 (BBB-)	600,000	2,679,364	2,725,087	1.51
4.875% Oman Sovereign Sukuk SAOC 15.6.2030 (BB)	200,000	833,032	899,504	0.50
4.625% ONGC Videsh Limited 15.7.2024 (BBB-)	200,000	870,784	886,586	0.49
7.50% Pakistan Water and Power Development Authority 4.6.2031 (CCC+)	200,000	842,658	292,086	0.16

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
7.125% Powerlong Real Estate Holdings Limited 15.1.2024 (NR)	379,632	1,640,382	517,783	0.29
4.25% PT Adaro Indonesia 31.10.2024 (BBB-)	750,000	3,264,027	3,260,431	1.81
4.625% PT Bank Rakyat Indonesia (Persero) TBK 20.7.2023 (BBB)	200,000	886,732	897,330	0.50
4.875% PT Pakuwon Jati TBK 29.4.2028 (BB)	200,000	765,602	803,058	0.45
4.50% PT Pelabuhan Indonesia II (Persero) 2.5.2023 (BBB)	930,000	4,104,930	4,217,453	2.34
4.30% PT Pertamina (Persero) 20.5.2023 (BBB)	545,000	2,445,483	2,464,647	1.37
5.125% PT Perusahaan Gas Negara TBK 16.5.2024 (BBB-)	87,000	412,076	391,638	0.22
4.45% PT Saka Energi Indonesia 5.5.2024 (B+)	800,000	3,292,969	3,482,473	1.94
2.05% PT Sarana Multi Infrastruktur (Persero) 11.5.2026 (BBB)	200,000	807,520	784,538	0.44
4.25% PT Tower Bersama Infrastructure TBK 21.1.2025 (BBB-)	200,000	874,298	863,113	0.48

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.50% QNB Finance Ltd 28.3.2024 (A)	200,000	925,132	890,331	0.49
5.60% QNB Finance Ltd 23.12.2023 (Aa3)	1,600,000	7,163,906	7,223,848	4.02
7.875% Rail Capital Markets Plc 15.7.2026 (CC-)	200,000	846,826	188,426	0.10
4.75% REC Limited 19.5.2023 (BBB-)	600,000	2,653,924	2,720,489	1.51
5.25% REC Limited 13.11.2023 (BBB-)	700,000	3,199,928	3,173,253	1.76
4.75% Republic of Azerbaijan 18.3.2024 (BB+)	600,000	2,592,979	2,721,976	1.51
3.90% Republic of Uzbekistan 19.10.2031 (BB-)	200,000	851,461	728,176	0.40
3.766% RHB Bank Berhad 19.2.2024 (A3)	400,000	1,730,640	1,767,889	0.98
8.10% Ronshine China Holdings Limited 9.6.2023 (NR)*****	200,000	824,093	97,280	0.05
0.946% SA Global Sukuk Limited 17.6.2024 (A)	200,000	825,444	849,807	0.47
0.00% Scenery Journey Limited 24.10.2022 (NR)*	200,000	547,292	53,820	0.03
4.80% Shandong Iron and Steel Xinheng International Company Limited 28.7.2024 (NR)	200,000	848,947	861,703	0.48

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
5.00% Shinhan Bank 14.10.2023 (Aa3)	400,000	1,870,592	1,799,131	1.00
4.125% SK Innovation Co., Ltd 13.7.2023 (BB+)	500,000	2,180,852	2,238,217	1.24
6.50% SMC Global Power Holdings Corp. 25.4.2024 (NR)	200,000	855,712	814,252	0.45
4.375% State Bank of India 24.1.2024 (BBB-)	200,000	875,339	890,106	0.49
4.50% State Bank of India 28.9.2023 (BBB-)	1,400,000	6,234,985	6,358,147	3.53
4.75% State Oil Company of the Azerbaijan Republic 13.3.2023 (NR)	600,000	2,699,708	2,743,923	1.53
0.80% Sumitomo Mitsui Trust Bank Limited 12.9.2023 (A)	314,000	1,361,014	1,379,381	0.77
4.15% Vanke Real Estate (Hong Kong) Company Limited 18.4.2023 (BBB+)	200,000	884,153	907,461	0.50
2.95% Vigorous Champion International Limited 25.2.2031 (NR)	200,000	804,609	718,041	0.40
4.95% West China Cement Limited 8.7.2026 (BB)	200,000	844,725	768,987	0.43
4.75% Woori Bank 30.4.2024 (BBB+)	1,000,000	4,305,192	4,494,060	2.50

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
6.75% Yanlord Land (HK) Co., Ltd 23.4.2023 (B+)	400,000	1,795,390	1,825,843	1.01
6.80% Yanlord Land (HK) Co., Ltd 27.2.2024 (B+)	200,000	894,418	870,767	0.48
0.00% Zhenro Properties Group Limited 1.9.2022 (NR)**	200,000	809,758	74,002	0.04
	<u>57,494,612</u>	<u>183,398,402</u>	<u>174,638,468</u>	<u>97.03</u>

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

(8,759,934)

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

174,638,468

- * 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. However, 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 6.500% 1.9.2022 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 bonds are still tradeable in the market and the Manager is currently awaiting for more details on the proposed debt restructuring and will continue to monitor the situation closely.

- *** Kondor Finance Plc, the financing arm of Naftogaz of Ukraine (“Naftogaz”), Ukraine’s largest national oil and gas company defaulted on its U\$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. The bonds are still tradeable in the market and the Manager is currently awaiting for more details on the proposed debt restructuring and will continue to monitor the situation closely.

- **** 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 6.500% 16.7.2023. 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. The bonds are still tradeable in the market and the Manager is currently awaiting for more details on the proposed debt restructuring and will continue to monitor the situation closely.
- ***** 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. The bonds are still tradeable in the market and the Manager is monitoring the progress of the current liability management exercise closely.
- ***** 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.

***** Ukrainian Railways (UR) proposed to defer payments on all debt obligations by 24 months, and on 21 December 2022, the required majority of bondholders of UR's 2024 and 2026 bonds gave consent. The completed debt reprofiling has significantly eased UR's debt service needs until January 2025 and removes immediate pressure from the company's liquidity position. Contractual debt repayments have declined by over 90% over 2023 – 2024 to about U\$40M, from U\$627M before the restructuring. Despite liquidity relief, uncertainty remains with any escalation of war potentially further impacting the company. The Manager is currently awaiting for more details on the proposed debt restructuring and will continue to monitor the situation closely.

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	RM	RM	RM	%
4.65% Abu Dhabi National Energy Company - P.J.S.C 3.3.2022 (AA3)	10,000,000	10,224,418	10,224,144	5.57
4.30% Cagamas Berhad 27.10.2023 (AAA IS)	15,000,000	15,725,999	15,590,223	8.49
3.85% Hong Leong Assurance Berhad 31.1.2030 (AA3)	5,000,000	5,022,865	5,005,912	2.72
3.882% Malaysia Government 10.3.2022 (NR)	15,000,000	15,283,848	15,283,573	8.32

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	SGD	RM	RM	%
5.375% AIMS APAC REIT 31.12.2099 (NR)	250,000	793,423	799,357	0.43
2.90% Keppel Corporation Limited 31.12.2099 (NR)	250,000	2,523,924	762,869	0.41
3.80% Suntec Real Estate Investment Trust 31.12.2099 (NR)	250,000	780,649	765,067	0.42
3.30% Vertex Venture Holdings Ltd 28.7.2028 (NR)	250,000	780,961	770,925	0.42

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.40% 1MDB Global Investments Limited 9.3.2023 (NR)	1,000,000	4,138,929	4,168,819	2.27
2.615% AUB Sukuk Limited 9.9.2026 (BB+)	200,000	839,285	832,901	0.45
7.75% Aydem Yenilenebilir Enerji Anonim Sirketi 2.2.2027 (B+)	200,000	845,827	686,040	0.37
3.875% Bluestar Finance Holdings Limited 31.12.2099 (BBB)	600,000	2,460,676	2,560,932	1.39
3.425% CCCI Treasure Limited 31.12.2099 (Baa2)	200,000	814,435	847,249	0.46
7.75% Central China Real Estate Limited 24.5.2024 (B+)	200,000	820,718	403,556	0.22
5.375% China Aoyuan Group Limited 13.9.2022 (C)	400,000	1,709,195	365,192	0.20
8.50% China Aoyuan Group Limited 23.1.2022 (D)*	1,000,000	4,068,497	807,730	0.44
2.85% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A2)	600,000	2,490,904	2,535,102	1.38

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
2.45% China Overseas Grand Oceans Finance IV (Cayman) Limited 9.2.2026 (BBB)	200,000	810,771	795,929	0.43
2.95% Chinalco Capital Holdings Limited 24.2.2027 (A-)	200,000	824,895	828,109	0.45
4.25% Clean Renewable Power (Mauritius) Pte Ltd 25.3.2027 (BB-)	200,000	836,455	829,479	0.45
3.50% CNAC (HK) Finbridge Company Limited 19.7.2022 (A-)	600,000	2,460,709	2,543,766	1.38
3.125% Country Garden Holdings Company Limited 22.10.2025 (BBB-)	200,000	834,759	598,935	0.33
4.75% Country Garden Holdings Company Limited 25.7.2022 (BBB-)	800,000	3,375,067	3,162,945	1.72
5.375% Export Credit Bank of Turkey 24.10.2023 (B)	200,000	837,255	845,445	0.46
7.375% Fantasia Holdings Group Co., Limited 4.10.2021 (D) **	1,000,000	4,061,576	1,070,461	0.58
4.25% Future Diamond Limited 22.9.2022 (NR)	200,000	845,781	608,338	0.33

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.25% Gansu Provincial Highway Aviation Tourism Investment Group Co., Ltd 3.11.2023 (BBB+)	400,000	1,648,494	1,666,907	0.91
4.75% GMR Hyderabad International Airport Limited 2.2.2026 (Ba2)	200,000	812,011	813,039	0.44
3.75% HBIS Group Hong Kong Co., Limited 18.12.2022 (BBB+)	200,000	812,445	850,475	0.46
2.118% Huarong Finance 2017 Co., Ltd 27.4.2022 (BBB+)	200,000	791,950	840,048	0.46
3.75% Huarong Finance 2017 Co., Ltd 27.4.2022 (BBB+)	200,000	836,483	850,887	0.46
2.125% Huarong Finance 2019 Co., Ltd 30.9.2023 (BBB+)	200,000	829,281	815,210	0.44
1.613% Huarong Finance 2019 Co., Ltd 24.2.2023 (BBB+)	400,000	1,644,481	1,628,424	0.89
5.375% India Green Energy Holdings 29.4.2024 (Ba3)	250,000	1,077,564	1,075,975	0.59
7.375% Kondor Finance Plc 19.7.2022 (B)	400,000	1,672,570	685,801	0.37

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
5.20% KWG Group Holdings Limited 21.9.2022 (B+)	200,000	874,702	551,238	0.30
7.875% KWG Group Holdings Limited 1.9.2023 (B+)	400,000	1,756,261	859,131	0.47
7.50% LMIRT Capital Pte Ltd 9.2.2026 (B+)	200,000	810,680	834,654	0.45
6.50% Logan Group Company Limited 16.7.2023 (BB-)	600,000	2,529,830	826,088	0.45
7.25% MC Brazil Downstream Trading S.A R.L. 30.6.2031 (BB-)	200,000	850,109	780,275	0.42
6.50% New Metro Global Limited 20.5.2022 (BB+)	200,000	847,643	705,546	0.38
4.125% NWD Finance (BVI) Limited 31.12.2099 (NR)	200,000	834,189	798,735	0.43
4.875% Oman Sovereign Sukuk SAOC 15.6.2030 (BB-)	200,000	832,437	887,699	0.48
7.50% Pakistan Water and Power Development Authority 4.6.2031 (B-)	200,000	841,611	720,139	0.39
4.25% Parkway Pantai Limited 27.7.2022 (NR)	445,000	1,859,949	1,856,043	1.01

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.90% Powerlong Real Estate Holdings Limited 13.4.2022 (B+)	200,000	857,747	746,755	0.41
7.125% Powerlong Real Estate Holdings Limited 8.11.2022 (B2)	400,000	1,773,851	1,153,672	0.63
4.25% PT Adaro Indonesia 31.10.2022 (BBB-)	750,000	3,164,202	3,136,882	1.71
4.45% PT Saka Energi Indonesia 5.5.2024 (B+)	600,000	2,380,077	2,475,025	1.35
2.05% PT Sarana Multi Infrastruktur (Persero) 11.5.2026 (BBB)	200,000	796,799	777,203	0.42
7.875% Rail Capital Markets Plc 15.7.2026 (B)*****	200,000	846,244	348,320	0.19
6.25% Republic of Turkey 26.9.2022 (B+)	200,000	850,369	869,126	0.47
3.90% Republic of Uzbekistan 19.10.2031 (BB-)	200,000	858,817	725,740	0.40
7.875% RKP Overseas 2019 (A) Limited 1.2.2023 (Ba3)	1,000,000	4,337,925	3,824,916	2.08
8.10% Ronshine China Holdings Limited 9.6.2023 (B-)	200,000	771,588	216,891	0.12

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
0.946% SA Global Sukuk Limited 17.6.2024 (A)	200,000	825,332	813,295	0.44
11.50% Scenery Journey Limited 24.10.2022 (C)	400,000	1,039,449	170,894	0.09
6.45% Seazen Group Limited 11.6.2022 (Ba2)	200,000	809,639	672,899	0.37
4.80% Shandong Iron and Steel Xinheng International Company Limited 28.7.2024 (NR)	200,000	848,692	848,137	0.46
6.125% Shimao Group Holdings Limited 21.2.2024 (B-)	200,000	879,552	260,531	0.14
3.29% Sime Darby Plantation Global Berhad 29.1.2023 (BBB)	700,000	2,955,805	2,950,372	1.60
6.50% SMC Global Power Holdings Corp. 25.4.2024 (NR)	200,000	853,353	840,459	0.46
4.25% SSG Resources Limited 4.10.2022 (A-)	200,000	860,806	862,810	0.47
7.25% Sunac China Holdings Limited 14.6.2022 (B2)	400,000	1,686,738	1,142,163	0.62
7.95% Sunac China Holdings Limited 8.8.2022 (B2)	200,000	836,321	516,175	0.28

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
8.35% Sunac China Holdings Limited 19.4.2023 (B2)	200,000	764,171	378,157	0.21
5.30% Times China Holdings Limited 20.4.2022 (BB-)	400,000	1,691,418	1,318,444	0.72
5.55% Times China Holdings Limited 4.6.2024 (B)	200,000	840,075	355,328	0.19
5.25% Turkey Garanti Bank Inc. 13.9.2022 (B2)	200,000	852,154	869,890	0.47
5.50% Turkiye Is Bankasi Anonim Sirketi 21.4.2022 (B)	200,000	842,701	857,663	0.47
0.00% United States of America 17.3.2022 (NR)	1,000,000	4,184,357	4,195,934	2.28
2.375% United States of America 15.3.2022 (AAA)	2,500,000	10,589,698	10,613,128	5.78
2.95% Vigorous Champion International Limited 25.2.2031 (Baa2)	200,000	804,206	749,399	0.41
4.95% West China Cement Limited 8.7.2026 (BB)	200,000	840,506	761,396	0.41
4.00% Xi'An Municipal Infrastructure Construction Investment Group Corporation Ltd 24.6.2022 (BBB+)	400,000	1,668,348	1,701,553	0.93

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	USD	RM	RM	%
6.75% Yanlord Land (HK) Co., Ltd 23.4.2023 (Ba3)	200,000	867,407	835,214	0.45
6.80% Yanlord Land (HK) Co., Ltd 27.2.2024 (Ba3)	200,000	956,663	805,217	0.44
6.50% Zhenro Properties Group Limited 1.9.2022 (C)	200,000	856,450	123,479	0.07
7.10% Zhenro Properties Group Limited 10.9.2024 (C)	200,000	837,662	112,222	0.06
	<u>72,445,000</u>	<u>161,203,633</u>	<u>138,768,601</u>	<u>75.49</u>

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

(22,435,032)

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

138,768,601

- * China Aoyuan Group (the “Company”) failed to repay the principal of US\$188million bond that was due on 20 January 2022. In the Company’s announcement dated 19 January 2022, the Company indicated that overdue coupons and the subsequent USD bond principal of US\$500million due on 23 January 2022 will not be paid. Events of default have thus occurred across all of the Company’s offshore financial indebtedness. The Company has appointed Linklaters and Admiralty Harbour Capital Limited as its legal adviser and financial adviser to evaluate the liquidity position of the Group and formulate a restructuring plan that provides for a consensual resolution for all its stakeholders. The Manager is currently awaiting for more details on the proposed debt restructuring and will continue to monitor the situation closely.
- ** Fantasia Holdings Group Co., Limited (the “Company”) has failed to redeem US\$205.7 million bonds due on 4 October 2021. The bond default was unexpected by the market as the Company had assured investors that there was sufficient liquidity to cover the outstanding bond amount. The Company has announced on 8 October 2021 that they have appointed Sidley Austin and Houlihan Lokey (China) Limited as its legal adviser and financial adviser to assess the Group’s capital structure, evaluate the liquidity of the Group and explore all feasible solutions to ease the current liquidity issue and reach an optimal solution for all the stakeholders as soon as possible. The Manager is currently awaiting for more details on the proposed debt restructuring and will continue to monitor the situation closely.

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

	2023	2022
	%	%
Unquoted fixed income securities	4.20	4.91

7. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Bank balances with a licensed bank	7,759,607	15,870,444
Deposits with licensed financial institution	10,001,753	29,001,430
	<u>17,761,360</u>	<u>44,871,874</u>

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

	2023	2022
	RM	RM
- MYR	14,399,770	29,371,966
- SGD	64,964	33,181
- USD	3,296,626	15,466,727
	<u>17,761,360</u>	<u>44,871,874</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 follows:

	2023	2022
	%	%
Deposits with licensed financial institutions	<u>3.20</u>	<u>1.80</u>

The deposits have an average maturity of 6 days (2022: 7 days).

8. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 31 (2022: 29) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM184,460,413 (2022: RM152,715,553). The forward foreign currency contracts entered into during the financial year/period were for hedging against the currency exposure arising from the investment in the foreign unquoted fixed income securities denominated in USD and SGD. As the Fund has not adopted hedge accounting during the financial year/period, the change in the fair value of the forward foreign currency contracts is recognised immediately in the statement of comprehensive income.

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Forward foreign currency contracts	-	1,071,986
Financial liabilities at fair value through profit or loss:		
Forward foreign currency contracts	6,705,664	832,634
	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
	RM	RM
Net (loss)/gain on forward foreign currency contracts at fair value through profit or loss:		
Realised loss on forward foreign currency contracts	(119,250)	-
Unrealised (loss)/gain on forward foreign currency contracts	(6,945,016)	239,352
	<u>(7,064,266)</u>	<u>239,352</u>

Name of issuer	Receivables	Payables	Fair value as at 28.2.2023	Percentage of net asset value of the Fund
	RM	RM	RM	%
CIMB Bank Berhad	115,382,755	119,332,324	(3,949,569)	(2.20)
Hong Leong Bank Berhad	36,475,305	37,769,968	(1,294,663)	(0.72)
HSBC Bank Malaysia Berhad	32,602,353	34,063,785	(1,461,432)	(0.81)
	<u>184,460,413</u>	<u>191,166,077</u>	<u>(6,705,664)</u>	<u>(3.73)</u>

Name of issuer	Receivables	Payables	Fair value as at 28.2.2022	Percentage of net asset value of the Fund
	RM	RM	RM	%
CIMB Bank Berhad	90,240,895	90,163,955	76,940	0.04
Hong Leong Bank Berhad	36,475,305	36,128,419	346,886	0.19
HSBC Bank Malaysia Berhad	25,999,353	26,183,827	(184,474)	(0.10)
	<u>152,715,553</u>	<u>152,476,201</u>	<u>239,352</u>	<u>0.13</u>

9. UNITS IN CIRCULATION

	2023	2022
	No. of units	No. of units
At the beginning of the financial year/period	202,979,617	-
Creation of units arising from applications during the financial year/period	-	206,037,840
Cancellation of units during the financial year/period	(5,851,184)	(3,058,223)
At the end of the financial year/period	<u>197,128,433</u>	<u>202,979,617</u>

10. 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 trades		of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
Wells Fargo Securities Llc	44,098,605	17.73	-	-
HSBC Holdings Plc	36,946,708	14.85	-	-
J.P. Morgan Securities Group	19,766,665	7.95	-	-
BNP Paribas Group	19,745,893	7.94	-	-
CIMB Bank Berhad, Singapore	15,027,300	6.04	-	-
UBS Group AG	13,647,199	5.49	-	-
Merrill Lynch International	11,791,054	4.74	-	-
Citigroup Global Markets Limited	11,311,072	4.55	-	-
Credit Agricole Corporate and Investment Bank	10,627,354	4.27	-	-
MarketAxess Capital Limited	8,283,308	3.33	-	-
Others	57,475,120	23.11	-	-
	<u>248,720,278</u>	<u>100.00</u>	-	-

Name of dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2022</u>				
HSBC Group	56,507,485	14.61	-	-
BNP Paribas S.A.	54,717,476	14.15	-	-
CIMB Bank Berhad	35,141,600	9.09	-	-
Hong Leong Bank Singapore	33,513,400	8.66	-	-
Citigroup Global Markets Limited	33,485,612	8.66	-	-
Nomura International Plc	29,941,387	7.74	-	-
Deutsche Bank Group	17,489,476	4.52	-	-
AmBank (M) Berhad	15,283,200	3.95	-	-
Goldman Sachs International London	14,715,067	3.80	-	-
J.P. Morgan Securities Group	13,671,166	3.53	-	-
Others	82,327,722	21.29	-	-
	<u>386,793,591</u>	<u>100.00</u>	-	-

All dealers highlighted above are not related to the Manager.

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
Prudential Plc	Ultimate holding company of the Manager

Units held by Manager:

	2023		2022	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	971	886	971	879

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.

12. TOTAL EXPENSE RATIO (“TER”)

	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
	%	%
TER	0.09	0.12

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/period calculated on a daily basis is RM178,798,388 (2022: RM200,798,210).

13. PORTFOLIO TURNOVER RATIO (“PTR”)

	Financial year ended 28.02.2023	Financial period from 26.10.2020 (date of launch) to 28.02.2022
PTR (times)	0.72	0.97

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year/period = RM235,810,544 (2022: RM363,176,480)

total disposals for the financial year/period = RM20,482,506 (2022: RM26,302,256)

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 20 April 2023.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED 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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ENQUIRIES

CLIENT SERVICES

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