

# EASTSPRING INVESTMENTS TARGET INCOME FUND 10

## SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD  
ENDED 30 NOVEMBER 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 Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 November 2024.**

You may also download these reports from our website at [www.eastspring.com/my](http://www.eastspring.com/my)

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

Yours sincerely,

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

**YAP SIOK HOON**

Executive Director/Chief Executive Officer

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## FUND INFORMATION

<b>Name of Fund</b>	<p>Eastspring Investments Target* Income Fund 10 (the “Fund”)</p> <p>* The Fund aims (i.e.Target) to distribute income on an annual basis from coupon payments received from the bonds investments.</p>
<b>Fund Category/ Type</b>	<p>Bond (close-ended)/income</p>
<b>Fund Objective</b>	<p>The Fund endeavours to provide regular income** during the tenure of the Fund.</p> <p>** Income declared will be paid out by way of e-payment (i.e. telegraphic, online transfer or other forms of electronic payment) according to Unit Holders’ instructions in the account opening form.</p>
<b>Termination Date</b>	<p>17 June 2025</p>
<b>Duration of the Fund</b>	<p>Five (5) years close-ended bond fund.</p>
<b>Performance Benchmark</b>	<p>5-year Maybank fixed deposit rate as at Commencement Date.</p> <p>Please note that investors may obtain information on the benchmark from the Manager upon request.</p> <p>As the Fund will invest in local and foreign markets across various bonds of different ratings, the risk profile of the Fund is not the same as the risk profile of the performance benchmark.</p>
<b>Fund Income Distribution Policy</b>	<p>Subject to the availability of income, distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.</p>

## KEY PERFORMANCE DATA FOR THE FINANCIAL PERIOD ENDED

Category	2024	2023	2022
	(%)	(%)	(%)
Unquoted fixed income securities	77.82	99.29	86.69
Derivatives	(1.41)	(0.26)	(1.16)
Cash and other assets	23.59	0.97	14.47
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Net Asset Value (NAV) (RM'000)	97,792	103,849	115,778
Units In Circulation (Units '000)	111,683	121,963	136,695
Net Asset Value Per Unit (RM)	0.8756	0.8515	0.8470
Highest Net Asset Value Per Unit (RM)	0.8847	0.8526	0.8680
Lowest Net Asset Value Per Unit (RM)	0.8700	0.8387	0.8053
Total Return (%)			
- Capital Growth	(0.58)	0.45	(2.25)
- Income Distribution	-	-	-
Total Return (%)	(0.58)	0.45	(2.25)
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Total Expense Ratio (TER) (%)*	0.26	0.27	0.26
Portfolio Turnover Ratio (PTR) (times)^	0.35	0.33	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 1.12.2023 to 30.11.2024	3 years 1.12.2021 to 30.11.2024	Since commencement 18.6.2020 to 30.11.2024
	(%)	(%)	(%)
Average total return	2.83	(1.92)	(2.27)

Year ended	1.6.2023 to 31.5.2024	1.6.2022 to 31.5.2023	1.6.2021 to 31.5.2022	Since commencement 18.6.2020 to 31.5.2021
	(%)	(%)	(%)	(%)
Annual total return	3.89	(2.17)	(13.65)	3.48

**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<sub>t</sub> = NAV at the end of the period  
NAV<sub>0</sub> = 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.**

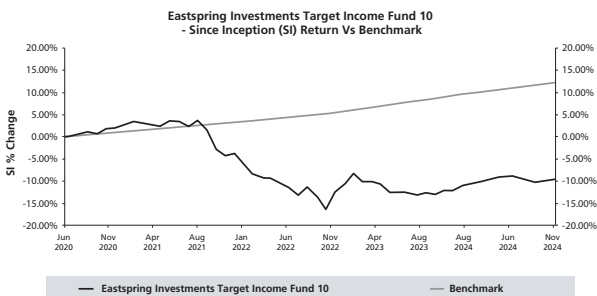
# MANAGER'S REPORT

## Fund Performance

Since inception, the Fund registered a return of -9.71%, underperforming the benchmark return of 12.13% by 21.84%.

For the period under review, the Fund registered a return of -0.58%, underperforming the benchmark return of 1.31% by 1.89%.

The Fund's financial and quasi-sovereign bond holdings, as well as mark to market currency hedges were key performance detractors during the period under review. Partially offsetting the negative effects, the Fund benefitted from exposures to Hong Kong TMT credits and Korean infrastructure bonds.



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

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

**Fund performance is sourced from Lipper for Investment Management, 30 November 2024 and the benchmark is obtainable from Eastspring Investments Berhad upon request.**

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

## MANAGER'S REPORT (CONTINUED)

### Analysis of Fund Performance

For the financial period ended 30 November 2024:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	(0.58)	(0.58)	1.31

\* 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 30 November 2024.

### Investment Strategy During the Period Under Review

As this is a close-ended bond fund, the Fund will be managed primarily with a semi-active management strategy. The Fund's bond investments will typically be held to maturity. At the maturity of these debt securities, their issuers will be obligated to repay the face value, provided that there is no event of default.

Nevertheless, the Fund Manager continues to monitor the Fund's investments, and may trade and rebalance its investments from time to time, for reasons such as the following:

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



## MANAGER'S REPORT (CONTINUED)

## Asset Allocation

Asset Allocation	30-Nov 2024 (%)	31-May 2024 (%)	Changes (%)
Unquoted fixed income securities	77.82	74.58	3.24
Derivatives	(1.41)	(0.18)	(1.23)
Cash and other assets	23.59	25.60	(2.01)

## Asset Allocation as at 30 November 2024



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

## State of Affairs of the Fund

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

## Cross-Trade Transaction

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

## MARKET REVIEW

The end of aggressive monetary policy tightening by global central banks on the heels of a more stable inflation outlook had generally created a favorable environment for bonds. During the period under review, yields on 2-year and 10-year Treasury notes declined by 72 bps and 32 bps to 4.17% and 4.19% respectively. Credit spreads tightened and the JP Morgan Asia Credit Index gained 4.9% over the six months period ending November.

The US economy had been resilient with consumption fueled by demand in the services sector. The manufacturing sector, however, was in a limbo as capital goods order and new manufacturing orders declined. Monetary policy turned more accommodative on the back of a broad decline in inflation and a weaker job market. In September, the US Federal Reserve reduced rates for the first time by 50 basis points, and lowered rates by 25 basis points in November. Republican presidential nominee Donald Trump won the US elections and the Republican party also gained control of the Senate, and held narrow control of the House of Representatives.

In China, economic growth decelerated from an annual growth rate of 4.7% in the second quarter to 4.6% in the third quarter. Consumer confidence remained weak driven by stagnant income growth and negative income expectations. Sentiment in real estate investments was also lackluster although property price declines had narrowed.

Overall, Asian bonds posted a decent return over the review period. High-yield bonds outperformed investment-grade counterparts. Sovereign bonds, corporates and quasi-sovereign notes were up 5.4%, 4.9% and 4.6% respectively. Among corporate names, infrastructure, consumer and financials were laggards. Nonetheless, metal & mining and real estate credits were the best performers within the corporate sector, supported by constructive technical factors such as buoyant investor demand.

## 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 10

## UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 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 12 to 64 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 30 November 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: 22 January 2025

## TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS TARGET INCOME FUND 10 ("Fund")

We have acted as Trustee of the Fund for the financial period ended 30 November 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: 22 January 2025

# UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

## FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2024

	Note	6-months financial period ended 30.11.2024	6-months financial period ended 30.11.2023
		RM	RM
<b>INVESTMENT (LOSS)/INCOME</b>			
Interest income from deposits			
with licensed financial institutions		227,106	74,158
Interest income from unquoted			
fixed income securities		2,044,745	2,573,602
Exit fee income		102,731	239,394
Net (loss)/gain on financial assets at			
fair value through profit or loss	6	(4,804,662)	858,309
Net gain/(loss) on forward foreign currency			
contracts	8	2,765,725	(2,270,167)
Net foreign currency exchange (loss)/gain		(411,070)	15,573
		<u>(75,425)</u>	<u>1,490,869</u>
<b>EXPENSES</b>			
Management fee	3	(199,977)	(213,728)
Trustee fee	4	(29,997)	(32,059)
Audit fee		(6,520)	(6,500)
Tax agent fee		(2,507)	(2,500)
Other expenses		(25,143)	(34,671)
		<u>(264,144)</u>	<u>(289,458)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(339,569)	1,201,411
<b>TAXATION</b>	5	<u>(250,133)</u>	<u>(774,107)</u>
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME</b>		<u>(589,702)</u>	<u>427,304</u>
(Loss)/profit after taxation is made up of the following:			
Realised amount		3,827,741	(10,970,065)
Unrealised amount		(4,417,443)	11,397,369
		<u>(589,702)</u>	<u>427,304</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 30 NOVEMBER 2024

	Note	2024	2023
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	7	22,313,390	1,114,251
Financial assets at fair value through profit or loss	6	76,112,703	103,112,906
Forward foreign currency contracts at fair value through profit or loss	8	462,355	363,985
Tax recoverable		806,892	-
<b>TOTAL ASSETS</b>		<u>99,695,340</u>	<u>104,591,142</u>
<b>LIABILITIES</b>			
Forward foreign currency contracts at fair value through profit or loss	8	1,842,175	631,995
Accrued management fee		32,163	34,044
Amount due to Trustee		4,824	5,107
Tax payable		-	51,974
Other payables and accruals		23,743	19,086
<b>TOTAL LIABILITIES</b>		<u>1,902,905</u>	<u>742,206</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>97,792,435</u>	<u>103,848,936</u>
<b>EQUITY</b>			
Unit holders' capital		116,022,876	124,964,631
Accumulated losses		(18,230,441)	(21,115,695)
<b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>97,792,435</u>	<u>103,848,936</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9	<u>111,682,752</u>	<u>121,963,474</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.8756</u>	<u>0.8515</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 CHANGES IN EQUITY

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2024

	Unit holders' capital	Accumulated losses	Total
	RM	RM	RM
Balance as at 1 June 2024	119,428,278	(17,640,739)	101,787,539
Movement in unit holders' contribution:			
Cancellation of units	(3,405,402)	-	(3,405,402)
Total comprehensive loss for the financial period	-	(589,702)	(589,702)
Balance as at 30 November 2024	<u>116,022,876</u>	<u>(18,230,441)</u>	<u>97,792,435</u>
Balance as at 1 June 2023	133,153,410	(21,542,999)	111,610,411
Movement in unit holders' contribution:			
Cancellation of units	(8,188,779)	-	(8,188,779)
Total comprehensive income for the financial period	-	427,304	427,304
Balance as at 30 November 2023	<u>124,964,631</u>	<u>(21,115,695)</u>	<u>103,848,936</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 CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2024

	Note	6-months financial period ended 30.11.2024	6-months financial period ended 30.11.2023
		RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		44,070,836	45,034,180
Payments for purchase of investments		(45,583,565)	(37,029,588)
Net realised gain/(loss) on forward foreign currency contracts		3,957,842	(10,119,218)
Interest income received from deposits with licensed financial institutions		227,106	74,158
Interest income received from unquoted fixed income securities		1,398,141	2,033,135
Exit fee income received		128,537	239,394
Management fee paid		(202,436)	(218,082)
Trustee fee paid		(30,366)	(32,712)
Payment for other fees and expenses		(37,024)	(55,074)
Tax paid		(310,315)	(911,410)
Net realised foreign currency exchange (loss)/gain		(411,070)	15,573
Net cash generated from/(used in) operating activities		<u>3,207,686</u>	<u>(969,644)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for cancellation of units		(4,265,598)	(8,354,622)
Net cash used in financing activities		<u>(4,265,598)</u>	<u>(8,354,622)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(1,057,912)	(9,324,266)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>			
		<u>23,371,302</u>	<u>10,438,517</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>			
	7	<u>22,313,390</u>	<u>1,114,251</u>

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 30 NOVEMBER 2024

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

### A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with the MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial 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 Fund will mature on 18 June 2025 in accordance with the provisions of the Deed. As such, the going concern assumption can no longer be used for the preparation of the financial statements. The financial statements have therefore been prepared using a non-going concern basis of accounting.

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

#### a. Standards and amendments to existing standards effective 1 January 2024:

There are no other standards, amendments to standards or interpretations that are effective for financial period beginning on 1 June 2024 that have a material effect on the financial statements of the Fund.

#### b. New standards, amendments and interpretations effective after 1 January 2024 and have not been early adopted:

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 June 2024 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

## **B. INCOME RECOGNITION**

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

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

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

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

## **C. TAXATION**

Tax expense for the period comprises current and deferred income tax.

Tax on investment income from foreign investments is based on the tax regime of the respective countries that the Fund invests in.

The income tax expense or credit for the year is the tax payable on the current period taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **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 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 to be measured at amortised cost

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents 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 Trustee and other payables and accruals as financial liabilities measured at amortised cost.

ii. Recognition and measurement

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

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

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

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

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

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

Unquoted fixed income securities are carried at cost and adjusted for any amortisation of premium or accretion of discount from acquisition date to maturity date. The carrying cost is revalued to reflect its fair value on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the Securities Commission as per the Securities Commission’s (“SC”) Guidelines on Unit Trust Funds. Unquoted fixed income securities denominated in foreign currencies are revalued on a daily basis by reference to the price obtained by Reuters. Where Reuters prices are not available on valuation day, these unquoted fixed income securities will be valued by reference to the average indicative yield quoted by three independent 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 securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using a non-BPA price or the Reuters price;
- (ii) obtains necessary internal approvals to use the non-BPA price or the Reuters price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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



vi. Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded 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 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 with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **H. UNIT HOLDERS' CAPITAL**

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

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

The outstanding units are carried at the redemption amount that is payable at each financial 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 brokers at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 months expected credit losses. Significant financial difficulties of the brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

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

**K. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

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

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

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

# NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

## FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 30 NOVEMBER 2024

### 1. INFORMATION ON THE FUND

Eastspring Investments Target Income Fund 10 (the “Fund”) was constituted pursuant to the execution of a Deed dated 17 March 2020 entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”).

The Fund was launched on 4 May 2020 and will continue its operations until terminated as provided under Part 12 of the Deed.

The Fund seeks to achieve its objective by investing in local and/or foreign debt securities. The Fund will invest a minimum of 70% of its NAV in local and/or foreign debt securities. Not more than 40% of the Fund’s NAV may be invested either in non-rated debt securities and/or debt securities rated below investment grade rating by RAM, MARC or other rating agencies (i.e. lower than BBB3 rating by RAM or below investment grade rating by other rating agencies) while the remainder will be invested in investment grade bonds. Additionally, up to 30% of the Fund’s NAV may be invested in liquid assets.

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 objective of the Fund.

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

### 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to market risk (inclusive of price risk, interest rate risk and foreign exchange/currency risk), country risk, fund management risk, liquidity risk, non-compliance risk, capital risk and credit/default risk.

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Total
		RM	RM	RM	RM
<u>2024</u>					
Cash and cash equivalents	7	22,313,390	-	-	22,313,390
Unquoted fixed income securities	6	-	76,112,703	-	76,112,703
Forward foreign currency contracts at fair value through profit or loss	8	-	462,355	(1,842,175)	(1,379,820)
		<u>22,313,390</u>	<u>76,575,058</u>	<u>(1,842,175)</u>	<u>97,046,273</u>
<u>2023</u>					
Cash and cash equivalents	7	1,114,251	-	-	1,114,251
Unquoted fixed income securities	6	-	103,112,906	-	103,112,906
Forward foreign currency contracts at fair value through profit or loss	8	-	363,985	(631,995)	(268,010)
		<u>1,114,251</u>	<u>103,476,891</u>	<u>(631,995)</u>	<u>103,959,147</u>

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

## Market risk

### i. Price risk

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

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss:		
Unquoted fixed income securities*	76,112,703	103,112,906

\* Includes interest receivable of RM994,911 (2023: RM1,423,757).

The following table summarises the sensitivity of the Fund's (loss)/profit after tax and net asset value to movements in prices of unquoted fixed income securities at the end of each financial reporting 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	2024		2023	
	Market value	Impact on loss after tax and net asset value	Market value	Impact on profit after tax and net asset value
	RM	RM	RM	RM
+5% (2023: +5%)	78,873,682	3,755,890	106,773,606	5,084,457
-5% (2023: -5%)	71,361,902	(3,755,890)	96,604,692	(5,084,457)

ii. Interest rate risk

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

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

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 (loss)/profit after tax and net asset value to movements in pricing of unquoted fixed income securities held by the Fund at the end of each financial reporting period as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

	<b>2024</b>	<b>2023</b>
<b>% Change in interest rate of unquoted fixed income securities</b>	<b>Impact on loss after tax and net asset value</b>	<b>Impact on profit after tax and net asset value</b>
	<b>RM</b>	<b>RM</b>
+1% (2023: +1%)	(46,116)	(69,531)
-1% (2023: -1%)	46,675	69,894

## iii. Foreign exchange/Currency risk

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

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

	Financial assets at fair value through profit or loss	Forward foreign currency contracts	Cash and cash equivalents	Total
	RM	RM	RM	RM
<u>2024</u>				
EUR	-	-	224	224
SGD	820,290	-	28,166	848,456
USD	75,292,413	(1,379,820)	367,599	74,280,192
	<u>76,112,703</u>	<u>(1,379,820)</u>	<u>395,989</u>	<u>75,128,872</u>
<u>2023</u>				
EUR	-	-	53	53
SGD	824,481	-	4,314	828,795
USD	102,288,425	(268,010)	833,055	102,853,470
	<u>103,112,906</u>	<u>(268,010)</u>	<u>837,422</u>	<u>103,682,318</u>

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

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

	Change in foreign exchange rate	Impact on (loss)/profit after tax	Impact on net asset value
	%	RM	RM
<u>2024</u>			
EUR	4.49	10	10
SGD	3.53	29,950	29,950
USD	5.55	4,122,551	4,122,551
<u>2023</u>			
EUR	4.28	2	2
SGD	2.78	23,041	23,041
USD	4.46	4,587,265	4,587,265

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

**Liquidity risk**

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

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

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

	<b>Less than 1 month</b>	<b>Between 1 month to 1 year</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>2024</b>			
Forward foreign currency contracts at fair value through profit or loss	674,685	1,167,490	1,842,175
Accrued management fee	32,163	-	32,163
Amount due to Trustee	4,824	-	4,824
Other payables and accruals	-	23,743	23,743
Contractual undiscounted cash outflows	<u>711,672</u>	<u>1,191,233</u>	<u>1,902,905</u>
<b>2023</b>			
Forward foreign currency contracts at fair value through profit or loss	-	631,995	631,995
Accrued management fee	34,044	-	34,044
Amount due to Trustee	5,107	-	5,107
Other payables and accruals	-	19,086	19,086
Contractual undiscounted cash outflows	<u>39,151</u>	<u>651,081</u>	<u>690,232</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 RM116,022,876 (2023: RM124,964,631) and accumulated losses of RM18,230,441 (2023: RM21,115,695). 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.

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

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

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

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

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Total
	RM	RM	RM
<b>2024</b>			
Financial Services			
- AAA	22,313,390	-	22,313,390
Unquoted Fixed Income Securities			
Air Transport			
- AA	-	894,094	894,094
Aluminium			
- BBB-	-	4,432,719	4,432,719
Banking			
- A+	-	900,047	900,047
- AA	-	4,618,861	4,618,861
- AA-	-	1,792,248	1,792,248
- BBB-	-	4,623,180	4,623,180
- NR	-	3,625,562	3,625,562
Building			
- AA	-	4,414,195	4,414,195
Conglomerate/Diverified			
- NR	-	820,290	820,290
Finance			
- A-	-	6,234,086	6,234,086
- A+	-	1,732,488	1,732,488
- A-2	-	3,504,821	3,504,821
- BB	-	1,747,676	1,747,676
- BBB	-	3,557,877	3,557,877
- NR	-	2,650,576	2,650,576
Oil and Gas			
- BBB-	-	2,656,129	2,656,129
- BBB+	-	4,491,831	4,491,831

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Total
	RM	RM	RM
<u>2024</u> (continued)			
Services			
- BB-	-	1,802,548	1,802,548
Telecommunications			
- BB	-	1,786,602	1,786,602
- BBB-	-	7,204,149	7,204,149
Transportation			
- BBB	-	9,003,791	9,003,791
Utilities-Diversified			
- BBB+	-	1,841,330	1,841,330
Utilities-Electric			
- BB	-	1,777,603	1,777,603
Forward Foreign Currency Contracts			
- AAA	-	462,355	462,355
	<u>22,313,390</u>	<u>76,575,058</u>	<u>98,888,448</u>



	Cash and cash equivalents	Financial assets at fair value through profit or loss	Total
	RM	RM	RM
<u>2023</u>			
Financial Services			
- AA1	1,114,251	-	1,114,251
Unquoted Fixed Income Securities			
Communications			
- A3	-	927,520	927,520
Consumer Discretionary			
- A+	-	868,575	868,575
- AA	-	974,504	974,504
- Baa1	-	933,247	933,247
- BB-	-	1,823,118	1,823,118
Energy			
- A-	-	915,731	915,731
- Ba1	-	1,135,039	1,135,039
- Ba3	-	1,153,804	1,153,804
- Baa3	-	6,581,780	6,581,780
- BBB-	-	1,880,743	1,880,743
- BBB+	-	3,479,630	3,479,630
- NR	-	1,843,173	1,843,173

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Total
	RM	RM	RM
<u>2023</u> (continued)			
Financials			
- A-	-	1,883,911	1,883,911
- A+	-	3,970,999	3,970,999
- A2	-	2,631,042	2,631,042
- A3	-	937,687	937,687
- AA+	-	5,826,995	5,826,995
- Aa3	-	5,774,154	5,774,154
- B	-	897,876	897,876
- Ba1	-	1,830,589	1,830,589
- Baa2	-	918,865	918,865
- Baa3	-	5,543,101	5,543,101
- BB+	-	1,613,001	1,613,001
- BBB-	-	3,745,371	3,745,371
- BBB+	-	2,790,972	2,790,972
- Caa1	-	657,918	657,918
- NR	-	623,155	623,155
Government			
- AA	-	2,728,617	2,728,617
- Baa3	-	934,337	934,337
- BB+	-	918,984	918,984
- BBB-	-	2,822,171	2,822,171
- BBB+	-	942,471	942,471
- F1+u	-	3,710,728	3,710,728
- NR	-	1,946,961	1,946,961
Industrials			
- Baa2	-	912,012	912,012
- Baa3	-	914,117	914,117
- BBB	-	3,798,772	3,798,772
- BBB-	-	4,617,868	4,617,868
- NR	-	7,123,658	7,123,658

	Cash and cash equivalents	Financial assets at fair value through profit or loss	Total
	RM	RM	RM
<u>2023</u> (continued)			
Materials			
- Baa1	-	934,050	934,050
- Baa2	-	1,829,477	1,829,477
- BBB+	-	1,387,126	1,387,126
Utilities			
- A+	-	869,250	869,250
- A2	-	1,821,313	1,821,313
- Ba2	-	1,810,926	1,810,926
- NR	-	927,568	927,568
Forward Foreign Currency Contracts			
- AAA	-	363,985	363,985
	1,114,251	103,476,891	104,591,142

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 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 period end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

i. Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2024</u>				
Financial assets at fair value through profit or loss:				
Unquoted fixed income securities	-	76,112,703	-	76,112,703
Forward foreign currency contracts	-	462,355	-	462,355
	-	76,575,058	-	76,575,058
Financial liabilities at fair value through profit or loss:				
Forward foreign currency contracts	-	(1,842,175)	-	(1,842,175)
<u>2023</u>				
Financial assets at fair value through profit or loss:				
Unquoted fixed income securities	-	103,112,906	-	103,112,906
Forward foreign currency contracts	-	363,985	-	363,985
	-	103,476,891	-	103,476,891
Financial liabilities at fair value through profit or loss:				
Forward foreign currency contracts	-	(631,995)	-	(631,995)

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 and all liabilities, except for forward foreign currency contracts are a reasonable approximation of their fair values due to their short-term nature.

### **3. MANAGEMENT FEE**

In accordance with the Deed, the Manager is entitled to a management fee at a rate not exceeding 0.40% per annum of the net asset value of the Fund accrued and calculated on a daily basis.

For the financial period ended 30 November 2024, the management fee is recognised at a rate of 0.40% (2023: 0.40%) per annum on the net asset value of the Fund, excluding foreign custodian charges, calculated on daily basis.

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

### **4. TRUSTEE FEE**

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.06% per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum (excluding foreign custodian fees and charges).

For the financial period ended 30 November 2024, the Trustee fee is recognised at a rate of 0.06% (2023: 0.06%) subject to a minimum fee of RM15,000 per annum on the net asset value of the Fund, excluding foreign custodian charges, calculated on daily basis.

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

## 5. TAXATION

	6-months financial period ended 30.11.2024	6-months financial period ended 30.11.2023
	RM	RM
Tax charged for the financial period:		
Current taxation	250,133	774,107

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

	6-months financial period ended 30.11.2024	6-months financial period ended 30.11.2023
	RM	RM
(Loss)/profit before taxation	(339,569)	1,201,411
Tax at Malaysian statutory rate of 24% (2023: 24%)	(81,497)	288,339
Tax effects of:		
Investment loss not deductible for tax purposes	268,235	416,298
Expenses not deductible for tax purposes	13,836	16,615
Restriction on tax deductible expenses for Unit Trust Funds	49,559	52,855
Taxation	250,133	774,107

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

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Unquoted fixed income securities	76,112,703	103,112,906
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised loss on disposals	(1,579,336)	(2,690,009)
Change in unrealised fair value (loss)/gain	(3,225,326)	3,548,318
	<u>(4,804,662)</u>	<u>858,309</u>

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2024	Percentage of net asset value of the Fund
	SGD	RM	RM	%

2.90% Keppel Limited 31.12.2099 (NR)	250,000	2,457,646	820,290	0.84
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Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%

4.00% Bharat Petroleum Corporation Limited 8.5.2025 (BBB-)	600,000	2,596,226	2,656,129	2.72
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Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.375% Bharti Airtel Limited 10.6.2025 (BBB-)	600,000	2,664,145	2,707,107	2.77
3.25% BOC Aviation Limited 29.4.2025 (A-)	200,000	868,965	883,619	0.90
3.08% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A-2)	200,000	824,667	882,197	0.90
4.00% Chouzhou International Investment Limited 18.2.2025 (BBB)	200,000	863,980	894,833	0.92
5.70% Export-Import Bank of India 11.3.2025 (BBB-)	1,000,000	4,935,373	4,623,180	4.73
3.875% GLP Pte Ltd 4.6.2025 (BB)	400,000	1,717,951	1,747,676	1.79
5.50% Greenko Wind Projects (Mauritius) Limited 6.4.2025 (BB)	400,000	1,802,203	1,777,603	1.82
1.507% Guangzhou Metro Investment Finance (BVI) Limited 17.9.2025 (A+)	200,000	832,751	864,697	0.88
3.625% HKT Capital No. 2 Limited 2.4.2025 (BBB)	600,000	2,603,577	2,663,044	2.72

## Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
1.70% Horse Gallop Finance Limited 28.7.2025 (A-2)	600,000	2,562,653	2,622,624	2.68
5.40% Kookmin Bank 12.1.2025 (NR)	800,000	3,795,659	3,625,562	3.71
5.51% Kookmin Bank 7.3.2025 (A+)	200,000	947,404	900,047	0.92
3.625% Korea Expressway Corporation 18.5.2025 (AA)	1,000,000	4,344,629	4,414,195	4.51
4.75% Korean Air Lines Co., Ltd 23.9.2025 (AA)	200,000	917,402	894,094	0.91
4.875% Melco Resorts Finance Limited 6.6.2025 (BB-)	400,000	1,757,569	1,802,548	1.84
4.75% Minmetals Bounteous Finance (BVI) Limited 30.7.2025 (A-)	200,000	864,508	899,957	0.92
3.625% MISC Capital Two (Labuan) Limited 6.4.2025 (BBB)	1,028,000	4,739,606	4,566,813	4.67
5.65% Network I2I Limited 31.12.2099 (BB)	400,000	1,882,735	1,786,602	1.83
3.50% Petronas Capital Limited 18.3.2025 (A-)	1,000,000	4,740,202	4,450,510	4.55

## Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
7.39% Power Sector Assets and Liabilities Management Corporation 2.12.2024 (BBB+)	400,000	1,779,425	1,841,330	1.88
4.75% PT Indonesia Asahan Aluminium (Persero) 15.5.2025 (BBB-)	1,000,000	4,572,964	4,432,719	4.53
4.25% PT Pelabuhan Indonesia (Persero) 5.5.2025 (BBB)	1,000,000	4,249,926	4,436,978	4.54
4.25% PT Tower Bersama Infrastructure TBK 21.1.2025 (BBB-)	1,000,000	4,634,600	4,497,042	4.60
4.125% Reliance Industries Limited 28.1.2025 (BBB+)	1,000,000	4,739,063	4,491,831	4.59
1.00% State Grid Overseas Investment (BVI) Limited 5.8.2025 (A+)	200,000	846,274	867,791	0.89
5.25% The Korea Development Bank 21.1.2025 (AA)	400,000	1,938,808	1,857,678	1.90
5.64% The Korea Development Bank 21.4.2025 (AA)	600,000	2,951,461	2,761,183	2.82
5.470% United Overseas Bank Limited 7.4.2025 (AA-)	400,000	1,760,901	1,792,248	1.83

## Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2024	Percentage of net asset value of the Fund
	USD	RM	RM	%
0.00% United States of America				
24.12.2024 (NR)	400,000	1,727,634	1,771,045	1.81
2.375% Wharf REIC Finance (BVI) Limited 7.5.2025 (NR)	200,000	923,490	879,531	0.90
	<u>17,078,000</u>	<u>78,844,397</u>	<u>76,112,703</u>	<u>77.82</u>

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

(2,731,694)

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

76,112,703

Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	SGD		RM	RM

2.90% Keppel Corporation Limited 31.12.2099 (NR)	250,000	2,480,232	824,481	0.79
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Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD		RM	RM

4.375% Baidu, Inc. 14.5.2024 (A3)	200,000	929,110	927,520	0.89
3.875% Canara Bank 28.3.2024 (Baa3)	400,000	1,694,093	1,857,437	1.79
3.425% CCCI Treasure Limited 21.11.2024 (Baa2)	200,000	852,479	912,012	0.88
3.85% Central Plaza Development Limited 14.7.2025 (BB+)	400,000	1,737,923	1,613,001	1.55
3.08% China Huaneng Group (Hong Kong) Treasury Management Holding Limited 31.12.2099 (A2)	200,000	825,306	893,879	0.86
4.10% Chinalco Capital Holdings Limited 11.9.2024 (BBB+)	300,000	1,295,722	1,387,126	1.34

## Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.00% Chouzhou International Investment Limited 18.2.2025 (Baa3)	200,000	858,046	914,117	0.88
3.97% CRCC Chengan Limited 27.6.2024 (Baa1)	200,000	857,746	933,247	0.90
4.30% Dianjian Haiyu Limited 20.6.2024 (BBB)	200,000	870,259	939,914	0.91
3.875% Export-Import Bank of India 12.3.2024 (Baa3)	200,000	926,125	934,337	0.90
6.07% Export-Import Bank of India 6.3.2024 (AA+)	800,000	3,754,467	3,890,763	3.75
4.974% GLP China Holdings Limited 26.2.2024 (NR)	600,000	2,640,985	2,589,876	2.49
3.875% GLP Pte Ltd 4.6.2025 (NR)	200,000	806,078	623,155	0.60
5.50% Greenko Wind Projects (Mauritius) Ltd 6.4.2025 (Ba2)	400,000	1,766,670	1,810,926	1.74
1.507% Guangzhou Metro Investment Finance (BVI) Limited 17.9.2025 (A+)	200,000	832,885	868,575	0.84
1.70% Horse Gallop Finance Limited 28.7.2025 (A2)	600,000	2,561,918	2,631,042	2.53

## Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
3.75% Huarong Finance 2019 Co., Ltd 29.5.2024 (Ba1)	400,000	1,814,425	1,830,589	1.76
5.375% India Green Energy Holdings 29.4.2024 (Ba3)	250,000	1,040,813	1,153,804	1.11
4.75% Indian Oil Corporation Limited 16.1.2024 (Baa3)	600,000	2,723,305	2,839,976	2.73
3.73% Indian Railway Finance Corporation Limited 29.3.2024 (BBB-)	400,000	1,782,283	1,862,863	1.79
5.40% Kookmin Bank 28.5.2024 (A+)	200,000	943,646	955,365	0.92
5.40% Kookmin Bank 22.1.2024 (NR)	400,000	1,820,500	1,946,961	1.87
5.343% Korea Development Bank 17.1.2024 (AA)	200,000	917,343	974,504	0.94
3.625% Korea Expressway Corporation 18.5.2025 (AA)	600,000	2,669,245	2,728,617	2.63
4.75% Korean Air Lines Co., Ltd 23.9.2025 (A2)	200,000	917,666	927,434	0.89
7.25% LMIRT Capital Pte Ltd 19.6.2024 (Caa1)	200,000	876,491	657,918	0.63
4.875% Melco Resorts Finance Limited 6.6.2025 (BB-)	400,000	1,712,390	1,823,118	1.76

## Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.75% Minmetals Bounteous Finance (BVI) Limited 30.7.2025 (Baa1)	200,000	883,358	934,050	0.90
3.625% MISC Capital Two (Labuan) Limited 6.4.2025 (BBB)	628,000	2,808,276	2,858,858	2.75
5.36% Nonghyup Bank 22.4.2024 (BBB-)	200,000	910,386	959,308	0.92
5.95% Nonghyup Bank 18.11.2024 (A+)	400,000	1,886,139	1,866,971	1.80
5.375% Oil India Limited 17.4.2024 (Baa3)	800,000	3,609,672	3,741,804	3.60
4.625% ONGC Videsh Limited 15.7.2024 (BBB-)	400,000	1,784,602	1,880,743	1.81
3.50% Petronas Capital Limited 18.3.2025 (A-)	200,000	908,389	915,731	0.88
3.25% Power Finance Corporation Limited 16.9.2024 (Baa3)	200,000	850,200	919,078	0.89
4.25% PT Adaro Indonesia 31.10.2024 (Ba1)	250,000	1,068,375	1,135,039	1.09
4.75% PT Indonesia Asahan Aluminium (Persero) 15.5.2025 (Baa2)	400,000	1,791,654	1,829,477	1.76



## Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.875% PT Pelabuhan Indonesia II (Persero) 1.10.2024 (NR)	800,000	3,739,364	3,709,301	3.57
5.125% PT Perusahaan Gas Negara TBK 16.5.2024 (NR)	200,000	933,610	927,568	0.89
4.45% PT Saka Energi Indonesia 5.5.2024 (NR)	400,000	1,850,571	1,843,173	1.77
4.25% PT Tower Bersama Infrastructure TBK 21.1.2025 (BBB-)	1,000,000	4,520,984	4,617,868	4.45
3.375% REC Limited 25.7.2024 (Baa3)	400,000	1,703,661	1,854,851	1.79
4.125% Reliance Industries Limited 28.1.2025 (BBB+)	750,000	3,498,150	3,479,630	3.35
4.20% Republic of The Philippines 21.1.2024 (BBB+)	200,000	893,053	942,471	0.91
3.766% RHB Bank Berhad 19.2.2024 (A3)	200,000	886,834	937,687	0.90
3.00% Rizal Commercial Banking Corporation 11.9.2024 (Baa3)	200,000	847,174	911,735	0.88
5.821% Shinhan Bank 24.5.2024 (Aa3)	200,000	908,254	932,091	0.90
4.80% Socialist Republic of Vietnam 19.11.2024 (BB+)	200,000	917,929	918,984	0.88

## Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
4.375% State Bank of India 24.1.2024 (BBB-)	200,000	893,036	943,824	0.91
4.875% State Bank of India 17.4.2024 (BBB-)	600,000	2,805,593	2,801,547	2.70
1.00% State Grid Overseas Investment (BVI) Limited 5.8.2025 (A+)	200,000	845,273	869,250	0.84
5.40% The Hong Kong Mortgage Corporation Limited 26.2.2024 (AA+)	400,000	1,913,650	1,936,232	1.86
4.90% The Hong Kong Mortgage Corporation Limited 21.2.2024 (Aa3)	1,000,000	4,532,155	4,818,789	4.64
0.00% United States of America 11.1.2024 (F1+u)	200,000	920,975	925,799	0.89
0.00% United States of America 23.1.2024 (F1+u)	200,000	934,074	924,174	0.89
0.00% United States of America 5.12.2023 (F1+u)	200,000	954,551	930,855	0.90
0.00% United States of America 12.12.2023 (F1+u)	200,000	952,154	929,900	0.90
3.625% Vigorous Champion International Limited 28.5.2024 (Baa2)	200,000	819,329	918,865	0.88

Unquoted fixed income securities (continued)

Name of counter	Nominal value	Aggregate cost	Fair value as at 30.11.2023	Percentage of net asset value of the Fund
	USD	RM	RM	%
6.00% Woori Bank 18.10.2024 (A+)	250,000	1,189,671	1,171,937	1.13
4.75% Woori Bank 30.4.2024 (BBB+)	600,000	2,561,662	2,790,972	2.70
4.30% Xi Yang Overseas Limited 5.6.2024 (A-)	400,000	1,764,031	1,883,911	1.82
6.80% Yanlord Land (HK) Co., Ltd 27.2.2024 (B)	200,000	864,763	897,876	0.87
	<u>22,478,000</u>	<u>102,059,703</u>	<u>103,112,906</u>	<u>99.29</u>

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

1,053,203

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

103,112,906

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:

	2024	2023
	%	%
Unquoted fixed income securities	<u>4.39</u>	<u>4.66</u>

## 7. CASH AND CASH EQUIVALENTS

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Bank balances with a licensed bank	1,952,016	1,114,251
Deposits with licensed financial institutions	20,361,374	-
	<u>22,313,390</u>	<u>1,114,251</u>

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
- EUR	224	53
- SGD	28,166	4,314
- MYR	21,917,401	276,829
- USD	367,599	833,055
	<u>22,313,390</u>	<u>1,114,251</u>

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

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
Deposits with licensed financial institutions	<u>3.40</u>	<u>-</u>

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

## 8. FORWARD FOREIGN CURRENCY CONTRACTS

As at the date of statement of financial position, there are 17 (2023: 23) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to RM54,430,920 (receivable) and RM55,810,740 (payable) (2023: RM80,517,685 (receivable) and RM80,785,695 (payable)). The forward foreign currency contracts entered into during the financial 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 period, the change in the fair value of the forward foreign currency contracts is recognised immediately in the statement of comprehensive income.

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Forward foreign currency contracts	462,355	363,985
Financial liabilities at fair value through profit or loss:		
Forward foreign currency contracts	1,842,175	631,995
	2024	2023
	RM	RM
Net gain/(loss) on forward foreign currency contracts at fair value through profit or loss:		
Realised gain/(loss) on forward foreign currency contracts	3,957,842	(10,119,218)
Unrealised (loss)/gain on forward foreign currency contracts	(1,192,117)	7,849,051
	2,765,725	(2,270,167)

## Forward foreign currency contracts

Name of issuer	Receivables	Payables	Fair value	Percentage
			as at 30.11.2024	of net asset value of the Fund
	RM	RM	RM	%
CIMB Bank Berhad	41,224,620	42,506,891	(1,282,271)	(1.31)
HSBC Bank Malaysia Berhad	8,188,500	7,976,668	211,832	0.22
Standard Chartered Bank Malaysia Berhad	5,017,800	5,327,181	(309,381)	(0.32)
	<u>54,430,920</u>	<u>55,810,740</u>	<u>(1,379,820)</u>	<u>(1.41)</u>

Name of issuer	Receivables	Payables	Fair value	Percentage
			as at 30.11.2023	of net asset value of the Fund
	RM	RM	RM	%
CIMB Bank Berhad	38,386,150	38,411,841	(25,691)	(0.03)
Hong Leong Bank Berhad	5,917,000	6,014,419	(97,419)	(0.09)
HSBC Bank Malaysia Berhad	36,214,535	36,359,435	(144,900)	(0.14)
	<u>80,517,685</u>	<u>80,785,695</u>	<u>(268,010)</u>	<u>(0.26)</u>

## 9. UNITS IN CIRCULATION

	2024	2023
	No. of units	No. of units
At the beginning of the financial period	115,572,285	131,664,222
Cancellation of units during the financial period	(3,889,533)	(9,700,748)
At the end of the financial period	<u>111,682,752</u>	<u>121,963,474</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		of total
	RM	%	RM	%
<b>2024</b>				
BofA Securities, Inc.	12,768,349	18.29	-	-
Nomura International Plc	9,682,588	13.87	-	-
HSBC Singapore	8,434,810	12.08	-	-
Morgan Stanley and Co. International Plc, London Branch	7,198,356	10.31	-	-
Marketaxess Capital Limited	6,677,759	9.56	-	-
UBS AG London	4,592,464	6.58	-	-
Merrill Lynch International (London)	4,463,246	6.39	-	-
Goldman Sachs International London	3,319,668	4.74	-	-
Credit Agricole Corporate and Investment Bank Australia and New Zealand	2,784,853	3.99	-	-
Banking Group Limited	2,748,513	3.94	-	-
Others	7,156,495	10.25	-	-
	<b>69,827,101</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

Name of dealers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total trades		of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
Deutsche Bank AG	7,215,470	12.02	-	-
BNP Paribas SA	6,545,853	10.91	-	-
Nomura International Plc	4,681,441	7.80	-	-
Citigroup Global Markets Limited	4,611,116	7.68	-	-
Marketaxess Capital Limited	4,606,527	7.68	-	-
Credit Agricole Corporate and Investment Bank	4,071,839	6.79	-	-
Wells Fargo Securities LLC	3,672,405	6.12	-	-
Morgan Stanley and Co. International Plc, London Branch	3,539,214	5.90	-	-
J.P. Morgan Securities Plc	3,009,980	5.02	-	-
HSBC Singapore	2,929,516	4.88	-	-
Others	15,123,326	25.20	-	-
	<u>60,006,687</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 of 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:

	No. of units	2024		2023	
		RM	No. of units	RM	
Eastspring Investments Berhad	1,000	876	1,000	852	

The above units were transacted at the prevailing market price.

The units are held legally 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”)**

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
TER	0.26	0.27

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 period calculated on a daily basis is RM99,724,538 (2023: RM106,902,390).

**13. PORTFOLIO TURNOVER RATIO (“PTR”)**

	<b>2024</b>	<b>2023</b>
PTR (times)	0.35	0.33

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 = RM45,583,565 (2023: RM36,101,568)

total disposals for the financial period = RM24,243,536 (2023: RM33,574,205)

#### **14. APPROVAL OF FINANCIAL STATEMENTS**

The unaudited financial statements have been approved for issue by the Manager on 22 January 2025.

# CORPORATE DIRECTORY

## **THE MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

Level 25, Menara Hong Leong

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BUSINESS OFFICE

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EMAIL

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## **TRUSTEE**

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COMPANY NO.

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