

EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND

SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 31 MARCH 2024



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 31 March 2024.

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

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

Yours sincerely,

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

Yap Siok Hoon

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

Name of Fund	Eastspring Investments Islamic Equity Income Fund (the "Fund")
Fund Category / Type	Equity (Shariah)/income
Fund Objective	<p>The Fund seeks to provide a stable income* stream with medium to long-term capital growth.</p> <p>ANY MATERIAL CHANGES TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p> <p>* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is FTSE Bursa Malaysia EMAS Shariah Index ("FBMS").</p> <p>Source: www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Subject to the availability of income, distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.

KEY PERFORMANCE DATA FOR THE FINANCIAL PERIOD ENDED

Category	2024	2023	2022
	(%)	(%)	(%)
Quoted Shariah-compliant securities			
Construction	4.29	0.73	3.63
Consumer Products & Services	12.42	21.30	19.03
Energy	3.02	2.60	3.46
Financial Services	2.55	3.08	4.22
Health Care	7.72	1.05	1.11
Industrial Products & Services	10.30	10.72	14.11
Islamic Real Estate Investment Trust	4.17	3.77	3.96
Plantation	6.81	6.67	1.20
Property	4.71	3.40	4.55
Technology	7.88	6.22	10.97
Telecommunications & Media	9.55	12.47	11.41
Transportation & Logistics	2.36	3.24	2.92
Utilities	10.47	10.13	11.71
	86.25	85.38	92.28
Cash and other assets	13.75	14.62	7.72
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	2024	2023	2022
Net Asset Value (NAV) (RM'000)	23,005	20,178	17,846
Units In Circulation (Units '000)	41,837	39,162	32,246
Net Asset Value Per Unit (RM)	0.5499	0.5152	0.5534
Highest Net Asset Value Per Unit (RM)	0.5499	0.5331	0.5888
Lowest Net Asset Value Per Unit (RM)	0.4970	0.4825	0.5259
Total Return (%)			
- Capital Growth	9.76	5.10	(2.69)
- Income Distribution	-	-	-
Total Return (%)	9.76	5.10	(2.69)
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Total Expense Ratio (TER) (%)*	0.84	0.84	0.88
Portfolio Turnover Ratio (PTR) (times)^	0.32	0.08	0.22

* 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 1.4.2023 to 31.3.2024	3 years 1.4.2021 to 31.3.2024	Since commencement 29.4.2019 to 31.3.2024
	(%)	(%)	(%)

Average total return	11.73	1.31	5.55
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Year ended	1.10.2022 to 30.9.2023	1.10.2021 to 30.9.2022	1.10.2020 to 30.9.2021	1.10.2019 to 30.9.2020	Since commencement 29.4.2019 to 30.9.2019
	(%)	(%)	(%)	(%)	(%)

Annual total return	6.99	(10.19)	0.64	17.29	4.82
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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:

$$\begin{aligned} \text{Percentage growth} &= \frac{\text{NAV}_t}{\text{NAV}_0} - 1 \\ \text{NAV}_t &= \text{NAV at the end of the period} \\ \text{NAV}_0 &= \text{NAV at the beginning of the period} \\ \text{Performance annualised} &= (1 + \text{Percentage Growth})^{1/n} - 1 \\ &\quad \text{Adjusted for unit split and distribution paid out for the period} \\ n &= \text{Number of years} \end{aligned}$$

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

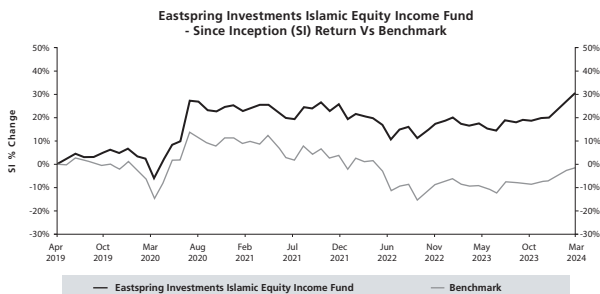
MANAGER'S REPORT

Fund Performance

Since inception, the Fund recorded a return of 30.49%, outperforming the benchmark return of -1.55% by 32.04%.

During the period under review, the Fund registered a return of 9.76%, outperforming the benchmark return of 7.07% by 2.69%.

The outperformance during the period under review was mainly attributed to positive Shariah-compliant stock selections. Performance contributors came from Fund's exposure to industrial and utilities sectors. Meanwhile, exposure to consumer and materials were detractors to the Fund's performance.



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

Benchmark: FTSE Bursa Malaysia EMAS Shariah Index ("FBMS")

Source: Lipper for Investment Management and www.bursamalaysia.com, as at 31 March 2024.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial period ended 31 March 2024:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	9.76	9.76	7.07

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

Distribution / Unit Split

No distribution or unit split were declared for the financial period ended 31 March 2024.

Investment Strategy During the Period Under Review

During the period under review, the Fund increased its position in selected healthcare and construction Shariah-compliant stocks, while reducing exposure to materials and consumer sectors.

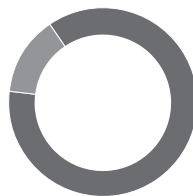
The Fund will continue to focus on strong fundamental Shariah-compliant stocks with sustainable earnings growth and good dividend yields.

Asset Allocation

Asset Allocation	31-Mar 2024	30-Sep 2023	Changes
	(%)	(%)	(%)
Quoted Shariah-compliant securities	86.25	90.96	(4.71)
Cash and other assets	13.75	9.04	4.71

Asset Allocation as at 31 March 2024

Cash and other assets
13.75%



Quoted Shariah-compliant securities
86.25%

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

MANAGER'S REPORT (CONTINUED)

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.

We have issued the Fourth Supplementary Prospectus dated 2 February 2024 with the following changes:

- a. To lower minimum initial and/or additional investments amount, minimum redemption and minimum holding units via our digital platform as well as on our distributor's digital platform;
- b. To only allow income distribution payments for investments via electronic bank transfer (e-payment);
- c. To implement auto-reinvestment of the income distributions in the absence of a registered bank account; and
- d. To implement auto-reinvestment enhancement for income distributions paid to unit holders should there be unclaimed income distribution payment for the last three (3) consecutive distributions.

With above, unit holders may refer to **Appendix 1** for the detailed list of changes.

MARKET REVIEW

Malaysian equities performed relatively well in the 4Q2023. October was a fairly eventful month, with the announcement of Budget 2024 which investors took to be fairly neutral. Within the Budget, subsidies are lower in 2024 at 10% of operating expenditures (versus 14% in 2023), and the announcement of additional infrastructure goodies were announced such as the restoration of LRT3 stations and extension of LRT to mainland. Not long after this, a slew of economic data released in the US, continued to highlight the strength of the US economy, withstanding the surge in interest rates thus far. Investors speculated that this would be a risk for the US Federal Reserve to remain hawkish on their interest rate policy, providing strength to the US Dollar. The MYR traded at Asian Financial Crisis lows at RM4.79/USD on the 24 October 2023, lowest level in more than 25 years. November was the results reporting month for 3Q2023. Generally, the results reported were weaker and missed expectations more than meet or beat. Those that had exposure to external demand for example tech, came in below, whilst many companies across a broad range of sectors continued to be impacted by cost pressures. Foreign investors turned net buyers of Malaysian equities in November of RM1.6b. December was a quiet month for Malaysian equities, with few events and announcements. However, during the month, the media reported on the proposal of the Johor-Singapore Special Economic Zone, with the MoU to be signed in January 2024. The Prime Minister announced the cabinet reshuffle mid-December, adding 5 new ministers appointed to his cabinet. The cabinet which had 28 ministers previously has been expanded to 31, with two ministerial portfolios split up and the appointment of a second Finance Minister. For December, we saw net foreign buying of RM0.3m for the second month in a row. However, Malaysia ended the year with net foreign outflows of RM2.4b. YTL Corp and YTL Power replaced Westports and Dialog as KLCI constituents effective 18 December 2023.

Malaysian equities started 2024 well, outperforming regional markets as one of the best performing markets. During January, the Johor-Singapore Special Economic Zone ("JS-SEZ") MoU was signed between Malaysia and Singapore. The agreement with details to develop the economic zone will be signed at the Malaysia-Singapore Leader's Retreat taking place end of 2024. The key initiatives mentioned as part of this SEZ include the formation of a one-stop business/investment services centre in Johor to facilitate the application process of various approvals and licences necessary for Singapore businesses to set up in Johor; an adoption/ implementation of a passport-free QR code clearance system on both sides; adoption of digitized processed for cargo clearance at land checkpoints; and facilitate the cooperation for renewable energy. On the 31 January 2024, Malaysia saw the installation of a new King, the Sultan of Johor, Sultan Ibrahim, with Sultan Nazrin (the ruler of the state of Perak) was re-elected as deputy King. The Malaysian equity markets continued its uptrend, reporting a gain for the second month in 2024, and has been reporting monthly gains for the last 5 consecutive months. The Lunar New Year holidays were in February, making a short month even shorter. February also saw corporate earnings reported which

were a bit mixed, with weak earnings from plantations and petrochemicals companies. The changes to the MSCI indices as a result of their quarterly index rebalance saw YTL Corp and YTL Power added to the MSCI Asia Pacific Index, whilst Dialog was deleted. The Malaysian Ringgit hit a 26-year low versus the US dollar during the month, at levels last seen during the Asian Financial Crisis. Taking a breather in March, the Malaysian equity markets, saw foreign investors become net sellers in March of RM2.8b, reversing 4 consecutive months net equity inflows.

The FBM KLCI closed the period under review at 1,536.07 points, higher by 7.9%. The FTSE Bursa Malaysia EMAS Shariah Index ("FBMS") closed the period under review higher by 9.3% while the MSCI Asia Pacific ex-Japan Index rose by 9.2% in USD terms.¹

¹ **Source:** Bloomberg: World indices

REBATES AND SOFT COMMISSIONS

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

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2024

STATEMENT BY THE MANAGER

We, Yap Siok Hoon and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying unaudited financial statements set out on pages 15 to 58 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 March 2024 and of its financial performance, changes in equity and cash flows for the six months financial period ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

YAP SIOK HOON
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 24 May 2024

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

We have acted as Trustee of the Fund for the financial period ended 31 March 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the period covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 24 May 2024

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund for the period covered by these financial statements namely, the semi-annual period ended 31 March 2024, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah-compliant.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

NURUL AQILA SUFIYAH LOKMAN
Designated Shariah Officer

Kuala Lumpur
Date: 24 May 2024

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2024

	Note	6-months financial period ended 31.3.2024	6-months financial period ended 31.3.2023
		RM	RM
INVESTMENT INCOME			
Gross dividend income		453,563	392,329
Profit income from Islamic deposits with licensed financial institutions		21,748	44,437
Net gain on financial assets at fair value through profit or loss	6	1,817,377	724,828
		<u>2,292,688</u>	<u>1,161,594</u>
EXPENSES			
Management fee	3	(166,125)	(148,056)
Trustee fee	4	(7,504)	(7,479)
Audit fee		(3,500)	(3,491)
Tax agent fee		(1,850)	(1,696)
Transaction costs		(46,039)	(12,526)
Other expenses		(8,201)	(6,571)
		<u>(233,219)</u>	<u>(179,819)</u>
PROFIT BEFORE TAXATION		2,059,469	981,775
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>2,059,469</u>	<u>981,775</u>
Profit after taxation is made up of the following:			
Realised amount		(431,066)	122,738
Unrealised amount		2,490,535	859,037
		<u>2,059,469</u>	<u>981,775</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION **AS AT 31 MARCH 2024**

	Note	2024	2023
		RM	RM
ASSETS			
Cash and cash equivalents	7	2,713,886	3,113,145
Financial assets at fair value through profit or loss	6	19,845,010	17,227,068
Amount due from Manager		158,177	63,028
Amount due from brokers		398,011	-
Dividends receivable		143,773	40,309
TOTAL ASSETS		23,258,857	20,443,550
LIABILITIES			
Accrued management fee		28,594	25,519
Amount due to Manager		36,669	28,051
Amount due to Trustee		1,270	1,274
Amount due to brokers		161,315	177,972
Other payables and accruals		25,824	33,153
TOTAL LIABILITIES		253,672	265,969
NET ASSET VALUE OF THE FUND		23,005,185	20,177,581
EQUITY			
Unit holders' capital		21,411,311	20,022,635
Retained earnings		1,593,874	154,946
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		23,005,185	20,177,581
NUMBER OF UNITS IN CIRCULATION	9	41,836,808	39,161,998
NET ASSET VALUE PER UNIT (RM)		0.5499	0.5152

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2024

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 October 2023	23,075,132	(465,595)	22,609,537
Movement in unit holders' contribution:			
Creation of units from applications	5,128,135	-	5,128,135
Cancellation of units	(6,791,956)	-	(6,791,956)
Total comprehensive income for the financial period	-	2,059,469	2,059,469
Balance as at 31 March 2024	21,411,311	1,593,874	23,005,185
Balance as at 1 October 2022	19,106,514	(826,829)	18,279,685
Movement in unit holders' contribution:			
Creation of units from applications	4,020,468	-	4,020,468
Cancellation of units	(3,104,347)	-	(3,104,347)
Total comprehensive income for the financial period	-	981,775	981,775
Balance as at 31 March 2023	20,022,635	154,946	20,177,581

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

UNAUDITED STATEMENT OF CASH FLOWS **FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Note	6-months financial period ended 31.3.2024	6-months financial period ended 31.3.2023
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		8,027,914	724,783
Purchase of Shariah-compliant investments		(5,892,129)	(2,187,109)
Dividends received		376,687	406,695
Profit income received from Islamic deposits with licensed financial institutions		21,748	44,437
Management fee paid		(165,200)	(145,052)
Trustee fee paid		(7,467)	(7,438)
Payment for other fees and expenses		(17,146)	(19,397)
Net cash generated from/(used in) operating activities		<u>2,344,407</u>	<u>(1,183,081)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		5,100,506	4,131,048
Payments for cancellation of units		(6,774,160)	(3,090,174)
Net cash (used in)/generated from financing activities		<u>(1,673,654)</u>	<u>1,040,874</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		670,753	(142,207)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD		<u>2,043,133</u>	<u>3,255,352</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD		<u>2,713,886</u>	<u>3,113,145</u>
	7		

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

MATERIAL ACCOUNTING POLICY INFORMATION

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2024

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements is in conformity with the MFRS and IFRS which 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 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 J.

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

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

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

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

B. INCOME RECOGNITION

Profit income earned from short-term Islamic deposits placed with licensed financial institutions is recognised on an accrual basis using the effective profit rate method.

Profit income is calculated by applying the effective profit 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 profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

Realised gain or loss on disposal of quoted Shariah-compliant securities is accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant securities, which is determined on a weighted average cost basis.

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 period.

D. FUNCTIONAL AND PRESENTATION CURRENCY

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

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity¹ securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

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

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

¹ For the purposes of the investments made by the Fund, equity refers to Shariah-compliant equity instruments.

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. Shariah-compliant investments are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

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

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

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

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

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

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

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

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

F. CASH AND CASH EQUIVALENTS

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

G. 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.

H. AMOUNT DUE FROM/(TO) BROKERS

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

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

If the credit risk increases to the point that it is considered to be credit impaired, profit 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.

I. TRANSACTION COSTS

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

J. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Fund makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal to 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 the Trustee 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 Shariah-compliant investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission's ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2024

1. INFORMATION ON THE FUND

Eastspring Investments Islamic Equity Income Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 26 December 2018 (the “Deed”) entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”), followed by First Supplemental Deed dated 20 May 2022 (collectively referred to as the “Deeds”).

The Fund was launched on 8 April 2019 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund invests in Shariah-compliant equities and Shariah-compliant equity-related securities of listed companies in Malaysia that have consistent track record of dividend distributions and prospect for capital growth or increase in future dividend distributions.

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

The Fund seeks to provide a stable income stream with medium to long-term capital growth.

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2024				
Cash and cash equivalents	7	2,713,886	-	2,713,886
Quoted Shariah-compliant securities	6	-	19,845,010	19,845,010
Amount due from Manager		158,177	-	158,177
Amount due from brokers		398,011	-	398,011
Dividends receivable		143,773	-	143,773
		<u>3,413,847</u>	<u>19,845,010</u>	<u>23,258,857</u>
2023				
Cash and cash equivalents	7	3,113,145	-	3,113,145
Quoted Shariah-compliant securities	6	-	17,227,068	17,227,068
Amount due from Manager		63,028	-	63,028
Dividends receivable		40,309	-	40,309
		<u>3,216,482</u>	<u>17,227,068</u>	<u>20,443,550</u>

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

Market risk

i. Price risk

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

The table below shows assets of the Fund as at 31 March which are exposed to price risk:

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted Shariah-compliant securities	19,845,010	17,227,068

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

% Change in price	Market value	Impact on profit after tax and net asset value
	RM	RM
<u>2024</u>		
+5%	20,837,261	992,251
-5%	18,852,760	(992,251)
<u>2023</u>		
+5%	18,088,421	861,353
-5%	16,365,715	(861,353)

ii. Exposure to 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.

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

The Fund is not exposed to cash flow interest rate risk as the Fund does not hold any financial instruments at variable profit rate.

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is an Islamic unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All investments carried out for the Fund including placements and deposits are in accordance with Shariah.

Stock/Issuer risk

The Fund is restricted to investment in Shariah-compliant securities issued by and Shariah-compliant securities relating to any issuer of not more than ten percent (10%) of its net asset value. Furthermore, the Fund is restricted to invest in Shariah-compliant securities issued by and Shariah-compliant securities relating to any group of companies of not more than twenty percent (20%) of its net asset value. Under such restrictions, the exposure risk to the Shariah-compliant securities of any single issuer or any one group of companies is minimised.

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 Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise bank balances, Islamic deposits with licensed financial institutions and other Shariah-compliant instruments which are capable of being converted into cash within 7 days.

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
2024			
Accrued management fee	28,594	-	28,594
Amount due to Manager	36,669	-	36,669
Amount due to Trustee	1,270	-	1,270
Amount due to brokers	161,315	-	161,315
Other payables and accruals	-	25,824	25,824
Contractual undiscounted cash outflows	227,848	25,824	253,672

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2023</u>			
Accrued management fee	25,519	-	25,519
Amount due to Manager	28,051	-	28,051
Amount due to Trustee	1,274	-	1,274
Amount due to brokers	177,972	-	177,972
Other payables and accruals	-	33,153	33,153
Contractual undiscounted cash outflows	232,816	33,153	265,969

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.

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund do not comply to the rules set out in the Fund's constitution or the laws that govern the Fund or applicable internal control procedures, or acts fraudulently or dishonestly.

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.

Shariah status reclassification risk

a. Shariah-compliant equity securities

The risk refers to the risk that the currently held Shariah-compliant equity securities in the Fund may be reclassified as Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council ("SAC") of the Securities Commission ("SC"). If this occurs, the Manager will take the necessary steps to dispose of such securities.

Opportunity loss could occur due to the restriction on the Fund to retain the excess capital gains derived from the disposal of the reclassified Shariah non-compliant securities. In such an event, the Fund is required:

- i. to dispose of such securities with immediate effect or within one (1) calendar month if the value of the securities exceeds or is equal to the investment cost on the effective date of reclassification of the list of Shariah-compliant securities ("Reclassification") by the SAC of the SC. The Fund is allowed to keep dividends received and capital gains from the disposal of the securities up to the effective date of Reclassification. However, any dividends received and excess capital gains from the disposal of the Shariah non-compliant securities after the effective date of Reclassification should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser;
- ii. to hold such securities if the value of the said securities is below the investment cost on the effective date of Reclassification until the total subsequent dividends received (if any) and the market price of the securities is equal to the cost of investment at which time disposal has to take place within one (1) calendar month, excess capital gains (if any) from the disposal of the securities should be channelled to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser; or
- iii. to dispose of such securities at a price lower than the investment cost which will result in a decrease in the Fund's value.

b. Islamic money market instruments or Islamic deposits

This risk refers to the risk of a possibility that the currently held Islamic money market instruments or Islamic deposits invested by the Fund may be declared as Shariah non-compliant by the relevant authority or the Shariah Adviser. If this occurs, the Manager will take the necessary steps to dispose of or withdraw such money market instruments or deposits.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM21,411,311 (2023: RM20,022,635) and retained earnings of RM1,593,874 (2023: RM154,946). 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 Shariah-compliant 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 profit income, principals and proceeds from realisation of Shariah-compliant investments.

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

The credit risk arising from placements of Islamic deposits with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions. For amount due from broker, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The credit/default risk is minimal as all transactions in quoted Shariah-compliant securities are settled/paid upon delivery using approved brokers.

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

	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Amount due from brokers	Total
	RM	RM	RM	RM	RM
<u>2024</u>					
Construction					
- NR	-	3,090	-	-	3,090
Consumer Products & Services					
- NR	-	45,442	-	-	45,442
Energy					
- NR	-	1,780	-	-	1,780
Financial Services					
- AAA	2,470,599	-	-	-	2,470,599
- AA1	243,287	-	-	-	243,287
- NR	-	4,283	-	-	4,283
Health Care					
- NR	-	7,510	-	-	7,510
Industrial Products & Services					
- NR	-	3,210	-	-	3,210
Property					
- NR	-	10,330	-	-	10,330
Technology					
- NR	-	4,007	-	-	4,007
Telecommunications & Media					
- NR	-	4,970	-	-	4,970
Utilities					
- NR	-	59,151	-	-	59,151
Other					
- NR	-	-	158,177	398,011	556,188
	<u>2,713,886</u>	<u>143,773</u>	<u>158,177</u>	<u>398,011</u>	<u>3,413,847</u>

	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2023</u>				
Consumer Products & Services				
- NR	-	2,183	-	2,183
Financial Services				
- AAA	3,030,224	-	-	3,030,224
- AA1	82,921	-	-	82,921
Property				
- NR	-	6,631	-	6,631
Technology				
- NR	-	3,909	-	3,909
Utilities				
- NR	-	27,586	-	27,586
Other				
- NR	-	-	63,028	63,028
	<u>3,113,145</u>	<u>40,309</u>	<u>63,028</u>	<u>3,216,482</u>

None of these financial assets are past due or impaired.

Fair value estimation

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

The fair value of financial assets traded in active market (such as trading quoted Shariah-compliant securities) are based on quoted market prices at the close of trading on the financial 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 take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

i. Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2024				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	19,845,010	-	-	19,845,010
2023				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	17,227,068	-	-	17,227,068

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

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

3. MANAGEMENT FEE

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

For the financial period ended 31 March 2024, the management fee is recognised at a rate of 1.50% (2023: 1.50%) per annum on the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

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

For the financial period ended 31 March 2024, the Trustee fee is recognised at a rate of 0.065% (2023: 0.065%) subject to a minimum fee of RM15,000 per annum on the net asset value of the Fund, calculated on daily basis.

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

5. TAXATION

	6-months financial period ended 31.3.2024	6-months financial period ended 31.3.2023
	RM	RM

Tax charged for the financial period:

Current taxation

-

-

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

	6-months financial period ended 31.3.2024	6-months financial period ended 31.3.2023
	RM	RM
Profit before taxation	2,059,469	981,775
Tax at Malaysian statutory rate of 24% (2023: 24%)	494,273	235,626
Tax effects of:		
Shariah-compliant investment income not subject to tax	(550,245)	(278,783)
Expenses not deductible for tax purposes	15,262	6,785
Restriction on the tax deductible expenses for Unit Trust Funds	40,710	36,372
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted Shariah-compliant securities	19,845,010	17,227,068
Net gain on financial assets at fair value through profit or loss:		
Realised loss on disposals	(673,158)	(134,209)
Change in unrealised fair value gain	2,490,535	859,037
	1,817,377	724,828

Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Berhad	118,780	506,635	625,971	2.72
Sunway Construction Group Berhad	124,000	241,915	362,080	1.57
	242,780	748,550	988,051	4.29

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Consumer Products & Services</u>				
Bermaz Auto Berhad	132,400	286,512	316,436	1.38
Fraser & Neave Holdings Berhad	9,100	232,066	266,266	1.16
Hong Leong Industries Berhad	85,800	875,502	880,308	3.83
MBM Resources Berhad	52,000	224,920	241,280	1.05
Mr D.I.Y. Group (M) Berhad	111,100	205,442	165,539	0.72
Oriental Food Industries Holdings Berhad	127,100	131,576	252,929	1.10
Sime Darby Berhad	192,200	434,199	499,720	2.17
Three-A Resources Berhad	253,000	260,013	232,760	1.01
	962,700	2,650,230	2,855,238	12.42
<u>Energy</u>				
Dialog Group Berhad	203,300	598,779	465,557	2.02
Hibiscus Petroleum Berhad	89,000	217,565	230,510	1.00
	292,300	816,344	696,067	3.02
<u>Financial Services</u>				
Bank Islam Malaysia Berhad	101,500	315,555	254,765	1.11
Bursa Malaysia Berhad	22,000	189,618	163,900	0.71
Syarikat Takaful Malaysia Keluarga Berhad	46,790	266,870	168,444	0.73
	170,290	772,043	587,109	2.55

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Health Care</u>				
Hartalega Holdings Berhad	85,000	228,334	233,750	1.02
IHH Healthcare Berhad	118,000	723,609	713,900	3.10
Kossan Rubber Industries Berhad	74,200	148,574	144,690	0.63
KPJ Healthcare Berhad	355,700	413,404	682,944	2.97
	632,900	1,513,921	1,775,284	7.72
<u>Industrial Products & Services</u>				
Ancom Nylex Berhad	151,904	170,448	151,904	0.66
HSS Engineers Berhad	211,000	215,814	244,760	1.06
KJTS Group Berhad	339,000	225,041	232,215	1.01
PETRONAS Chemicals Group Berhad	41,400	313,514	277,794	1.21
Scientex Berhad	53,000	236,018	217,830	0.95
Solarvest Holdings Berhad	186,000	228,780	288,300	1.25
Sunway Berhad	91,700	226,530	320,950	1.40
Uchi Technologies Berhad	162,300	495,347	634,593	2.76
	1,236,304	2,111,492	2,368,346	10.30
<u>Islamic Real Estate Investment Trust</u>				
Al-'Aqar Healthcare REIT	150,000	180,000	189,000	0.82
Axis Real Estate Investment Trust	86,065	151,915	155,778	0.68
KLCC Property Holding Berhad	82,400	652,275	614,704	2.67
	318,465	984,190	959,482	4.17

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Hap Seng Plantations Holdings Berhad	148,000	345,070	273,800	1.19
Kuala Lumpur Kepong Berhad	27,400	665,764	614,856	2.67
Sime Darby Plantation Berhad	157,500	689,595	678,825	2.95
	332,900	1,700,429	1,567,481	6.81
<u>Property</u>				
Matrix Concepts Holdings Berhad	305,900	403,224	550,620	2.39
S P Setia Berhad	200,200	211,629	294,294	1.28
UEM Sunrise Berhad	198,000	213,920	239,580	1.04
	704,100	828,773	1,084,494	4.71
<u>Technology</u>				
Frontken Corporation Berhad	116,000	379,412	450,080	1.96
Inari Amertron Berhad	150,400	399,355	485,792	2.11
ITMAX System Berhad	118,700	127,009	273,010	1.19
My E.G. Services Berhad	290,000	234,000	229,100	1.00
Unisem (M) Berhad	34,900	132,237	134,365	0.58
ViTrox Corporation Berhad	31,700	282,724	240,286	1.04
	741,700	1,554,737	1,812,633	7.88

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Telecommunications & Media</u>				
Axiata Group Berhad	99,400	397,457	267,386	1.16
CelcomDigi Berhad	151,100	657,320	633,109	2.75
Telekom Malaysia Berhad	137,852	726,470	832,626	3.62
TIME dotCom Berhad	89,500	445,446	463,610	2.02
	477,852	2,226,693	2,196,731	9.55
<u>Transportation & Logistics</u>				
MISC Berhad	70,900	472,902	543,803	2.36
<u>Utilities</u>				
Gas Malaysia Berhad	130,200	361,273	451,794	1.96
Tenaga Nasional Berhad	172,100	1,895,083	1,958,497	8.51
	302,300	2,256,356	2,410,291	10.47
TOTAL QUOTED SHARIAH - COMPLIANT SECURITIES	<u>6,485,491</u>	18,636,660	<u>19,845,010</u>	86.25
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,208,350</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>19,845,010</u>	

Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Berhad	35,865	123,031	146,329	0.73
<u>Consumer Products & Services</u>				
Bermaz Auto Berhad	162,400	351,432	375,144	1.86
DKSH Holdings (Malaysia) Berhad	73,900	343,049	347,330	1.72
Focus Point Holdings Berhad	100,000	100,000	121,000	0.60
Fraser & Neave Holdings Berhad	7,700	193,600	200,200	0.99
Guan Chong Berhad	64,000	177,190	154,880	0.77
Hong Leong Industries Berhad	109,600	1,118,357	986,400	4.89
InNature Berhad	210,200	129,232	122,967	0.61
Mr D.I.Y. Group (M) Berhad	74,100	154,665	114,855	0.57
Nestle (Malaysia) Berhad	2,500	361,761	342,750	1.70
Oriental Food Industries Holdings Berhad	264,100	273,401	301,074	1.49
Padini Holdings Berhad	76,800	243,124	306,432	1.52
Power Root Berhad	97,000	189,538	205,640	1.02
Sime Darby Berhad	179,200	406,485	385,280	1.91
Three-A Resources Berhad	253,000	260,013	217,580	1.08
UMW Holdings Berhad	30,000	114,381	115,500	0.57
	1,704,500	4,416,228	4,297,032	21.30
<u>Energy</u>				
Dayang Enterprise Holdings Berhad	100,400	151,486	134,536	0.67
Dialog Group Berhad	165,300	550,846	390,108	1.93
	265,700	702,332	524,644	2.60

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Financial Services</u>				
Bank Islam Malaysia Berhad	151,500	471,000	325,725	1.61
Bursa Malaysia Berhad	22,000	189,618	140,580	0.70
Syarikat Takaful Malaysia Keluarga Berhad	46,790	266,870	155,343	0.73
	220,290	927,488	621,648	3.08
<u>Health Care</u>				
Duopharma Biotech Berhad	135,193	345,580	210,901	1.05
<u>Industrial Products & Services</u>				
PETRONAS Chemicals Group Berhad	81,400	616,426	575,498	2.85
Press Metal Aluminium Holdings Berhad	134,000	615,098	652,580	3.23
Scientex Berhad	39,000	180,858	134,550	0.67
SKP Resources Berhad	157,000	245,315	196,250	0.97
Uchi Technologies Berhad	125,300	351,787	405,972	2.01
V.S. Industry Berhad	249,000	262,967	200,445	0.99
	785,700	2,272,451	2,165,295	10.72
<u>Islamic Real Estate Investment Trust</u>				
AME Real Estate Investment Trust	24,000	27,120	28,320	0.14
Axis Real Estate Investment Trust	85,612	151,145	160,951	0.80
KLCC Property Holding Berhad	83,400	664,055	571,290	2.83
	193,012	842,320	760,561	3.77

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Hap Seng Plantations Holdings Berhad	94,000	240,162	165,440	0.82
IOI Corporation Berhad	50,800	208,263	193,548	0.96
Kuala Lumpur Kepong Berhad	23,200	578,249	482,096	2.39
Sime Darby Plantation Berhad	118,000	523,457	503,860	2.50
	286,000	1,550,131	1,344,944	6.67
<u>Property</u>				
Matrix Concepts Holdings Berhad	243,900	310,844	353,655	1.75
S P Setia Berhad	115,000	132,752	68,425	0.34
S P Setia Berhad (Preference Share)	77,050	29,279	26,968	0.13
Sime Darby Property Berhad	492,000	299,080	238,620	1.18
	927,950	771,955	687,668	3.40
<u>Technology</u>				
Genetec Technology Berhad	70,700	191,938	190,890	0.95
Inari Amertron Berhad	177,700	450,223	437,142	2.17
ITMAX System Berhad	151,700	162,319	204,795	1.01
Malaysian Pacific Industries Berhad	4,000	140,317	115,840	0.57
Oppstar Berhad	31,000	66,272	66,030	0.33
Unisem (M) Berhad	18,900	80,237	58,590	0.29
ViTrox Corporation Berhad	22,700	210,724	181,146	0.90
	476,700	1,302,030	1,254,433	6.22

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Telecommunications & Media</u>				
Axiata Group Berhad	155,400	621,376	467,754	2.32
CelcomDigi Berhad	153,500	668,815	666,190	3.30
Maxis Berhad	89,200	431,670	368,396	1.83
Telekom Malaysia Berhad	82,652	410,740	404,995	2.01
TIME dotCom Berhad	109,500	544,987	607,725	3.01
	590,252	2,677,588	2,515,060	12.47
<u>Transportation & Logistics</u>				
Malaysia Airports Holdings Berhad	20,800	144,177	141,232	0.70
MISC Berhad	70,900	472,903	511,898	2.54
	91,700	617,080	653,130	3.24
<u>Utilities</u>				
Gas Malaysia Berhad	207,000	574,375	654,120	3.24
PETRONAS Gas Berhad	25,000	418,288	412,000	2.04
Tenaga Nasional Berhad	106,100	1,307,794	979,303	4.85
	338,100	2,300,457	2,045,423	10.13
TOTAL QUOTED SHARIAH - COMPLIANT SECURITIES	<u>6,050,962</u>	18,848,671	<u>17,227,068</u>	85.38
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		(1,621,603)		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>17,227,068</u>	

7. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Bank balance with a licensed bank	243,287	82,921
Islamic deposits with licensed financial institution	2,470,599	3,030,224
	<u>2,713,886</u>	<u>3,113,145</u>

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

	2024	2023
	%	%
Islamic deposits with licensed financial institution	<u>2.95</u>	<u>2.70</u>

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

8. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant, which comprises:

- Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia;
- Collective investment schemes which have been verified as Shariah-compliant by the Shariah Adviser; and
- Cash placements and liquid assets in local market which are placed in Shariah-compliant instruments.

9. UNITS IN CIRCULATION

	2024	2023
	No. of units	No. of units
At the beginning of the financial period	45,130,572	37,292,966
Creation of units arising from applications during the financial period	9,935,990	7,920,389
Cancellation of units during the financial period	(13,229,754)	(6,051,357)
At the end of the financial period	<u>41,836,808</u>	<u>39,161,998</u>

10. TRANSACTIONS WITH BROKERS

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

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2024</u>				
Citigroup Global Markets (M) Sdn Bhd	2,985,467	20.79	5,672	20.76
RHB Investment Bank Berhad	2,081,556	14.49	3,955	14.48
CLSA Securities Malaysia Sdn Bhd	1,765,244	12.29	3,354	12.28
Kenanga Investment Bank Berhad	1,077,226	7.50	2,047	7.49
Maybank Investment Bank Berhad	1,016,815	7.08	1,937	7.09
KAF Equities Sdn Bhd	973,302	6.78	1,849	6.77
UBS Securities Malaysia Sdn Bhd	840,434	5.85	1,597	5.85
AmlInvestment Bank Berhad	741,831	5.17	1,410	5.16
UOB Kay Hian Securities (M) Sdn Bhd	701,499	4.88	1,333	4.88
Macquarie Capital Securities (M) Sdn Bhd	694,641	4.84	1,320	4.83
Others	1,483,168	10.33	2,842	10.41
	14,361,183	100.00	27,316	100.00

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
Macquarie Capital Securities (M) Sdn Bhd	390,183	12.82	745	10.06
UBS Securities Malaysia Sdn Bhd	360,741	11.85	694	9.37
CGS – CIMB Securities Sdn Bhd	352,759	11.59	1,985	26.79
CLSA Securities Malaysia Sdn Bhd	335,558	11.03	962	12.98
Affin Investment Berhad	256,867	8.43	510	6.89
RHB Investment Bank Berhad	233,874	7.69	455	6.14
Maybank Investment Bank Berhad	180,653	5.94	284	3.83
UOB Kay Hian Securities (M) Sdn Bhd	165,788	5.45	315	4.25
J.P. Morgan Securities (Malaysia) Sdn Bhd	161,228	5.30	320	4.32
Citigroup Global Markets (M) Sdn Bhd	146,599	4.82	279	3.77
Others	458,735	15.08	860	11.60
	<u>3,042,985</u>	<u>100.00</u>	<u>7,409</u>	<u>100.00</u>

All brokers 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:

	2024		2023	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	2,373	1,305	2,267	1,168

The above units were transacted at the prevailing market price.

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

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

12. TOTAL EXPENSE RATIO ("TER")

	2024	2023
	%	%
TER	0.84	0.84

TER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

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

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM22,146,938 (2023: RM19,796,712).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2024	2023
PTR (times)	0.32	0.08

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial period = RM5,915,027 (2023: RM2,333,067)

total disposals for the financial period = RM8,453,008 (2023: RM734,573)

14. APPROVAL OF FINANCIAL STATEMENTS

The unaudited financial statements have been approved for issue by the Manager on 24 May 2024.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

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NAME

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SHARIAH ADVISER

NAME

BIMB SECURITIES SDN BHD

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6088-238 613

ENQUIRIES

CLIENT SERVICES
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APPENDIX 1 – LIST OF CHANGES FOR EASTSPRING INVESTMENTS ISLAMIC EQUITY INCOME FUND

Unless otherwise stated, the following changes are affected via the Fourth Supplementary Prospectus dated 2 February 2024.

Section	Current disclosure in the First Prospectus dated 8 April 2019, the First Supplementary Prospectus dated 8 April 2019, the Second Supplementary Prospectus dated 1 August 2019 and the Third Supplementary Prospectus dated 30 September 2022	Revised disclosure in the Fourth Supplementary Prospectus dated 2 February 2024
Transaction Information – Transaction Details	<p><u>5th paragraph:</u></p> <p>The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time. Should the Manager decide to increase the minimum amounts and number of units as stipulated under the transaction details section, the Manager shall notify the unit holders by way of a letter prior to the effective date of such change.</p>	<p><u>5th paragraph:</u></p> <p>The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time. Should the Manager decide to increase the minimum amounts and number of units as stipulated under the transaction details section, the Manager shall notify the Unit Holders by way of a letter <u>at least fourteen (14) days</u> prior to the effective date of such change. <u>Investments made via digital platforms may have a lower minimum initial investment, minimum additional investment amount, minimum redemption and/or minimum holdings of Units of the Fund, subject to the respective digital platforms' terms and conditions, which may be amended from time to time.</u></p>

Section	Current disclosure in the First Prospectus dated 8 April 2019, the First Supplementary Prospectus dated 8 April 2019, the Second Supplementary Prospectus dated 1 August 2019 and the Third Supplementary Prospectus dated 30 September 2022	Revised disclosure in the Fourth Supplementary Prospectus dated 2 February 2024
Transaction Information – Income Reinvestment Policy	<p><u>2nd paragraph:</u></p> <p>Should a Unit Holder elect the mode of distribution in the master account opening from or provide any written instruction to the Manager, the income distribution proceeds will be credited into the bank account located in Malaysia via telegraphic or online transfer at the cost and expense of the Unit Holder.</p> <p><u>3rd paragraph:</u></p> <p>The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete.</p>	<p><u>2nd paragraph:</u></p> <p>Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager for the income distribution to be paid out, the income distribution proceeds <u>will be paid via e-payment ONLY (i.e. income distribution proceeds will be credited to a Malaysian domiciled bank account via telegraphic or online transfer).</u> Any fees or charges imposed by the bank will be borne by the Unit Holder.</p> <p><u>3rd paragraph:</u></p> <p>The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete. <u>In the absence of a registered bank account, the distribution (if any) will be reinvested.</u></p>
Transaction Information – Auto Reinvestment Policy	<p>Not applicable.</p>	<p>(added)</p> <p><u>2nd Paragraph:</u></p> <p>The Manager reserves the right to change the income distribution instruction to “reinvestment” if the Unit Holder did not claim the income distribution payment for the last three (3) consecutive distributions.</p>

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