

# EASTSPRING INVESTMENTS JAPAN DYNAMIC MY FUND

## QUARTERLY REPORT

FOR THE FINANCIAL PERIOD FROM 1 JULY 2020  
TO 30 SEPTEMBER 2020



**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/Interim/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 September 2020.**

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 read 'Raymond Tang', with a stylized flourish at the end.

**Raymond Tang Chee Kin**

Non-Independent, Executive Director and Chief Executive Officer

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## FUND INFORMATION

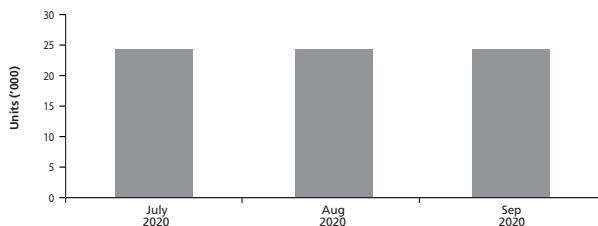
<b>Name of Fund</b>	Eastspring Investments Japan Dynamic MY Fund (the “Fund”)
<b>Fund Category/ Type</b>	Wholesale (feeder)/growth
<b>Fund Objective</b>	<p>The Fund aims to generate long-term capital appreciation by investing in the Eastspring Investments - Japan Dynamic Fund, which invests primarily<sup>^</sup> in securities of companies in Japan.</p> <p><sup>^</sup> primarily means at least 66% of the Target Fund’s net asset value.</p>
<b>Performance Benchmark</b>	<p>Morgan Stanley Capital International Japan Index (“MSCI Japan Index”) (Net)</p> <p><b>Source:</b> Eastspring Investments (Singapore) Limited and Bloomberg</p>
<b>Fund Income Distribution Policy</b>	Distribution of income (if any) is incidental.

## FUND INFORMATION (CONTINUED)

### Breakdown of Unit Holdings by Size

As at 30 September 2020, the size of Eastspring Investments Japan Dynamic MY Fund for JPY Class stood at 24,001 units, for USD Hedged-class stood at 488,867 units, for AUD Hedged-class stood 1,478,845 units and for RM Hedged-class stood at 37,554,716 units.

**Fund Size - JPY Class**



**Breakdown of Unit Holdings - JPY Class**

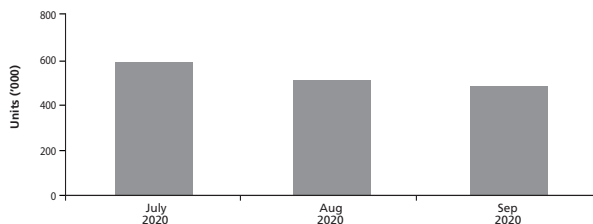
Unit Holdings	No. of Unit Holders	%	No. of Unit* ('000)	%
5,000 units and below	2	66.67	2	6.35
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	1	33.33	22	93.65
50,001 to 500,000 units	-	-	-	-
500,001 units and above	-	-	-	-
<b>Total</b>	<b>3</b>	<b>100.00</b>	<b>24</b>	<b>100.00</b>

\* excludes units held by the Manager.

## FUND INFORMATION (CONTINUED)

## Breakdown of Unit Holdings by Size (continued)

## Fund Size - USD Hedged-class



## Breakdown of Unit Holdings - USD Hedged-class

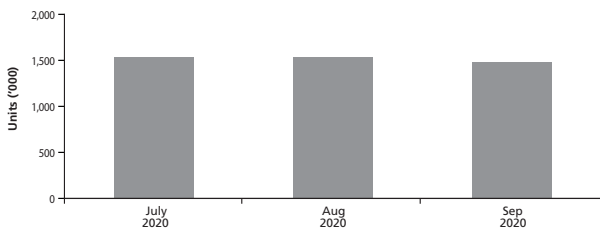
Unit Holdings	No. of Unit Holders	%	No. of Unit* ('000)	%
5,000 units and below	-	-	-	-
5,001 to 10,000 units	-	-	-	-
10,001 to 50,000 units	-	-	-	-
50,001 to 500,000 units	2	100.00	479	100.00
500,001 units and above	-	-	-	-
<b>Total</b>	<b>2</b>	<b>100.00</b>	<b>479</b>	<b>100.00</b>

\* excludes units held by the Manager.

## FUND INFORMATION (CONTINUED)

### Breakdown of Unit Holdings by Size (continued)

#### Fund Size - AUD Hedged-class



#### Breakdown of Unit Holdings - AUD Hedged-class

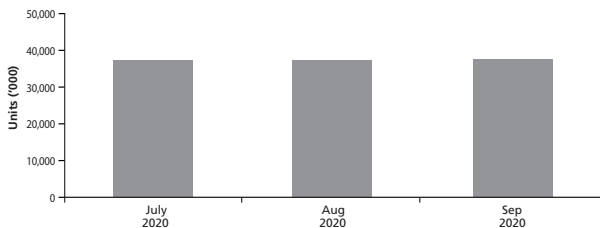
Unit Holdings	No. of Unit Holders	%	No. of Unit* ('000)	%
5,000 units and below	-	-	-	-
5,001 to 10,000 units	1	25.00	9	0.63
10,001 to 50,000 units	2	50.00	68	4.59
50,001 to 500,000 units	-	-	-	-
500,001 units and above	1	25.00	1,392	94.78
<b>Total</b>	<b>4</b>	<b>100.00</b>	<b>1,469</b>	<b>100.00</b>

\* excludes units held by the Manager.

## FUND INFORMATION (CONTINUED)

## Breakdown of Unit Holdings by Size (continued)

## Fund Size - RM Hedged-class



## Breakdown of Unit Holdings - RM Hedged-class

Unit Holdings	No. of Unit Holders	%	No. of Unit* ('000)	%
5,000 units and below	19	18.81	40	0.11
5,001 to 10,000 units	9	8.91	71	0.19
10,001 to 50,000 units	39	38.61	1,001	2.66
50,001 to 500,000 units	26	25.75	4,492	11.96
500,001 units and above	8	7.92	31,949	85.08
<b>Total</b>	<b>101</b>	<b>100.00</b>	<b>37,553</b>	<b>100.00</b>

\* excludes units held by the Manager.



# KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD/YEAR ENDED

Category	First quarter from 1.7.2020 to 30.9.2020	30.6.2020
	(%)	(%)
Collective investment scheme-Foreign	96.26	95.31
Derivatives	0.47	0.66
Cash and other assets	3.27	4.03
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
Net Asset Value (NAV) (JPY'000)		
JPY Class	20,753	20,173
RM Hedged-class	438,728	443,981
USD Hedged-class	23,188	27,271
AUD Hedged-class	49,217	53,108
Units In Circulation (Units '000)		
JPY Class	24	24
RM Hedged-class	37,555	39,455
USD Hedged-class	489	579
AUD Hedged-class	1,479	1,664
Net Asset Value Per Unit (JPY)		
JPY Class	864.7096	840.5274
RM Hedged-class	11.6824	11.2530
USD Hedged-class	47.4316	47.1368
AUD Hedged-class	33.2807	31.9202
Net Asset Value Per Unit in respective currencies		
JPY Class	864.7096	840.5274
RM Hedged-class	0.4597	0.4465
USD Hedged-class	0.4495	0.4370
AUD Hedged-class	0.4400	0.4296

## KEY PERFORMANCE DATA (CONTINUED)

Category	First quarter from 1.7.2020 to 30.9.2020	30.6.2020
Highest Net Asset Value Per Unit in respective currencies		
JPY Class	907.8666	1,101.8488
RM Hedged-class	0.4828	0.5905
USD Hedged-class	0.4719	0.5662
AUD Hedged-class	0.4627	0.5738
Lowest Net Asset Value Per Unit in respective currencies		
JPY Class	788.9397	687.6417
RM Hedged-class	0.4194	0.3662
USD Hedged-class	0.4103	0.3553
AUD Hedged-class	0.4029	0.3525
Capital Growth (%)		
JPY Class	2.88	(13.48)
RM Hedged-class	2.96	(13.60)
USD Hedged-class	2.86	(11.93)
AUD Hedged-class	2.42	(15.07)
Income Distribution (%)		
JPY Class	-	-
RM Hedged-class	-	-
USD Hedged-class	-	-
AUD Hedged-class	-	-
Total Return (%)		
JPY Class	2.88	(13.48)
RM Hedged-class	2.96	(13.60)
USD Hedged-class	2.86	(11.93)
AUD Hedged-class	2.42	(15.07)

## KEY PERFORMANCE DATA (CONTINUED)

Category	First quarter from 1.7.2020 to 30.9.2020	30.6.2020
Gross Distribution Per Unit in respective currencies		
JPY Class	-	-
RM Hedged-class	-	-
USD Hedged-class	-	-
AUD Hedged-class	-	-
Net Distribution Per Unit in respective currencies		
JPY Class	-	-
RM Hedged-class	-	-
USD Hedged-class	-	-
AUD Hedged-class	-	-
Management Expense Ratio (MER) (%) <sup>*</sup>	-	2.09
Portfolio Turnover Ratio (PTR) (times) <sup>^</sup>	-	0.46

<sup>\*</sup> There were no significant changes to the MER during the period under review.

<sup>^</sup> There were no significant changes to the PTR during the period under review.

## KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.10.2019 to 30.9.2020	3 years 1.10.2017 to 30.9.2020	5 years 1.10.2015 to 30.9.2020
	(%)	(%)	(%)
Average total return			
JPY Class	(11.28)	(8.58)	(0.69)
RM Hedged-class	(11.66)	(7.50)	0.23
USD Hedged-class	(9.96)	(7.15)	0.07
AUD Hedged-class	(13.16)	(8.66)	(0.68)

	1.7.2019 to 30.6.2020	1.7.2018 to 30.6.2019	1.7.2017 to 30.6.2018	1.7.2016 to 30.6.2017	Since launch 16.6.2015 to 30.6.2016
Year ended	(%)	(%)	(%)	(%)	(%)
Annual total return					
JPY Class	(13.48)	(11.04)	1.48	47.14	(26.86)
RM Hedged-class	(13.60)	(9.01)	3.40	48.26	(25.90)
USD Hedged-class	(11.93)	(9.29)	2.74	46.83	(27.48)
AUD Hedged-class	(15.07)	(10.14)	3.00	48.06	(26.18)

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

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

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

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

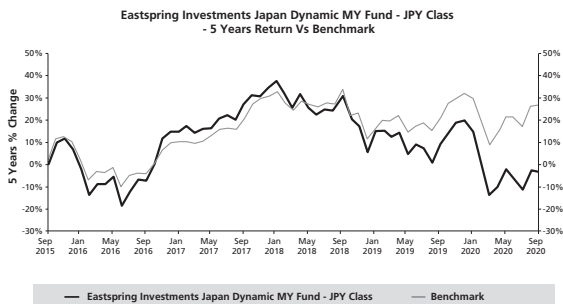
# MANAGER'S REPORT

## Fund Performance

### JPY Class

Over the 5-year period, the Fund recorded a return of -3.41%, underperforming the benchmark return of 26.78% by 30.19%.

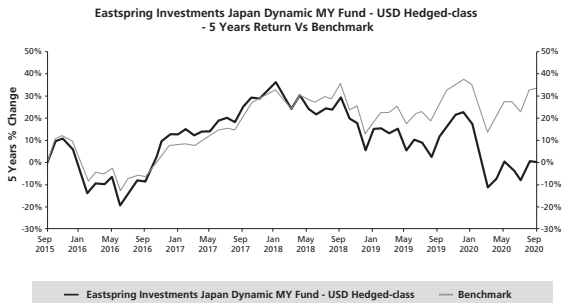
For the period under review, the Fund registered a return of 2.88%, underperforming the benchmark return of 4.61% by 1.73%.



### USD Hedged-class

Over the 5-year period, the Fund recorded a return of 0.33%, underperforming the benchmark return of 33.66% by 33.33%.

For the period under review, the Fund registered a return of 2.86%, underperforming the benchmark return of 4.66% by 1.80%.



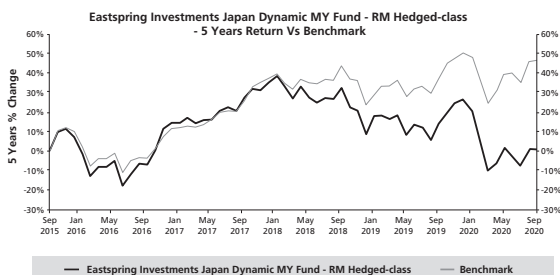
## MANAGER'S REPORT (CONTINUED)

### Fund Performance (continued)

#### RM Hedged-class

Over the 5-year period, the Fund recorded a return of 1.17%, underperforming the benchmark return of 47.18% by 46.01%.

For the period under review, the Fund registered a return of 2.96%, underperforming the benchmark return of 4.98% by 2.02%.



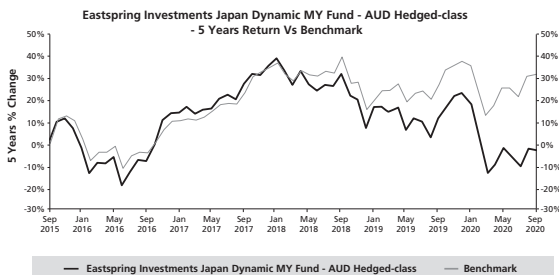
## MANAGER'S REPORT (CONTINUED)

### Fund Performance (continued)

#### AUD Hedged-class

Over the 5-year period, the Fund recorded a return of -3.34%, underperforming the benchmark return of 31.40% by 34.74%.

For the period under review, the Fund registered a return of 2.42%, underperforming the benchmark return of 4.62% by 2.20%.



Quarter-to-date, the largest absolute contributors to the Fund's performance were Lixil Group Corp, Shimamura Co Ltd and Dentsu Group Inc. Quarter-to-date, the largest absolute detractors to the Fund's performance were Honda Motor Co Ltd, Credit Saison Co Ltd and Ricoh Co Ltd.

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

**Benchmark:** MSCI Japan Index (Net)

**Source:** Lipper for Investment Management, Eastspring Investments (Singapore) Limited and Bloomberg, as at 30 September 2020.

**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 September 2020:

Currency Class	Income Return	Capital Return*	Total Return	Total Return of Benchmark
	(%)	(%)	(%)	(%)
JPY Class	0.00	2.88	2.88	4.61
RM Hedged-class	0.00	2.96	2.96	4.98
USD Hedged-class	0.00	2.86	2.86	4.66
AUD Hedged-class	0.00	2.42	2.42	4.62

\* 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 September 2020.

**Investment Strategy During the Period Under Review**

The market's shorter-term focus on thematic macroeconomic news flow can drive significant share price anomalies for the Fund to exploit. There remains a tail of stocks, which are often ignored by the market and as a result may be mispriced by the market. This market dynamic presents opportunities for our valuation discipline to exploit.

However, we note that there are many companies in strong financial health and observe that companies' restructuring efforts are continuing and, in some cases, have accelerated. With the onset of negative interest rates for bondholders, there is an even stronger economic imperative for companies to improve capital efficiency encouraging shareholder-oriented behaviour. We continue to observe supportive trend fundamentals at a company level, and this is a significant driving factor in the longer-term re-rating for Japan.

We do not allocate on a sector basis. However, we have found, on a stock by stock basis, high conviction names with strong valuation signals across much of the market. Included are investment opportunities in major banks as well as non-bank financials; consumer electronics and information technology; specialist materials and auto names. These names represent a wide range of industries, from more domestically focused to export related.

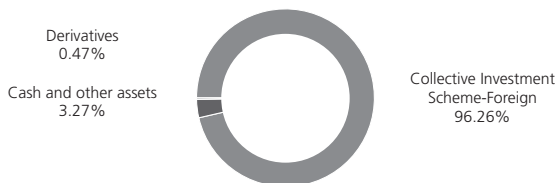


## MANAGER'S REPORT (CONTINUED)

## Asset Allocation

Asset Allocation	30-Sep 2020 (%)	30-Jun 2020 (%)	Changes (%)
Collective Investment			
Scheme-Foreign	96.26	95.31	0.95
Derivatives	0.47	0.66	(0.19)
Cash and other assets	3.27	4.03	(0.76)

## Asset Allocation as at 30 September 2020



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

## State of Affairs of the Fund

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

## MARKET REVIEW

Global equities were choppy during the quarter and the MSCI Japan Index returned 4.74% in JPY terms. In terms of style performance year to date, value styles have broadly lagged growth styles. There remains a significant valuation dispersion between growth themes and the rest of the market, which have now far exceeded 2000 technology bubble extremes. Amid ongoing global cyclical uncertainty, investors have been willing to chase the drivers of share price momentum in the market and as a result, pay any price for growth. Our analysis suggests that for many of these extremely expensive names, future delivered trend earnings will need to far exceed their historic peak levels in order to justify current valuation multiples being paid by the market. From this perspective, there is significant downside risk to overpaying for unsustainable future returns.

In more recent months, however, style performance has been less persistent. This was seen especially in August, where a change in market risk preferences led to a rotation away from expensive technology-related stocks towards the kind of underappreciated stocks held in the Fund and this has been supportive for the Fund's performance in the shorter term. While this is a shorter-term view, it helps to illustrate our point that the market's entrenched beliefs may become more subject to surprises, which do not necessarily need to be "fundamentally material" to have impact.

Towards the end of the quarter, Former Chief Cabinet Secretary Yoshihide Suga became Prime Minister following Abe's resignation due to health reasons. During his press conference of on September 16, Suga committed to continuing Abe's policy stance, but emphasised more focus on regulatory and structural reform.

Whilst shorter term market narratives may be driving uncertainty, share price volatility and market preferences, we continue observe sound trend fundamental health in corporate Japan. At a corporate level, we continue to observe a level of resiliency which in general, reflects Japan's relatively sound balance sheet health compared with global peers. Long term restructuring efforts, including balance sheet deleveraging leading to higher levels of cash, has offered a level of flexibility for some companies in funding their ongoing operations amid this uncertain global environment. Despite the economic disruptions to the global economy, bankruptcy levels continue to remain relatively low. The labour market also remained tight during the period, with the job-offers-to-applicant ratio printing 1.04 and unemployment rate printing 3.0% in August.

Our focus on sustainable earnings differentiates us from a market that obsesses over recently reported earnings. The market's myopic view on recently reported earnings is the source of the local representativeness bias that drives the extrapolation of trends, and ultimately gives rise to herding behavior.

## REBATES AND SOFT COMMISSIONS

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

# EASTSPRING INVESTMENTS JAPAN DYNAMIC MY FUND

## CONDENSED FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JULY 2020  
TO 30 SEPTEMBER 2020

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JULY 2020 TO 30 SEPTEMBER 2020

	Note	Financial period from 1.7.2020 to 30.9.2020	Financial period from 1.7.2019 to 30.9.2019
		JPY	JPY
<b>INVESTMENT INCOME/(LOSS)</b>			
Net gain on financial assets at fair value through profit or loss	3	18,011,343	4,312,681
Net gain/(loss) on forward foreign currency contracts		4,428,856	(4,974,341)
Net foreign currency exchange gain/(loss)		51,087	(184,728)
		<u>22,491,286</u>	<u>(846,388)</u>
<b>EXPENSES</b>			
Management fee	1	(455,399)	(580,410)
Trustee fee	2	(122,823)	(122,656)
Audit fee		(48,176)	(50,232)
Tax agent fee		(21,434)	(22,632)
Other expenses		(297,697)	(305,609)
		<u>(945,529)</u>	<u>(1,081,539)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		21,545,757	(1,927,927)
<b>TAXATION</b>		-	-
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/ (LOSS)</b>		<u>21,545,757</u>	<u>(1,927,927)</u>
Profit/(loss) after taxation is made up of the following:			
Realised amount		(2,529,613)	(3,292,479)
Unrealised amount		24,075,370	1,364,552
		<u>21,545,757</u>	<u>(1,927,927)</u>

The accompanying notes form an integral part of the condensed financial statements.

# CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

	Note	30.9.2020	30.6.2020
		JPY	JPY
<b>ASSETS</b>			
Cash and cash equivalents	4	12,979,292	25,610,892
Amount due from Manager		8,679,821	10,441,513
Management fee rebate receivable		-	672,029
Forward foreign currency contracts at fair value through profit or loss	5	2,474,973	3,798,925
Financial assets at fair value through profit or loss	3	511,992,524	518,981,181
<b>TOTAL ASSETS</b>		<u>536,126,610</u>	<u>559,504,540</u>
<b>LIABILITIES</b>			
Amount due to Manager		3,154,143	925,690
Amount due to broker		-	12,000,000
Accrued management fee		150,740	843,471
Amount due to Trustee		40,051	39,957
Other payables and accruals		895,868	982,751
Forward foreign currency contracts at fair value through profit or loss	5	-	179,928
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>4,240,802</u>	<u>14,971,797</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>531,885,808</u>	<u>544,532,743</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>531,885,808</u>	<u>544,532,743</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
JPY Class		20,752,970	20,172,604
USD Hedged-class		23,187,746	27,271,104
AUD Hedged-class		49,216,961	53,108,143
RM Hedged-class		438,728,131	443,980,892
		<u>531,885,808</u>	<u>544,532,743</u>

# CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020 (CONTINUED)

	Note	30.9.2020	30.6.2020
		JPY	JPY
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
JPY Class	6	24,001	24,002
USD Hedged-class	6	488,867	578,551
AUD Hedged-class	6	1,478,845	1,663,781
RM Hedged-class	6	37,554,716	39,454,509
<b>NET ASSET VALUE PER UNIT IN JPY</b>			
JPY Class		864.7096	840.5274
USD Hedged-class		47.4316	47.1368
AUD Hedged-class		33.2807	31.9202
RM Hedged-class		11.6824	11.2530
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES</b>			
JPY Class		JPY 864.7096	JPY 840.5274
USD Hedged-class		USD 0.4495	USD 0.4370
AUD Hedged-class		AUD 0.4400	AUD 0.4296
RM Hedged-class		MYR 0.4597	MYR 0.4465

The accompanying notes form an integral part of the condensed financial statements.

# CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS FOR THE FINANCIAL PERIOD FROM 1 JULY 2020 TO 30 SEPTEMBER 2020

	2020	2019
	JPY	JPY
Balance as at beginning of the financial period/year	544,532,743	801,082,080
Movement in unit holders' contribution:		
Creation of units from applications		
JPY Class	197,826	504,219
USD Hedged-class	519,931	5,389,234
AUD Hedged-class	3,984,397	51,429,316
RM Hedged-class	76,233,761	400,281,174
Cancellation of units		
JPY Class	(202,529)	(17,560,402)
USD Hedged-class	(4,850,207)	(29,399,750)
AUD Hedged-class	(10,191,154)	(76,296,332)
RM Hedged-class	(99,884,717)	(458,833,806)
Increase in net assets attributable to unit holders during the financial period/year:	510,340,051	676,595,733
Total comprehensive income/(loss) for the financial period/year	21,545,757	(132,062,990)
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AS AT THE END OF THE FINANCIAL PERIOD/YEAR</b>	<b>531,885,808</b>	<b>544,532,743</b>

The accompanying notes form an integral part of the condensed financial statements.



## CONDENSED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JULY 2020 TO 30 SEPTEMBER 2020

	Note	Financial period from 1.7.2020 to 30.9.2020	Financial period from 1.7.2019 to 30.9.2019
		JPY	JPY
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		50,000,000	115,745,632
Purchase of investments		(37,000,000)	(10,000,000)
Realised gain on forward foreign currency contracts		5,572,880	1,683,707
Management fee paid		(476,101)	(592,291)
Trustee fee paid		(122,729)	(122,746)
Payment for other fees and expenses		(472,376)	(462,162)
Net cash generated from operating activities		17,501,674	106,252,140
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from units created		82,776,888	62,100,790
Payments for cancellation of units		(112,910,162)	(152,767,375)
Net cash used in financing activities		(30,133,274)	(90,666,585)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(12,631,600)	15,585,555
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>		25,610,892	8,947,648
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	4	12,979,292	24,533,203

The accompanying notes form an integral part of the condensed financial statements.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

## FOR THE FINANCIAL PERIOD FROM 1 JULY 2020 TO 30 SEPTEMBER 2020

### 1. MANAGEMENT FEE

In accordance with the Deed, the Manager is entitled to a management fee at a rate of not exceeding 3.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

For the financial period ended 30 September 2020, the management fee is recognised at a rate of 1.80% per annum of the net asset value of the Fund, calculated on daily basis.

As the Fund invests in collective investment scheme, any management fee charged by Eastspring Investments - Japan Dynamic Fund will be fully refunded. The rebate of management fees amounting to JPY1,982,190 (2019: JPY3,000,265) is calculated on the net asset value of the Target Fund on a daily basis. In accordance with the SC Guidelines in Unlisted Capital Market Products under the Lodge and Launch Framework, there is no double charging of management fee to the Fund.

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

### 2. 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 or its equivalent in the base currency (excluding foreign custodian fees and charges, if applicable).

For the financial period ended 30 September 2020, the Trustee fee is recognised at a rate of 0.06% per annum on the net asset value of the Fund, subject to minimum of RM15,000 per annum or its equivalent in the base currency excluding foreign custodian fees and charges, calculated on daily basis.

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

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

	2020	2019
	JPY	JPY
Designated at fair value through profit or loss:		
Collective investment scheme	511,992,524	701,884,857
Net gain on financial assets at fair value through profit or loss:		
Realised (loss)/gain on disposals	(7,156,964)	(3,640,279)
Change in unrealised fair value gain	25,168,307	7,952,960
	18,011,343	4,312,681

	Quantity	Aggregate cost	Fair value as at 30.9.2020	Percentage of net asset value of the Fund
	Units	JPY	JPY	%

Unit Trust Fund

Eastspring Investments-  
Japan Dynamic Fund  
Class AJ

489,477	582,674,900	511,992,524	96.26
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**ACCUMULATED  
UNREALISED LOSS  
ON FINANCIAL  
ASSETS AT FAIR  
VALUE THROUGH  
PROFIT OR LOSS**

(70,682,376)

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

511,992,524

	Quantity	Aggregate cost	Fair value as at 30.9.2019	Percentage of net asset value of the Fund
	Units	JPY	JPY	%

### Unit Trust Fund

Eastspring Investments-  
Japan Dynamic Fund  
Class AJ

589,324	728,230,123	701,884,857	96.90
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### **ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

(26,345,266)

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

701,884,857

The investment objective of Eastspring Investments-Japan Dynamic Fund ("Target Fund") is to aims to generate long-term capital growth through a concentrated portfolio of equities, equity-related securities, bonds and currencies. The Target Fund will invest primarily\* in securities of companies, which are incorporated, listed in or have their area of primary activity in Japan. The Target Fund may also invest in depository receipts including American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), convertible bonds, preference shares, warrants and fixed income securities issued by Japan entities.

\*primarily means at least 66% of the Target Fund net asset value.

A minimum of 95% of its net asset value will be invested in the Target Fund. However, the asset allocation may be reduced due to creation of units at the point of reporting date. The ratio will be adjusted back to the minimum level after the reporting period.

**4. CASH AND CASH EQUIVALENTS**

	<b>2020</b>	<b>2019</b>
	<b>JPY</b>	<b>JPY</b>
Bank balance with a licensed bank	<u>12,979,292</u>	<u>24,533,203</u>

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

	<b>2020</b>	<b>2019</b>
	<b>JPY</b>	<b>JPY</b>
JPY	12,892,371	24,410,472
MYR	<u>86,921</u>	<u>122,731</u>

**5. FORWARD FOREIGN CURRENCY CONTRACTS**

As at the date of statement of financial position, there are 7 (2019: 3) forward foreign currency contracts outstanding. The notional principal amount of the outstanding forward foreign currency contracts amounted to JPY2,474,973 (receivable) (2019: JPY1,672,397(payable)). The forward foreign currency contracts entered into during the financial period were for hedging against the currency exposure arising from the creation and cancellation of units denominated in MYR, AUD and USD. As the Fund has not adopted hedge accounting during the financial period, the change in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income.

## 6. UNITS IN CIRCULATION

30.9.2020						
	JPY Class	USD		AUD		RM
		Hedged-class	No. of units	Hedged-class	No. of units	
	No. of units					Total
At the beginning of the financial period	24,002	578,551	1,663,781	39,454,509	41,720,843	
Creation of units from applications during the financial period	232	11,202	121,357	6,761,091	6,893,882	
Cancellation of units during the financial period	(233)	(100,886)	(306,293)	(8,660,884)	(9,068,296)	
At the end of the financial period	24,001	488,867	1,478,845	37,554,716	39,546,429	

30.9.2019						
	JPY Class	USD		AUD		RM
		Hedged-class	No. of units	Hedged-class	No. of units	
	No. of units	No. of units		No. of units	No. of units	Total
At the beginning of the financial period	41,032	1,007,243		2,417,904	45,593,774	49,059,953
Creation of units from applications during the financial period	521	-		251,742	4,447,639	4,699,902
Cancellation of units during the financial period	(3,910)	(245,252)		(380,060)	(8,228,712)	(8,857,934)
At the end of the financial period	37,643	761,991		2,289,586	41,812,701	44,901,921

## 7. TRANSACTIONS WITH ISSUER

Details of transactions with the Issuer of Eastspring Investments-Japan Dynamic Fund are as follows:

	Value of trades	Percentage of total trades
	JPY	%
<u>1.7.2020 to 30.9.2020</u>		
Eastspring Investments (Singapore) Limited <sup>#</sup>	75,000,000	100.00
<u>1.7.2019 to 30.9.2019</u>		
Eastspring Investments (Singapore) Limited <sup>#</sup>	110,000,000	100.00

<sup>#</sup> Included in transactions by the Fund are trades conducted on normal terms in the investment management and stockbroking industry with Eastspring Investments (Singapore) Limited.

There is no brokerage fee paid to the issuer.

## 8. 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
Eastspring Investments Berhad	The Manager
Eastspring Investments (Singapore) Limited	Related company of the Manager
Eastspring Investments-Japan Dynamic Fund (Class AJ)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited



Units held by the Manager and parties related to the Manager

		2020		2019
JPY Class	No. of units	JPY	No. of units	JPY
Eastspring Investments Berhad	50	43,235	50	48,731

		2020		2019
USD Hedged-class	No. of units	JPY equivalent	No. of units	JPY equivalent
Eastspring Investments Berhad	10,000	4,495	10,000	4,992

		2020		2019
AUD Hedged-class	No. of units	JPY equivalent	No. of units	JPY equivalent
Eastspring Investments Berhad	10,000	4,400	10,000	5,067

		2020		2019
RM Hedged-class	No. of units	JPY equivalent	No. of units	JPY equivalent
Eastspring Investments Berhad	2,000	919	2,000	1,041

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 Unlisted Capital Market Products under the Lodge and Launch Framework. Other than the above, there were no units held by the Directors or parties related to the Manager.

**Significant related party transactions**

	<b>1.7.2020 to 30.9.2020</b>	<b>1.7.2019 to 30.9.2019</b>
	<b>JPY</b>	<b>JPY</b>
Purchase of units in collective investment scheme managed by Eastspring Investments (Singapore) Limited	25,000,000	10,000,000
Sale of units in collective investment scheme managed by Eastspring Investments (Singapore) Limited	50,000,000	100,000,000

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

**9. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD**

The worsening macro-economic outlook as a result of Covid-19, both domestically and globally, could result in the deterioration of the Fund's net asset value in the future.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

## CORPORATE DIRECTORY

### **THE MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

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Bukit Damansara

50490 Kuala Lumpur

BUSINESS OFFICE

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Persiaran TRX Barat

55188 Tun Razak Exchange

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603-2789 7220

EMAIL

cs.my@eastspring.com

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### **TRUSTEE**

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

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REGISTERED OFFICE & BUSINESS OFFICE

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603-2053 7526

### **SALE & PURCHASE OF UNITS**

**Eastspring Investments Berhad**

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Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

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