

EASTSPRING INVESTMENTS DANA DINAMIK

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 September 2023.

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang', with a stylized, flowing script.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

Name of Fund

Eastspring Investments Dana Dinamik (the “Fund”)

**Fund Category/
Type**

Mixed asset (Shariah)/growth

Fund Objective

The Fund seeks to provide investors with capital appreciation by actively investing in Shariah approved equities and equity-related securities. For defensive considerations, the Fund may invest in Shariah approved debentures* and money market instruments.

Note: The Fund’s focus is on growth.

**ANY MATERIAL CHANGES TO THE FUND’S OBJECTIVE
WOULD REQUIRE UNIT HOLDERS’ APPROVAL.**

* Shariah approved debentures refer to sukuk.

FUND INFORMATION (CONTINUED)

Performance Benchmark

-
- (a) If 100% of the Fund's NAV invested in Shariah-compliant equities and Shariah-compliant equity-related securities:
FTSE Bursa Malaysia Emas Shariah Index ("FBMS")
- (b) If 100% of the Fund's NAV invested in sukuk and Islamic liquid assets:
Maybank 12-months Islamic Fixed Deposit-i
- (c) If the Fund is investing in a mixture of Shariah-compliant equities and Shariah-compliant equity-related securities, sukuk and Islamic liquid assets:
50% FBMS+ 50% Maybank 12-months Islamic Fixed Deposit-i

The composite benchmark index is a reflection of the Fund's average asset allocation over the long-term of 50% of the Fund's NAV in Shariah-compliant equities and Shariah-compliant equity-related securities, and 50% of the Fund's NAV in sukuk and Islamic liquid assets.

Source:

FBMS (www.bursamalaysia.com)
Maybank 12-months Islamic Fixed Deposit-I
(www.maybank2u.com.my)

The performance of the Fund against the benchmark is published in the Manager's monthly factsheet and is available from the Manager's website at www.eastspring.com/my.

Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.

Fund Income Distribution Policy

At least once a year, subject to the availability of income.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

| Category | 2023 | 2022 | 2021 |
|--|---------------|---------------|---------------|
| | (%) | (%) | (%) |
| Quoted Shariah-compliant securities | | | |
| Construction | 3.05 | 2.04 | 2.59 |
| Consumer Products & Services | 10.77 | 12.25 | 14.67 |
| Energy | 2.54 | 3.89 | 2.38 |
| Financial Services | 3.58 | 4.08 | 4.48 |
| Health Care | 5.01 | 3.59 | 3.33 |
| Industrial Products & Services | 8.46 | 9.62 | 11.98 |
| Islamic Real Estate Investment Trust | 3.88 | 2.01 | 1.25 |
| Plantation | 6.60 | 2.79 | - |
| Property | 1.88 | 2.57 | 3.96 |
| Technology | 7.96 | 8.04 | 20.70 |
| Telecommunications & Media | 9.66 | 7.52 | 7.09 |
| Transportation & Logistics | 1.95 | 1.71 | 1.65 |
| Utilities | 6.52 | 2.47 | 4.80 |
| | 71.86 | 62.58 | 78.88 |
| Unquoted sukuk | 9.51 | 10.54 | 12.39 |
| Cash and other assets | 18.63 | 26.88 | 8.73 |
| Total | 100.00 | 100.00 | 100.00 |

KEY PERFORMANCE DATA (CONTINUED)

| Category | 2023 | 2022 | 2021 |
|---|---------|---------|---------|
| Net Asset Value (NAV) (RM'000) | 159,621 | 143,069 | 165,544 |
| Units In Circulation (Units '000) | 183,339 | 168,616 | 159,467 |
| Net Asset Value Per Unit (RM) | 0.8706 | 0.8485 | 1.0381 |
| Highest Net Asset Value Per Unit (RM) [#] | 0.8753 | 0.8728 | 1.0451 |
| Lowest Net Asset Value Per Unit (RM) [#] | 0.8706 | 0.8485 | 1.0283 |
| Total Return (%) | | | |
| - Capital Growth | 2.60 | (18.26) | 6.31 |
| - Income Distribution | 4.48 | 4.00 | 3.36 |
| Total Return (%) | 7.20 | (15.00) | 9.89 |
| Gross Distribution Per Unit (RM) | 0.0391 | 0.0348 | 0.0346 |
| Net Distribution Per Unit (RM) | 0.0391 | 0.0348 | 0.0346 |
| Total Expense Ratio (TER) (%) [*] | 1.34 | 1.35 | 1.36 |
| Portfolio Turnover Ratio (PTR) (times) [^] | 0.21 | 0.26 | 0.39 |

[#] Figures shown as ex-distribution.

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

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

KEY PERFORMANCE DATA (CONTINUED)

| | 1 year 1.10.2022 to 30.9.2023 | 3 years 1.10.2020 to 30.9.2023 | 5 years 1.10.2018 to 30.9.2023 |
|--|-------------------------------------|--------------------------------------|--------------------------------------|
| | (%) | (%) | (%) |

| | | | |
|----------------------|------|------|------|
| Average total return | 7.20 | 0.04 | 1.58 |
|----------------------|------|------|------|

| Year ended | 1.10.2022 to 30.9.2023 | 1.10.2021 to 30.9.2022 | 1.10.2020 to 30.9.2021 | 1.10.2019 to 30.9.2020 | 1.10.2018 to 30.9.2019 |
|------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | (%) | (%) | (%) | (%) | (%) |

| | | | | | |
|---------------------|------|---------|------|-------|--------|
| Annual total return | 7.20 | (15.00) | 9.89 | 10.13 | (1.91) |
|---------------------|------|---------|------|-------|--------|

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

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

Adjusted for unit split and distribution paid out for the period

n = Number of years

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

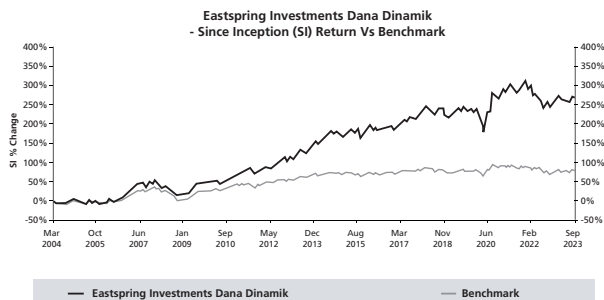
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund recorded a return of 8.17%, outperforming the benchmark return of -0.43% by 8.60%.

During the period under review, the Fund registered a return of 7.20%, outperforming the benchmark return of 5.87% by 1.33%.

The outperformance was mainly due to Fund's overweight position in Shariah-compliant equities which saw a decent performance during the period under review.



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

MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

Benchmark:

- (a) If 100% of the Fund's NAV invested in Shariah-compliant equities and Shariah-compliant equity-related securities:
FTSE Bursa Malaysia Emas Shariah Index ("FBMS")
- (b) If 100% of the Fund's NAV invested in sukuk and Islamic liquid assets:
Maybank 12-months Islamic Fixed Deposit-i
- (c) If the Fund is investing in a mixture of Shariah-compliant equities and Shariah-compliant equity-related securities, sukuk and Islamic liquid assets:
50% FBMS+ 50% Maybank 12-months Islamic Fixed Deposit-i

Source:

Lipper for Investment Management, www.bursamalaysia.com and www.maybank2u.com.my as at 30 September 2023.

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

Analysis of Fund Performance

For the financial year ended 30 September 2023:

| Income Return | Capital Return* | Total Return | Total Return of Benchmark |
|------------------|--------------------|-----------------|------------------------------|
| (%) | (%) | (%) | (%) |
| 4.48 | 2.60 | 7.20 | 5.87 |

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

MANAGER'S REPORT (CONTINUED)

**Distribution/
Unit Split**

| Ex-Date | 15-Sep-23 |
|------------------------------|------------------|
| Distribution Per Unit | (RM) |

| | |
|-------|--------|
| Gross | 0.0391 |
|-------|--------|

| | |
|-----|--------|
| Net | 0.0391 |
|-----|--------|

Impact on NAV arising from distribution for the financial year ended 30 September 2023.

| Ex-Date | 15-Sep-23 |
|----------------|----------------------|
| | (RM per Unit) |

| | |
|-------------------------------------|--------|
| Net Asset Value before distribution | 0.9120 |
|-------------------------------------|--------|

| | |
|--------------------|----------|
| Less: distribution | (0.0391) |
|--------------------|----------|

| | |
|------------------------------------|--------|
| Net Asset Value after distribution | 0.8729 |
|------------------------------------|--------|

No unit split were declared for the financial year ended 30 September 2023.

**Investment
Strategy During
the Period Under
Review**

During the period under review, the Fund had gradually increased Shariah-compliant equity weight and trimmed sukuk exposure given the less favourable outlook in view of the rising interest rate environment. Within the Shariah-compliant equity sleeve, the Fund reduced exposure in technology sector but remained overweight as we are still positive on the long-term structural trend in the tech industry. In the same period under review, the Fund also increased exposure to selected utilities, plantation and industrials Shariah-compliant stocks.

For sukuk, we stayed underweight in sukuk in view of the rising interest rate environment.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

| Asset Allocation | 30-Sep 2023 | 30-Sep 2022 | Changes |
|-------------------------------------|----------------|----------------|---------|
| | (%) | (%) | (%) |
| Quoted Shariah-compliant securities | 71.86 | 62.58 | 9.28 |
| Unquoted sukuk | 9.51 | 10.54 | (1.03) |
| Cash and other assets | 18.63 | 26.88 | (8.25) |

Asset Allocation as at 30 September 2023



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

Equity

Malaysian equities managed to outperform Asia Pacific ex-Japan in early 4Q2022, after the sharp correction end 3Q2022. Global markets rallied in hopes of a more dovish US Federal Reserve's stance on interest rates. Budget 2023 announced on 7 October 2022, was indeed a non-event, especially since PM Ismail Sabri (now caretaker PM) then dissolved Parliament on the 10 October 2022 (which was somewhat expected given the Budget 2023 date being brought forward). Globally, October was also full of political maneuverings with the UK appointing their 3rd Prime Minister (Rishi Sunak) in 2022, and China saw President Xi Jinping strengthen his position over the Chinese Communist Party. US-China relations took a turn, with the Biden administration publishing a sweeping set of export controls to cut China off from certain semiconductor chips made anywhere in the world with US tools.

Regional markets performed well mid-4Q2022, with the MSCI Asia Pacific ex-Japan index gaining 17.4% mom. Many Asian indices saw their best monthly performance in November, with gains not seen since 10 to 20 years ago. Asia's rally was driven mainly by indications that China may be easing its Zero-Covid policy and investors cheered when the US Federal Reserve Chairman sounded dovish regarding the pace of rate hikes going forward. Domestically, Malaysia held the 15th General Elections on the 19th November 2022. The polls resulted in a hung parliament situation, as none of the existing coalitions had a clear majority of 112 seats. On 24 November 2022, after the conclusion of a special Conference of Rulers meeting, the National Palace issued a statement that Malaysia's 10th Prime Minister ("PM") will be Anwar Ibrahim, the 75-year-old leader of the Pakatan Harapan ("PH") coalition party. Pakatan Harapan ("PH") formed a unity government with the Barisan Nasional ("BN") and Gabungan Parti Sawarak ("GPS").

By the end of 4Q2022, Malaysian equity markets were trading range bound, as trading volumes declined with many investors away on year-end holidays. During December, the newly sworn in Malaysia's Prime Minister unveiled his new cabinet (28 Ministers and 27 Deputies), with two Deputy PMs. The first parliament sitting for the new administration on 19 December 2022, did not see major hiccups, with the vote of confidence in favour of PM Anwar Ibrahim at 148/222. In early December, China started to relax their Zero-Covid Policy after protests against the strict controls of forcing people into quarantine camps or mass quarantining and testing. On 26 December 2022, China unexpectedly announced plans to end quarantine requirements for inbound travelers and a further lifting of testing and tracking covid cases locally.

Malaysian equities started 1Q2023 with a relatively short trading month as Chinese New Year fell on 22-23 January. Nevertheless, the start of the year was an eventful month for Malaysian politics, as UMNO which is part of PM Anwar Ibrahim's unity government, expelled former health minister Khairy Jamaluddin, while former defence minister Hishammuddin Hussein was among a number of politicians suspended from the party. A total of 4 UMNO members were suspended, whilst 42 others were sacked from the party. BNM surprised the market by keeping the OP unchanged at 2.75% at the January MPC, after four consecutive hikes.

By mid-1Q23 equity markets corrected in line with global and regional markets. Investors were cautious ahead of Budget 2023 which was read on 24 February 2023, which failed to provide any positive catalysts for the market. The economy and cost of living issues remain a priority in Budget 2023, the government announced lower taxes for the M40 while the T20 would see higher taxes and there was also an announcement for a tax on luxury goods (details to release later).

By the end of 1Q2023, Malaysian equity markets posted its third consecutive month of decline in, as investor sentiment remained weak due to concerns over a potential global banking crisis, following the collapse of Silicon Valley Bank, Signature Bank and the takeover of the Credit Suisse by UBS Bank. As a result, foreign investors remained net sellers in the month of March of RM1.4b, and have been net sellers for 7 consecutive months. EPF declared the dividend for 2022 of 5.35% for Conventional Savings and 4.75% dividend rate for Shariah Savings.

Malaysian equity markets posted its fourth consecutive month of decline in April 2023, despite posting a small rally for most of the month outperforming the region, before giving up the gains towards the end of the month. The news was fairly light during the month with some focus on OPEC+ and crude oil prices initially spiking to USD85/bbl, post the announcement by OPEC+ to indicate continued production cuts in coming months. However, the International Energy Agency ("IEA") came out with a statement that the surprise cut (by OPEC+) risked exacerbating global supply deficits in oil and could impact global economic growth. Brent crude oil prices subsequently ended the month below USD80/bbl. Domestically, PM Anwar made an official visit to China, and secured RM170b in investment pledges. Malaysian equity markets continued its decline for the fifth consecutive month in May 2023, in tandem with regional markets which were also lackluster. The focus for the month of May was around corporate earnings, with most reporting earnings below consensus expectations. News flow was light during the month, with some focus on interest rates in Malaysia as BNM raised OPR by 25bps. Malaysian Ringgit also saw a lot of pressure versus the US dollar, weakening to above RM4.60/USD.

Malaysian equity markets closed lower for the sixth consecutive month in June. Foreign investors continued to be net sellers of equities for the month of June and have been for the tenth consecutive month. During the month, Bank Negara Malaysia announced that the Yang di-Pertuan Agong has consented to the appointment of Datuk Shaik Abdul Rasheed bin Abdul Ghaffour as Governor for a five-year term effective 1 July 2023 to 30 June 2028.

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

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

The FBM KLCI closed the period under review at 1,424.17 points, up 2.1%. The broader FBM Emas ("FBMEmas") Index closed the period under review higher by 6.1%. The MSCI Asia Pacific ex-Japan Index declined by 6.1% in USD terms.¹

Bond

During the period, elevated inflation and tighter monetary policy took center stage whilst the U.S. was confronted with a banking crisis which saw Silicon Valley Bank ("SVB") failing after a bank run in mid-March, marking the second largest bank failure by asset size in U.S. history. The collapse of SVB was due to the significant withdrawals from its technology and start-up depositors, as well as its over-exposure to investments that had suffered huge mark-to-market losses. Also, the U.S. debt ceiling issue came to an end in June with the final agreement to suspend the debt limit until 2025 (after the next presidential election). At the initial, there was some investor caution around U.S. debt ceiling concerns but legislation that suspended the debt ceiling was approved by U.S. Congress in the first days of June in a deal that included concessions on spendings. Separately, the U.S. had avoided the shutdown of Federal agencies as the Congress passed a compromise legislation in September to keep the government running until November 17.

The Federal Reserve ("Fed") raised its federal funds rate by 275 bps during the review period to 5.25%-5.50% as inflationary pressures persist as it remains committed to tame inflation to its 2% target. In determining the extent of future increases in the target range, the Fed will consider the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation as well as economic and financial developments. In addition, the Fed will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities. However, in its September Federal Open Market Committee ("FOMC") meeting, the Fed left the federal funds rate unchanged but reiterated that future monetary decisions will be dependent on economic data.

¹ Source: Bloomberg; World indices

In Malaysia, Bank Negara Malaysia ("BNM") retained its Overnight Policy Rate ("OPR") at 3.00% over two consecutive Monetary Policy Committee ("MPC") meetings (July and September) which also marked the fourth time this year the OPR was left unchanged as economic growth lost traction in 2Q2023 alongside a continuation of disinflationary pressures and financial stability. The MPC reiterated downside risks to the global growth outlook from a slowdown in major economies, higher inflation outturns, escalating geopolitical tensions and a sharp tightening in financial market conditions. At its Annual Report event, BNM expects growth in 2023 to be led by domestic demand while exports are expected to moderate. Risks to the domestic growth outlook are weighed to be relatively balanced, with upside risks to growth potentially coming from better-than-expected tourism activity and projects implementation, while downside risks may arise from slower-than-expected global growth and volatile global financial markets. BNM forecasts that headline and core inflation rate will moderate in 2023, averaging between 2.8-3.8%. However, the central bank is of the view that the balance of risk for inflation is tilted to the upside. Given that BNM views domestic growth to be resilient, the central bank believes that it is timely to "further normalise the degree of monetary accommodation" and withdraw the monetary stimulus provided to support economic recovery during the Covid-19 pandemic, to prevent future financial imbalances.

On the political front, the announcement of Datuk Seri Anwar Ibrahim as the 10th Prime Minister of Malaysia following the inconclusive results of GE 15 has resolved political uncertainty to a certain extent. The new ruling coalition appears to have a firm majority, as evidenced by the vote of confidence in December 2022, and market reaction has been positive to this development.

Prime Minister Anwar Ibrahim re-tabled an expansionary Budget 2023 entitled "Developing Malaysia MADANI" focused on the economy, institutional reform and social justice. The total allocation is revised upward to RM386.1 billion versus RM372.3 billion tabled by the previous government in October 2022. 2023 GDP is expected to grow at 4.5%, while inflation is expected to range between 2.8%-3.8% in 2023, which is wider than the 2.8-3.3% in the October 2022 budget. In line with the government's commitment to fiscal consolidation, the fiscal deficit is expected to be at a lower 5.0% of GDP and forecasted to narrow to 3.2% of GDP by 2025. The government ended the speculation of the implementation of Goods & Services Tax ("GST"), but introduced instead a Luxury Goods Tax in 2023, although there are no details yet on the value and type of goods to be taxed, nor the tax rate. Capital Gains Tax on the disposal of unlisted shares is planned for implementation in 2024.

During the period, the 10-year MADANI economy roadmap was unveiled by the Malaysian government. Among the key initiatives include taking Malaysia into one of the top 30 economies in the world over the next decade, improving Malaysia's standing in the Global Competitiveness Index to 12th and Human Development Index to 25th, growing GDP by 5.5% to 6.0% and reducing fiscal deficit to 3.0% or lower. Also, Malaysia unveiled its New Industrial Master Plan ("NIMP") 2030 and National Energy Transition Roadmap ("NETR") as part of its medium-long term plan to drive Malaysia's future growth.

Malaysia Government Securities ("MGS") yield curve traded lower and flatter during the period with 3-, 5-, 10- and 15-year yields closed at 3.56%, 3.72%, 3.98% and 4.15%, respectively. The decrease in yields was driven by global inflation expectations declining, reduction in political risk and low prospects of further policy hike by BNM. Government Investment Issues ("GII") yield too ended the same across the curve with the 3-, 5-, 10- and 15-year GII close at 3.64%, 3.80%, 4.04% and 4.12% respectively.

MGS yield curve traded flatter and higher during the period with 3-, 5-, 10- and 15-year yields closed 75-133bps higher at 3.77%, 4.04%, 4.41% and 4.65%, respectively. The increase in yields was driven by higher global yields, bond supply concerns, monetary policy tightening both globally and domestically on the back of still commendable economic recovery and heightening inflationary pressure. Similarly, GII yields too ended higher across the curve with the 3-, 5-, 10- and 15-year GII yields rose 70-124 bps to close at 3.80%, 4.04%, 4.42% and 4.68% respectively.

REBATES AND SOFT COMMISSIONS

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

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

EASTSPRING INVESTMENTS DANA DINAMIK

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

STATEMENT BY THE MANAGER

We, Tang Chee Kin and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 25 to 72 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2023 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 22 November 2023

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA DINAMIK ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 September 2023 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following:-

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

We are of the opinion that the distribution of income by the Fund is appropriate and reflects the investment objective of the Fund.

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 22 November 2023

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA DINAMIK ("FUND")

We hereby confirm the following:

1. To the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund for the period covered by these financial statements namely, the year ended 30 September 2023, in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and
2. The assets of the Fund comprise instruments that have been classified as Shariah compliant except for the securities which have been reclassified as Shariah non-compliant by the Shariah Advisory Council of the Securities Commission Malaysia as follows:

| No. | Securities | Reclassification Effective Date | Remarks |
|-----|-----------------------------|---------------------------------|---|
| i. | IOI Properties Group Berhad | 25 November 2022 | <p>These securities have been completely disposed of on 20 July 2023 at an excess capital gain amounting to RM11,720.34.</p> <p>In accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the Fund's prospectus, the above excess capital gain shall be channelled to <i>baitulmal</i> and/or charitable bodies as advised by us.</p> |

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

NURUL AQILA SUFIYAH LOKMAN

Designated Shariah Officer

Kuala Lumpur

Date: 22 November 2023

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA DINAMIK

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Dana Dinamik ("the Fund") give a true and fair view of the financial position of the Fund as at 30 September 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 25 to 72.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
Date: 22 November 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

| | Note | 2023 | 2022 |
|---|------|--------------------|---------------------|
| | | RM | RM |
| INVESTMENT INCOME/(LOSS) | | | |
| Gross dividend income | | 4,509,113 | 2,978,138 |
| Profit income from Islamic deposits with licensed financial institutions | | 976,323 | 400,267 |
| Profit income from unquoted sukuk | | 654,213 | 660,010 |
| Net gain/(loss) on financial assets at fair value through profit or loss | 7 | <u>6,617,679</u> | <u>(26,966,070)</u> |
| | | <u>12,757,328</u> | <u>(22,927,655)</u> |
| EXPENSES | | | |
| Management fee | 3 | (1,913,978) | (1,908,540) |
| Trustee fee | 4 | (107,183) | (106,878) |
| Audit fee | | (7,600) | (7,600) |
| Tax agent fee | | (3,700) | (3,400) |
| Other expenses | | (32,696) | (47,386) |
| Transaction cost | | <u>(230,680)</u> | <u>(256,388)</u> |
| | | <u>(2,295,837)</u> | <u>(2,330,192)</u> |
| PROFIT/(LOSS) BEFORE TAXATION | | 10,461,491 | (25,257,847) |
| TAXATION | 6 | <u>-</u> | <u>-</u> |
| PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS) | | <u>10,461,491</u> | <u>(25,257,847)</u> |
| Profit/(loss) after taxation is made up of the following: | | | |
| Realised amount | | 2,005,020 | 3,093,959 |
| Unrealised amount | | <u>8,456,471</u> | <u>(28,351,806)</u> |
| | | <u>10,461,491</u> | <u>(25,257,847)</u> |

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

| | Note | 2023 | 2022 |
|--|------|--------------------|--------------------|
| | | RM | RM |
| ASSETS | | | |
| Cash and cash equivalents | 8 | 30,038,319 | 38,321,551 |
| Financial assets at fair value through profit or loss | 7 | 129,887,076 | 104,598,504 |
| Amount due from Manager | | 371,239 | 284,976 |
| Dividends receivable | | 347,034 | 278,473 |
| TOTAL ASSETS | | 160,643,668 | 143,483,504 |
| LIABILITIES | | | |
| Accrued management fee | | 163,648 | 148,528 |
| Amount due to Manager | | 189,004 | 215,853 |
| Amount due to Trustee | | 9,164 | 8,318 |
| Amount due to brokers | | 641,656 | - |
| Other payables and accruals | | 19,442 | 41,488 |
| TOTAL LIABILITIES | | 1,022,914 | 414,187 |
| NET ASSET VALUE OF THE FUND | | 159,620,754 | 143,069,317 |
| EQUITY | | | |
| Unit holders' capital | | 119,955,270 | 110,175,248 |
| Retained earnings | | 39,665,484 | 32,894,069 |
| NET ASSET ATTRIBUTABLE TO UNIT HOLDERS | | 159,620,754 | 143,069,317 |
| NUMBER OF UNITS IN CIRCULATION | 10 | 183,339,325 | 168,616,349 |
| NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM) | | 0.8706 | 0.8485 |

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

| | Note | Unit holders' capital | Retained earnings | Total |
|---|------|-----------------------|-------------------|--------------------|
| | | RM | RM | RM |
| Balance as at 1 October 2022 | | 110,175,248 | 32,894,069 | 143,069,317 |
| Movement in unit holders' contribution: | | | | |
| Creation of units from applications | | 22,039,824 | - | 22,039,824 |
| Creation of units from distribution | | 6,681,270 | - | 6,681,270 |
| Cancellation of units | | (15,765,773) | - | (15,765,773) |
| Distribution (Gross/Net: 3.91 sen) | 5 | (3,175,299) | (3,690,076) | (6,865,375) |
| Total comprehensive income for the financial year | | - | 10,461,491 | 10,461,491 |
| Balance as at 30 September 2023 | | <u>119,955,270</u> | <u>39,665,484</u> | <u>159,620,754</u> |
| Balance as at 1 October 2021 | | 104,179,347 | 61,364,846 | 165,544,193 |
| Movement in unit holders' contribution: | | | | |
| Creation of units from applications | | 25,315,885 | - | 25,315,885 |
| Creation of units from distribution | | 5,487,191 | - | 5,487,191 |
| Cancellation of units | | (22,370,564) | - | (22,370,564) |
| Distribution (Gross/Net: 3.48 sen) | 5 | (2,436,611) | (3,212,930) | (5,649,541) |
| Total comprehensive loss for the financial year | | - | (25,257,847) | (25,257,847) |
| Balance as at 30 September 2022 | | <u>110,175,248</u> | <u>32,894,069</u> | <u>143,069,317</u> |

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

| | Note | 2023 | 2022 |
|---|------|--------------|--------------|
| | | RM | RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of Shariah-compliant investments | | 22,944,227 | 49,301,204 |
| Purchase of Shariah-compliant investments | | (41,213,365) | (30,971,410) |
| Dividends received | | 4,422,902 | 2,907,712 |
| Profit income received from Islamic deposits with licensed financial institutions | | 976,323 | 400,267 |
| Profit income received from unquoted sukuk | | 663,434 | 672,167 |
| Management fee paid | | (1,898,858) | (1,928,659) |
| Trustee fee paid | | (106,337) | (108,004) |
| Payment for other fees and expenses | | (48,392) | (49,230) |
| Net cash (used in)/generated from operating activities | | (14,260,066) | 20,224,047 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Cash proceeds from units created | | 21,953,560 | 25,360,412 |
| Payments for cancellation of units | | (15,792,622) | (22,288,495) |
| Distribution paid | | (184,104) | (162,350) |
| Net cash generated from financing activities | | 5,976,834 | 2,909,567 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (8,283,232) | 23,133,614 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR | | 38,321,551 | 15,187,937 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR | 8 | 30,038,319 | 38,321,551 |

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

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

a. Standards and amendments to existing standards effective 1 January 2022:

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

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

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

B. INCOME RECOGNITION

Profit income from short-term Islamic deposits placed with licensed financial institutions and unquoted sukuk are recognised on the accrual basis using the effective profit rate method.

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

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

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

Realised gain or loss on disposal of unquoted sukuk is accounted for as the difference between the net disposal proceeds and the carrying amount of the Shariah-compliant investments, determined on cost adjusted for accretion of discount or amortisation of premium.

C. TRANSACTION COSTS

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

D. TAXATION

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

E. FUNCTIONAL AND PRESENTATION CURRENCY

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

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 Fund has not taken the option to irrevocably designate any equity¹ securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt instruments² are solely principal and interest³, however, these instruments 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.

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

² For the purposes of the investments made by the Fund, debt instruments refer to unquoted sukuk.

³ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

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

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

ii. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset. Shariah-compliant investments are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

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

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

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

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

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

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

Unquoted sukuk 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 using the net present value method 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. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted sukuk 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;
- (ii) obtains necessary internal approvals to use the non-BPA 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 profit rate method.

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

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

G. AMOUNT DUE FROM/(TO) BROKERS

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

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

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

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

H. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances and Islamic 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.

I. UNIT HOLDERS' CAPITAL

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

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

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

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

J. DISTRIBUTION

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

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

1. INFORMATION ON THE FUND

Eastspring Investments Dana Dinamik (the “Fund”) was constituted pursuant to the execution of a Deed dated 19 February 2004 as amended by a Master Supplemental Deed dated 12 July 2007 and a Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Bhd (“HSBC Trustee”) and Eastspring Investments Berhad (the “Manager”). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between the Manager and the Trustee on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee followed by a Second Supplemental Master Deed dated 28 January 2011, a Third Supplemental Master Deed dated 9 March 2011, a Fourth Supplemental Master Deed dated 20 January 2012, a Fifth Supplemental Master Deed dated 26 March 2014, a Sixth Supplemental Master Deed dated 2 January 2015, a Seventh Supplemental Master Deed dated 11 July 2016, an Eighth Supplemental Master Deed dated 25 January 2017, a Ninth Supplemental Master Deed dated 11 December 2017, a Tenth Supplemental Master Deed dated 4 June 2018, an Eleventh supplemental Master Deed dated 30 September 2021, a Twelfth supplemental Master Deed dated 29 June 2022 and a Thirteenth Supplemental Master Deed dated 29 November 2022 (collectively referred to as the “Deeds”).

The Fund was launched on 25 February 2004 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund may invest in Shariah-compliant securities traded on Bursa Malaysia and other market considered as eligible market, unquoted sukuk, Islamic futures contracts and any other Shariah-compliant investments approved by the Securities Commission’s (“SC”) from time to time.

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

The Fund seeks to provide investors with capital appreciation by actively investing in Shariah approved equities and equity-related securities. For defensive considerations, the Fund may invest in Shariah approved debentures and money market instruments.

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

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Financial instruments of the Fund are as follows:

| | Note | Financial assets at amortised cost RM | Financial assets at fair value through profit or loss RM | Total RM |
|-------------------------------------|------|---|--|--------------------|
| 2023 | | | | |
| Cash and cash equivalents | 8 | 30,038,319 | - | 30,038,319 |
| Quoted Shariah-compliant securities | 7 | - | 114,701,864 | 114,701,864 |
| Unquoted sukuk | 7 | - | 15,185,212 | 15,185,212 |
| Amount due from Manager | | 371,239 | - | 371,239 |
| Dividends receivable | | 347,034 | - | 347,034 |
| | | <u>30,756,592</u> | <u>129,887,076</u> | <u>160,643,668</u> |
| 2022 | | | | |
| Cash and cash equivalents | 8 | 38,321,551 | - | 38,321,551 |
| Quoted Shariah-compliant securities | 7 | - | 89,515,235 | 89,515,235 |
| Unquoted sukuk | 7 | - | 15,083,269 | 15,083,269 |
| Amount due from Manager | | 284,976 | - | 284,976 |
| Dividends receivable | | 278,473 | - | 278,473 |
| | | <u>38,885,000</u> | <u>104,598,504</u> | <u>143,483,504</u> |

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

Market risk

i. Price risk

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

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

| | 2023 | 2022 |
|--|-------------|------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| Quoted Shariah-compliant securities | 114,701,864 | 89,515,235 |
| Unquoted sukuk* | 15,185,212 | 15,083,269 |

* Includes profit receivable of RM179,512 (2022: RM178,169).

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

| % Change in price | 2023 | | 2022 | |
|-------------------|--------------|--|--------------|--|
| | Market value | Impact on profit after tax and net asset value | Market value | Impact on loss after tax and net asset value |
| | RM | RM | RM | RM |
| +5% (2022: +5%) | 136,192,942 | 6,485,378 | 109,641,352 | 5,221,017 |
| -5% (2022: -5%) | 123,222,186 | (6,485,378) | 99,199,318 | (5,221,017) |

ii. Exposure to interest rate risk

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

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

In general, when interest rates rise, unquoted sukuk 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 unquoted sukuk till maturity, such valuation 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 valuation of unquoted sukuk and Islamic money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates. It does not in any way suggest that the Fund will invest in conventional financial instruments. All investments carried out for the Fund including placements and deposits are in accordance with Shariah.

This risk is crucial in an unquoted sukuk fund as unquoted sukuk portfolio management depends on forecasting interest rate movements. Prices of unquoted sukuk move inversely to interest rate movements, therefore as interest rate rise, the prices of unquoted sukuk decrease and vice versa. Furthermore, unquoted sukuk with longer maturity and lower yield profit 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 profit 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 Fund's investments in Islamic deposits with licensed financial institutions are short term in nature. Therefore, exposure to interest rate fluctuations is minimal.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. It does not in any way suggest that the Fund will invest in conventional financial instruments. All investments carried out for the Fund including placements and deposits are in accordance with Shariah.

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to movements in pricing of unquoted sukuk at the end of each reporting financial year as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2022: 1%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

| | 2023 | 2022 |
|-----------------------------|---|---|
| | Impact on profit after tax and net asset value | Impact on loss after tax and net asset value |
| % Movement in interest rate | | |
| | RM | RM |
| <u>Unquoted sukuk</u> | | |
| +1% (2022: +1%) | (10,871) | (17,558) |
| -1% (2022: -1%) | 10,888 | 17,592 |

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.

Shariah status reclassification risk

a. Shariah-compliant equity securities

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

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

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

b. Sukuk or Islamic money market instruments or Islamic deposits

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

Fund management risk

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

Liquidity risk

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

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

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

| | Less than 1 month | Between 1 month to 1 year | Total |
|--|------------------------------|--|--------------|
| | RM | RM | RM |
| 2023 | | | |
| Accrued management fee | 163,648 | - | 163,648 |
| Amount due to Manager | 189,004 | - | 189,004 |
| Amount due to Trustee | 9,164 | - | 9,164 |
| Amount due to brokers | 641,656 | - | 641,656 |
| Other payables and accruals | - | 19,442 | 19,442 |
| Contractual undiscounted cash outflows | 1,003,472 | 19,442 | 1,022,914 |
| 2022 | | | |
| Accrued management fee | 148,528 | - | 148,528 |
| Amount due to Manager | 215,853 | - | 215,853 |
| Amount due to Trustee | 8,318 | - | 8,318 |
| Other payables and accruals | - | 41,488 | 41,488 |
| Contractual undiscounted cash outflows | 372,699 | 41,488 | 414,187 |

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM119,955,270 (2022: RM110,175,248) and retained earnings of RM39,665,484 (2022: RM32,894,069). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the Shariah-compliant investment activities of the Fund.

Credit/Default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit, principals and proceeds from realisation of Shariah-compliant investments. In the case of the Fund, the 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 Deeds.

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

The credit risk arising from placements of Islamic deposits with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The credit/default risk is minimal as all transactions in quoted Shariah-compliant securities are settled/paid upon delivery using approved brokers. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

For unquoted sukuk, the Manager regularly reviews the rating assigned to the issuer so that necessary steps can be taken if the rating falls below those described by the Deeds and SC's Guidelines on Unit Trust Funds.

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

| | Financial assets at fair value through profit or loss | Cash and cash equivalents | Dividends receivable | Amount due from Manager | Total |
|---|--|---------------------------------|-------------------------|----------------------------|------------|
| | RM | RM | RM | RM | RM |
| <u>2023</u> | | | | | |
| Construction | | | | | |
| - NR | - | - | 35,725 | - | 35,725 |
| Energy | | | | | |
| - NR | - | - | 6,762 | - | 6,762 |
| Financial Services | | | | | |
| - AAA | - | 29,806,433 | - | - | 29,806,433 |
| - AA1 | - | 231,886 | - | - | 231,886 |
| Health Care | | | | | |
| - NR | - | - | 45,577 | - | 45,577 |
| Industrial Products & Services | | | | | |
| - NR | - | - | 1,500 | - | 1,500 |
| Property | | | | | |
| - NR | - | - | 43,286 | - | 43,286 |
| Islamic Real Estate Investment Trust | | | | | |
| - NR | - | - | 22,128 | - | 22,128 |

| | Financial assets at fair value through profit or loss | | Cash and cash equivalents | | Dividends receivable | | Amount due from Manager | | Total | |
|----------------------------|---|------------|---------------------------|----|----------------------|----|-------------------------|---------|------------|----|
| | RM | RM | RM | RM | RM | RM | RM | RM | RM | RM |
| 2023 (continued) | | | | | | | | | | |
| Technology | | | | | | | | | | |
| - NR | - | - | - | - | 12,192 | - | - | - | 12,192 | - |
| Telecommunications & Media | | | | | | | | | | |
| - NR | - | - | - | - | 37,088 | - | - | - | 37,088 | - |
| Unquoted Sukuk | | | | | | | | | | |
| - AA3 | 10,071,440 | - | - | - | - | - | - | - | 10,071,440 | - |
| - A1 | 5,113,772 | - | - | - | - | - | - | - | 5,113,772 | - |
| Utilities | | | | | | | | | | |
| - NR | - | - | - | - | 142,776 | - | - | - | 142,776 | - |
| Other | | | | | | | | | | |
| - NR | - | - | - | - | - | - | - | 371,239 | 371,239 | - |
| | 15,185,212 | 30,038,319 | | | 347,034 | | | 371,239 | 45,941,804 | |

| | Financial assets at fair value through profit or loss | Cash and cash equivalents | Dividends receivable | Amount due from Manager | Total |
|--------------------------------|--|---------------------------------|-------------------------|----------------------------|------------|
| | RM | RM | RM | RM | RM |
| 2022 | | | | | |
| Construction | | | | | |
| - NR | - | - | 17,863 | - | 17,863 |
| Financial Services | | | | | |
| - AAA | - | 12,000,838 | - | - | 12,000,838 |
| - AA1 | - | 26,320,713 | - | - | 26,320,713 |
| Industrial Products & Services | | | | | |
| - NR | - | - | 49,054 | - | 49,054 |
| Property | | | | | |
| - NR | - | - | 38,061 | - | 38,061 |
| Technology | | | | | |
| - NR | - | - | 18,931 | - | 18,931 |
| Telecommunications & Media | | | | | |
| - NR | - | - | 66,924 | - | 66,924 |
| Unquoted Sukuk | | | | | |
| - AA3 | 9,915,774 | - | - | - | 9,915,774 |
| - A1 | 5,167,495 | - | - | - | 5,167,495 |
| Utilities | | | | | |
| - NR | - | - | 87,640 | - | 87,640 |
| Other | | | | | |
| - NR | - | - | - | 284,976 | 284,976 |
| | 15,083,269 | 38,321,551 | 278,473 | 284,976 | 53,968,269 |

Fair value estimation

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

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

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

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

i. Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

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

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

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|---------|---------|-------|
| | RM | RM | RM | RM |

2023

Financial assets at fair value through profit or loss:

| | | | | |
|-------------------------------------|-------------|------------|---|-------------|
| Quoted Shariah-compliant securities | 114,701,864 | - | - | 114,701,864 |
| Unquoted sukuk | - | 15,185,212 | - | 15,185,212 |

2022

Financial assets at fair value through profit or loss:

| | | | | |
|-------------------------------------|------------|------------|---|------------|
| Quoted Shariah-compliant securities | 89,515,235 | - | - | 89,515,235 |
| Unquoted sukuk | - | 15,083,269 | - | 15,083,269 |

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

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, which include unquoted sukuk. 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, amount due from Manager, dividends receivable and all liabilities are a reasonable approximation of their fair values due to their short term nature.

3. MANAGEMENT FEE

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

For the financial year ended 30 September 2023, the management fee is recognised at a rate of 1.25% (2022: 1.25%) per annum on the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum.

For the financial year ended 30 September 2023, the Trustee fee is recognised at a rate of 0.07% (2022: 0.07%) subject to a minimum fee of RM18,000 per annum on the net asset value of the Fund, calculated on daily basis.

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

5. DISTRIBUTION

| | 2023 | 2022 |
|--|-------------------|-------------------|
| | RM | RM |
| Distribution to unit holders are from the following sources: | | |
| Distribution equalisation (Memorandum account) | 3,175,299 | 2,436,611 |
| Prior financial years' realised income | 5,087,332 | 4,318,816 |
| Gross realised income | 8,262,631 | 6,755,427 |
| Less: Expenses | (1,397,256) | (1,105,886) |
| | 6,865,375 | 5,649,541 |
| Gross distribution per unit (sen) | 3.91 | 3.48 |
| Net distribution per unit (sen) | 3.91 | 3.48 |
| Ex-Date | 15 September 2023 | 19 September 2022 |

Gross distribution is derived using total income less total expenses. The distribution is made from prior financial years' realised income.

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

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

During the financial year ended 30 September 2022, the Fund incurred an unrealised losses of RM28,351,806.

6. TAXATION

| | 2023 | 2022 |
|--|------|------|
| | RM | RM |

Tax charged for the financial year:

| | | |
|------------------|---|---|
| Current taxation | - | - |
|------------------|---|---|

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

| | 2023 | 2022 |
|--|-------------|--------------|
| | RM | RM |
| Profit/(loss) before taxation | 10,461,491 | (25,257,847) |
| Tax at Malaysian statutory rate of 24% (2022: 24%) | 2,510,758 | (6,061,883) |
| Tax effects of: | | |
| (Shariah-compliant investment income not subject to tax)/Shariah-compliant investment loss not deductible for tax purposes | (3,061,759) | 5,502,638 |
| Expenses not deductible for tax purposes | 89,822 | 99,372 |
| Restriction on tax deductible expenses for Unit Trust Funds | 461,179 | 459,873 |
| Taxation | - | - |

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2023 | 2022 |
|---|--------------------|---------------------|
| | RM | RM |
| Financial assets at fair value through profit or loss: | | |
| Quoted Shariah-compliant securities (Note 7(i)) | 114,701,864 | 89,515,235 |
| Unquoted sukuk (Note 7(ii)) | 15,185,212 | 15,083,269 |
| | <u>129,887,076</u> | <u>104,598,504</u> |
| Net gain/(loss) on financial assets at fair value through profit or loss: | | |
| Realised (loss)/gain on disposals | (1,838,792) | 1,385,736 |
| Change in unrealised fair value gain/(loss) | 8,456,471 | (28,351,806) |
| | <u>6,617,679</u> | <u>(26,966,070)</u> |

i. Quoted Shariah-compliant securities

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2023 | Percentage of net asset value of the Fund |
|----------------------------------|------------------|------------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Construction</u> | | | | |
| Gabungan AQRS Berhad | 2,466,346 | 3,151,986 | 887,885 | 0.56 |
| Kerjaya Prospek Group Berhad | 1,786,265 | 3,040,807 | 2,322,145 | 1.45 |
| Sunway Construction Group Berhad | 875,300 | 1,528,578 | 1,663,070 | 1.04 |
| | <u>5,127,911</u> | <u>7,721,371</u> | <u>4,873,100</u> | <u>3.05</u> |

i. Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2023 | Percentage of net asset value of the Fund |
|---|------------|----------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Consumer Products & Services</u> | | | | |
| AEON Co. (M) Berhad | 2,133,100 | 2,474,364 | 2,346,410 | 1.47 |
| Bermaz Auto Berhad | 1,499,940 | 2,629,587 | 3,734,851 | 2.34 |
| DRB-HICOM Berhad | 810,600 | 1,672,387 | 1,159,158 | 0.73 |
| Focus Point Holdings Berhad | 994,000 | 818,908 | 775,320 | 0.49 |
| InNature Berhad | 2,502,400 | 1,574,645 | 1,113,568 | 0.70 |
| Mr D.I.Y. Group (M) Berhad | 537,500 | 804,872 | 811,625 | 0.51 |
| QL Resources Berhad | 727,218 | 1,474,764 | 3,970,610 | 2.49 |
| Sime Darby Berhad | 611,200 | 1,275,058 | 1,350,752 | 0.85 |
| UMW Holdings Berhad | 398,500 | 1,140,400 | 1,896,860 | 1.19 |
| | 10,214,458 | 13,864,985 | 17,159,154 | 10.77 |
| <u>Energy</u> | | | | |
| Dayang Enterprise Holdings Berhad | 464,400 | 582,962 | 896,292 | 0.56 |
| Dialog Group Berhad | 771,500 | 1,749,639 | 1,635,580 | 1.02 |
| Hibiscus Petroleum Berhad | 1,352,400 | 1,290,270 | 1,528,212 | 0.96 |
| | 2,588,300 | 3,622,871 | 4,060,084 | 2.54 |
| <u>Financial Services</u> | | | | |
| Bank Islam Malaysia Berhad | 1,005,700 | 2,970,835 | 2,152,198 | 1.35 |
| Syarikat Takaful Malaysia Keluarga Berhad | 1,020,880 | 3,136,259 | 3,552,662 | 2.23 |
| | 2,026,580 | 6,107,094 | 5,704,860 | 3.58 |

i. Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2023 | Percentage of net asset value of the Fund |
|---|-----------|----------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Health Care</u> | | | | |
| Duopharma Biotech Berhad | 772,464 | 1,246,900 | 926,957 | 0.58 |
| IHH Healthcare Berhad | 668,200 | 3,860,077 | 3,908,970 | 2.45 |
| KPJ Healthcare Berhad | 2,773,700 | 2,583,908 | 3,162,018 | 1.98 |
| | 4,214,364 | 7,690,885 | 7,997,945 | 5.01 |
| <u>Industrial Products & Services</u> | | | | |
| NationGate Holdings Berhad | 600,000 | 747,000 | 798,000 | 0.50 |
| PETRONAS Chemicals Group Berhad | 253,000 | 2,112,448 | 1,819,070 | 1.14 |
| Press Metal Aluminium Holdings Berhad | 714,300 | 4,030,813 | 3,364,353 | 2.11 |
| SAM Engineering & Equipment (M) Berhad | 143,900 | 707,429 | 644,672 | 0.40 |
| Scientex Berhad | 635,800 | 1,305,947 | 2,358,818 | 1.48 |
| Uchi Technologies Berhad | 1,027,300 | 2,448,820 | 3,554,458 | 2.23 |
| V.S. Industry Berhad | 937,200 | 1,232,498 | 955,944 | 0.60 |
| | 4,311,500 | 12,584,955 | 13,495,315 | 8.46 |
| <u>Islamic Real Estate Investment Trust</u> | | | | |
| Al-'Aqar Healthcare REIT | 1,200,000 | 1,440,000 | 1,500,000 | 0.94 |
| AME Real Estate Investment Trust | 498,400 | 581,338 | 632,968 | 0.40 |
| KLCC Property Holding Berhad | 596,800 | 4,187,898 | 4,058,240 | 2.54 |
| | 2,295,200 | 6,209,236 | 6,191,208 | 3.88 |

i. Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2023 | Percentage of net asset value of the Fund |
|--------------------------------------|-----------|----------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Plantation</u> | | | | |
| Genting Plantations Berhad | 229,000 | 1,784,093 | 1,236,600 | 0.77 |
| Hap Seng Plantations Holdings Berhad | 1,124,800 | 2,769,961 | 2,114,624 | 1.32 |
| IOI Corporation Berhad | 495,400 | 1,961,318 | 1,971,692 | 1.24 |
| Kuala Lumpur Kepong Berhad | 106,800 | 2,366,174 | 2,285,520 | 1.43 |
| Sime Darby Plantation Berhad | 686,000 | 2,954,220 | 2,936,080 | 1.84 |
| | 2,642,000 | 11,835,766 | 10,544,516 | 6.60 |
| <u>Property</u> | | | | |
| Sime Darby Property Berhad | 4,328,565 | 4,090,351 | 3,008,353 | 1.88 |
| <u>Technology</u> | | | | |
| CTOS Digital Berhad | 1,963,900 | 3,098,939 | 2,749,460 | 1.72 |
| D&O Green Technologies Berhad | 200,000 | 777,729 | 682,000 | 0.43 |
| Frontken Corporation Berhad | 474,750 | 1,462,457 | 1,495,463 | 0.94 |
| Genetec Technology Berhad | 758,500 | 1,999,264 | 1,812,815 | 1.14 |
| Inari Amertron Berhad | 609,604 | 1,197,097 | 1,767,852 | 1.11 |
| ITMAX System Berhad | 700,300 | 859,221 | 1,267,543 | 0.79 |
| My E.G. Services Berhad | 1,000,000 | 818,500 | 795,000 | 0.50 |
| ViTrox Corporation Berhad | 284,800 | 611,809 | 2,118,912 | 1.33 |
| | 5,991,854 | 10,825,016 | 12,689,045 | 7.96 |

i. Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2023 | Percentage of net asset value of the Fund |
|---|-------------------|--------------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Telecommunications & Media</u> | | | | |
| Axiata Group Berhad | 741,764 | 3,133,444 | 1,846,992 | 1.16 |
| CelcomDigi Berhad | 777,800 | 3,208,125 | 3,398,986 | 2.13 |
| Maxis Berhad | 450,000 | 1,949,000 | 1,818,000 | 1.14 |
| Telekom Malaysia Berhad | 709,370 | 2,671,973 | 3,475,912 | 2.18 |
| TIME dotCom Berhad | 899,100 | 2,461,116 | 4,873,122 | 3.05 |
| | <u>3,578,034</u> | <u>13,423,658</u> | <u>15,413,012</u> | <u>9.66</u> |
| <u>Transportation & Logistics</u> | | | | |
| MISC Berhad | 328,000 | 2,247,193 | 2,322,240 | 1.45 |
| Westports Holdings Berhad | 245,500 | 1,007,285 | 792,964 | 0.50 |
| | <u>573,500</u> | <u>3,254,478</u> | <u>3,115,204</u> | <u>1.95</u> |
| <u>Utilities</u> | | | | |
| PETRONAS Gas Berhad | 150,000 | 2,538,006 | 2,526,000 | 1.57 |
| Tenaga Nasional Berhad | 793,200 | 9,030,006 | 7,924,068 | 4.95 |
| | <u>943,200</u> | <u>11,568,012</u> | <u>10,450,068</u> | <u>6.52</u> |
| TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES | <u>48,835,466</u> | <u>112,798,678</u> | <u>114,701,864</u> | <u>71.86</u> |
| ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>1,903,186</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>114,701,864</u> | | |

i. Quoted Shariah-compliant securities

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2022 | Percentage of net asset value of the Fund |
|---|------------|----------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Construction</u> | | | | |
| Gabungan AQRS Berhad | 3,051,046 | 3,899,232 | 854,293 | 0.60 |
| Kerjaya Prospek Group Berhad | 1,786,265 | 3,040,807 | 2,054,205 | 1.44 |
| | 4,837,311 | 6,940,039 | 2,908,498 | 2.04 |
| <u>Consumer Products & Services</u> | | | | |
| AEON Co. (M) Berhad | 2,433,100 | 2,822,360 | 3,333,347 | 2.33 |
| Berjaya Food Berhad | 1,560,600 | 1,295,298 | 1,349,919 | 0.94 |
| Bermaz Auto Berhad | 1,428,340 | 2,494,034 | 2,670,996 | 1.87 |
| DRB-HICOM Berhad | 919,100 | 1,896,238 | 1,204,021 | 0.84 |
| Farm Fresh Berhad | 176,100 | 237,735 | 283,521 | 0.20 |
| InNature Berhad | 2,502,400 | 1,574,645 | 1,376,320 | 0.96 |
| Mr D.I.Y. Group (M) Berhad | 1,087,500 | 1,523,335 | 2,142,375 | 1.50 |
| QL Resources Berhad | 817,218 | 1,657,280 | 4,069,746 | 2.84 |
| UMW Holdings Berhad | 368,500 | 1,029,700 | 1,101,815 | 0.77 |
| | 11,292,858 | 14,530,625 | 17,532,060 | 12.25 |
| <u>Energy</u> | | | | |
| Dayang Enterprise Holdings Berhad | 3,113,600 | 3,908,509 | 3,456,096 | 2.42 |
| Dialog Group Berhad | 771,500 | 1,749,639 | 1,535,285 | 1.07 |
| Velesito Energy Berhad | 5,025,600 | 630,688 | 577,944 | 0.40 |
| | 8,910,700 | 6,288,836 | 5,569,325 | 3.89 |

i. Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2022 | Percentage of net asset value of the Fund |
|---|-----------|----------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Financial Services</u> | | | | |
| Bank Islam Malaysia Berhad | 961,500 | 2,870,975 | 2,471,055 | 1.73 |
| Syarikat Takaful Malaysia Keluarga Berhad | 1,020,880 | 3,136,259 | 3,368,904 | 2.35 |
| | 1,982,380 | 6,007,234 | 5,839,959 | 4.08 |
| <u>Health Care</u> | | | | |
| IHH Healthcare Berhad | 870,100 | 5,030,757 | 5,133,590 | 3.59 |
| <u>Industrial Products & Services</u> | | | | |
| MTAG Group Berhad [Note 9.1 (a) (i)] | 1,473,000 | 1,220,044 | 670,215 | 0.47 |
| Press Metal Aluminium Holdings Berhad | 843,300 | 4,758,763 | 3,406,932 | 2.38 |
| SAM Engineering & Equipment (M) Berhad | 143,900 | 707,429 | 707,988 | 0.49 |
| Scientex Berhad | 535,800 | 940,637 | 1,859,226 | 1.30 |
| SKP Resources Berhad | 883,850 | 1,018,597 | 1,467,191 | 1.03 |
| Uchi Technologies Berhad | 1,130,200 | 2,694,107 | 3,673,150 | 2.57 |
| V.S. Industry Berhad | 2,039,400 | 2,681,986 | 1,978,218 | 1.38 |
| | 7,049,450 | 14,021,563 | 13,762,920 | 9.62 |
| <u>Islamic Real Estate Investment Trust</u> | | | | |
| KLCC Property Holding Berhad | 437,400 | 3,091,198 | 2,882,466 | 2.01 |

i. Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2022 | Percentage of net asset value of the Fund |
|--------------------------------------|-----------|----------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Plantation</u> | | | | |
| Genting Plantations Berhad | 191,700 | 1,547,996 | 1,100,358 | 0.77 |
| Hap Seng Plantations Holdings Berhad | 628,600 | 1,793,167 | 1,213,198 | 0.85 |
| Kuala Lumpur Kepong Berhad | 80,700 | 1,798,161 | 1,670,490 | 1.17 |
| | 901,000 | 5,139,324 | 3,984,046 | 2.79 |
| <u>Property</u> | | | | |
| IOI Properties Group Berhad | 1,395,100 | 1,689,037 | 1,304,419 | 0.91 |
| S P Setia Berhad | 1,141,138 | 2,224,928 | 656,154 | 0.46 |
| Sime Darby Property Berhad | 3,806,165 | 3,714,223 | 1,712,774 | 1.20 |
| | 6,342,403 | 7,628,188 | 3,673,347 | 2.57 |
| <u>Technology</u> | | | | |
| CTOS Digital Berhad | 1,963,900 | 3,098,939 | 2,631,626 | 1.84 |
| D&O Green Technologies Berhad | 370,000 | 1,438,798 | 1,491,100 | 1.04 |
| Frontken Corporation Berhad | 376,050 | 1,141,982 | 1,034,138 | 0.72 |
| Inari Amertron Berhad | 860,504 | 1,301,595 | 2,168,470 | 1.52 |
| Malaysian Pacific Industries Berhad | 45,100 | 1,707,286 | 1,296,174 | 0.91 |
| ViTrox Corporation Berhad | 397,000 | 852,838 | 2,870,310 | 2.01 |
| | 4,012,554 | 9,541,438 | 11,491,818 | 8.04 |

i. Quoted Shariah-compliant securities (continued)

| Name of counter | Quantity | Aggregate cost | Fair value as at 30.9.2022 | Percentage of net asset value of the Fund |
|---|-------------------|--------------------|----------------------------|---|
| | Units | RM | RM | % |
| <u>Telecommunications & Media</u> | | | | |
| Axiata Group Berhad | 786,664 | 3,416,662 | 2,061,060 | 1.44 |
| Digi.Com Berhad | 142,100 | 685,627 | 480,298 | 0.34 |
| Telekom Malaysia Berhad | 743,600 | 2,780,576 | 4,067,492 | 2.84 |
| TIME dotCom Berhad | 899,100 | 2,461,116 | 4,153,842 | 2.90 |
| | <u>2,571,464</u> | <u>9,343,981</u> | <u>10,762,692</u> | <u>7.52</u> |
| <u>Transportation & Logistics</u> | | | | |
| MISC Berhad | 239,900 | 1,609,568 | 1,621,724 | 1.13 |
| Westports Holdings Berhad | 269,700 | 1,170,191 | 825,281 | 0.58 |
| | <u>509,600</u> | <u>2,779,759</u> | <u>2,447,005</u> | <u>1.71</u> |
| <u>Utilities</u> | | | | |
| Tenaga Nasional Berhad | 438,200 | 5,614,414 | 3,527,509 | 2.47 |
| TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES | <u>50,155,420</u> | <u>95,957,356</u> | <u>89,515,235</u> | <u>62.58</u> |
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>(6,442,121)</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>89,515,235</u> | | |

ii. Unquoted sukuk

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.9.2023 | Percentage of net asset value of the Fund |
|---|-------------------|-------------------|----------------------------|---|
| | RM | RM | RM | % |
| 5.05% Affin Islamic Bank Berhad | | | | |
| 23.10.2023 (A1) | 5,000,000 | 5,111,273 | 5,113,772 | 3.20 |
| 4.10% AmBank Islamic Berhad | | | | |
| 27.3.2025 (AA3) | 5,000,000 | 5,002,247 | 5,008,147 | 3.14 |
| 4.13% BGSM Management Sdn Berhad 3.12.2027 (AA3) | 5,000,000 | 5,075,775 | 5,063,293 | 3.17 |
| TOTAL UNQUOTED SUKUK | <u>15,000,000</u> | 15,189,295 | <u>15,185,212</u> | 9.51 |
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>(4,083)</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>15,185,212</u> | | |

ii. Unquoted sukuk

| Name of counter | Nominal value | Aggregate cost | Fair value as at 30.9.2022 | Percentage of net asset value of the Fund |
|---|-------------------|-------------------|----------------------------|---|
| | RM | RM | RM | % |
| 5.05% Affin Islamic Bank Berhad | | | | |
| 23.10.2023 (A1) | 5,000,000 | 5,118,942 | 5,167,495 | 3.61 |
| 4.10% AmBank Islamic Berhad | | | | |
| 27.3.2025 (AA3) | 5,000,000 | 5,002,247 | 4,978,447 | 3.48 |
| 4.13% BGSM Management Sdn Berhad 3.12.2027 (AA3) | 5,000,000 | 5,077,327 | 4,937,327 | 3.45 |
| TOTAL UNQUOTED SUKUK | <u>15,000,000</u> | 15,198,516 | <u>15,083,269</u> | 10.54 |
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>(115,247)</u> | | |
| TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>15,083,269</u> | | |

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

| | 2023 | 2022 |
|----------------|-------------|-------------|
| | % | % |
| Unquoted sukuk | <u>4.11</u> | <u>4.49</u> |

8. CASH AND CASH EQUIVALENTS

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | RM | RM |
| Bank balance with a licensed bank | 231,886 | 348,920 |
| Islamic deposits with licensed financial institutions | 29,806,433 | 37,972,631 |
| | <u>30,038,319</u> | <u>38,321,551</u> |

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

| | 2023 | 2022 |
|---|-------------|-------------|
| | % | % |
| Islamic deposits with licensed financial institutions | <u>2.95</u> | <u>2.53</u> |

The Islamic deposits have an average maturity of 2 days (2022: 4 days).

9. SHARIAH INFORMATION OF THE FUND

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

- a. Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia except for;

| No. | Securities | Reclassification Effective Date | Remarks |
|-----|-----------------------------|------------------------------------|--|
| i. | MTAG Group Berhad | 28 May 2021 | <p>These securities are underwater (market price below investment cost), so they could be held.</p> <p>However, effective 27 May 2022, these securities have been newly classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission Malaysia.</p> |
| ii. | IOI Properties Group Berhad | 25 November 2022 | <p>These securities have been completely disposed of on 20 July 2023 at an excess capital gain amounting to RM11,720.34.</p> <p>In accordance with the Fund's Shariah investment guidelines as provided in the Fund's deed and disclosed in the Fund's prospectus, the above excess capital gain shall be channelled to <i>baitulmal</i> and/or charitable bodies as advised by the Shariah Adviser.</p> |

- b. Collective investment schemes which have been verified as Shariah-compliant by the Shariah Adviser;
- c. Unquoted sukuk as per the list of unquoted sukuk available at Bond Info Hub, Fully Automated System for Issuing/Tendering of Bank Negara Malaysia and The Bond and Sukuk Information Exchange; and
- d. Cash placements and liquid assets in local market which are placed in Shariah-compliant instruments.

9.2 Amount due to *baitulmal*

Amount due to *baitulmal* and/or charitable bodies as advised by the Shariah Adviser amounting to RM11,720.34 comprises an excess capital gain derived from the disposal of the securities disclosed in Note 9.1 (a) (ii) above.

10. UNITS IN CIRCULATION

| | 2023 | 2022 |
|---|--------------------|--------------------|
| | No. of units | No. of units |
| At the beginning of the financial year | 168,616,349 | 159,467,278 |
| Creation of units during the financial year: | | |
| Arising from applications | 24,785,991 | 26,592,627 |
| Arising from distribution | 7,654,107 | 6,299,874 |
| Cancellation of units during the financial year | (17,717,122) | (23,743,430) |
| At the end of the financial year | <u>183,339,325</u> | <u>168,616,349</u> |

11. TOTAL EXPENSE RATIO ("TER")

| | 2023 | 2022 |
|-----|------|------|
| | % | % |
| TER | 1.34 | 1.35 |

TER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

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

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM153,050,222 (2022: RM152,915,111).

12. PORTFOLIO TURNOVER RATIO ("PTR")

| | 2023 | 2022 |
|-------------|------|------|
| PTR (times) | 0.21 | 0.26 |

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM41,703,991 (2022: RM29,890,845)

total disposals for the financial year = RM23,023,878 (2022: RM49,453,085)

13. TRANSACTIONS WITH BROKERS/DEALERS

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

| Name of brokers/ dealers | Value of trades | Percentage of total trades | Brokerage fees | Percentage of total brokerage fees |
|--|--------------------|----------------------------------|-------------------|---|
| | RM | % | RM | % |
| <u>2023</u> | | | | |
| CGS – CIMB Securities Sdn Bhd | 8,387,197 | 13.00 | 23,756 | 17.78 |
| RHB Investment Bank Berhad | 7,161,475 | 11.10 | 14,445 | 10.81 |
| CLSA Securities Malaysia Sdn Bhd | 6,917,405 | 10.72 | 14,765 | 11.05 |
| Kenanga Investment Bank Berhad | 6,308,535 | 9.77 | 12,117 | 9.07 |
| UOB Kay Hian Securities (M) Sdn Bhd | 5,959,376 | 9.23 | 11,396 | 8.53 |
| Maybank Investment Bank Berhad | 5,097,314 | 7.90 | 9,707 | 7.25 |
| Macquarie Capital Securities (M) Sdn Bhd | 4,351,423 | 6.74 | 8,359 | 6.25 |
| J.P. Morgan Securities (Malaysia) Sdn Bhd | 4,040,559 | 6.26 | 7,733 | 5.78 |
| Citigroup Global Markets (M) Sdn Bhd | 3,882,298 | 6.02 | 7,601 | 5.69 |
| Affin Investment Berhad | 3,833,998 | 5.94 | 7,387 | 5.53 |
| Others | 8,598,737 | 13.32 | 16,375 | 12.26 |
| | <u>64,538,317</u> | <u>100.00</u> | <u>133,641</u> | <u>100.00</u> |

| Name of brokers/ dealers | Value of trades | Percentage of total trades | Brokerage fees | Percentage of total brokerage fees |
|--|--------------------|----------------------------------|-------------------|---|
| | RM | % | RM | % |
| <u>2022</u> | | | | |
| CLSA Securities Malaysia Sdn Bhd | 14,766,654 | 18.63 | 29,533 | 18.28 |
| RHB Investment Bank Berhad | 12,075,369 | 15.24 | 14,403 | 8.91 |
| CGS – CIMB Securities Sdn Bhd | 10,929,641 | 13.79 | 16,721 | 10.35 |
| Maybank Investment Bank Berhad | 6,979,745 | 8.81 | 18,244 | 11.29 |
| Kenanga Investment Bank Berhad | 6,288,608 | 7.94 | 12,577 | 7.78 |
| KAF Equities Sdn Bhd | 5,153,307 | 6.50 | 10,307 | 6.38 |
| J.P. Morgan Securities (Malaysia) Sdn Bhd | 4,469,943 | 5.64 | 8,940 | 5.53 |
| Credit Suisse Securities (Malaysia) Sdn Bhd | 3,920,786 | 4.95 | 7,842 | 4.85 |
| Macquarie Capital Securities (M) Sdn Bhd | 3,317,939 | 4.19 | 6,636 | 4.11 |
| UOB Kay Hian Securities (M) Sdn Bhd | 2,851,434 | 3.60 | 5,703 | 3.53 |
| Others | 8,489,794 | 10.71 | 30,666 | 18.99 |
| | <u>79,243,220</u> | <u>100.00</u> | <u>161,572</u> | <u>100.00</u> |

All brokers and dealers highlighted above are not related to the Manager.

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

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

| Related parties | Relationship |
|--|--|
| Director of Eastspring Investments Berhad | Director of the Manager |
| Eastspring Investments Berhad | The Manager |
| Eastspring Investments Group Private Limited | Immediate holding company of the Manager |
| Prudential Plc | Ultimate holding company of the Manager |

Units held by Manager:

| | No. of units | 2023 | | 2022 | |
|-------------------------------|--------------|-------|--------------|-------|--|
| | | RM | No. of units | RM | |
| Eastspring Investments Berhad | 1,750 | 1,524 | 1,675 | 1,421 | |

The above units were transacted at the prevailing market price.

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

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

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 22 November 2023.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

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No. 6, Jalan Damanela

Bukit Damansara

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BUSINESS OFFICE

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Persiaran TRX Barat

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TRUSTEE

NAME

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SHARIAH ADVISER

NAME

BIMB SECURITIES SDN BHD

COMPANY NO.

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