

EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 31 December 2025.

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

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

Yours sincerely,

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

YAP SIOK HOON

Executive Director/Chief Executive Officer

TABLE OF CONTENTS

Fund Information	1
Key Performance Data	2
Manager's Report	4
Market Review	11
Rebates and Soft Commissions	12
Securities Lending or Repurchase Transactions	12
Statement by the Manager	14
Trustee's Report to the Unit Holders of Eastspring Investments Global Emerging Markets Fund	15
Independent Auditors' Report to the Unit Holders of Eastspring Investments Global Emerging Markets Fund	16
Statement of Comprehensive Income	20
Statement of Financial Position	21
Statement of Changes In Equity	22
Statement of Cash Flows	23
Material Accounting Policy Information	24
Notes to the Financial Statements	32
Corporate Directory	55

FUND INFORMATION

Name of Fund	Eastspring Investments Global Emerging Markets Fund (the "Fund")
Fund Category/ Type	Feeder fund (global equity)/growth
Fund Objective	<p>The Fund seeks to achieve long-term capital growth by investing in a collective investment scheme called the Schroder International Selection Fund Emerging Markets, which in turn seeks to provide capital growth primarily through investment in equity securities of emerging markets companies.</p> <p>SHOULD THE MANAGER DECIDE TO INVEST IN ANOTHER COLLECTIVE INVESTMENT SCHEME OTHER THAN THE SCHRODER INTERNATIONAL SELECTION FUND EMERGING MARKETS FOR ANY REASON WHATSOEVER, UNIT HOLDERS' APPROVAL IS REQUIRED.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is Morgan Stanley Capital International Emerging Markets Net Total Return (MSCI EM Net TR).</p> <p>Source: www.msci.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Incidental

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	2025 (%)	2024 (%)	2023 (%)
Collective investment scheme	99.01	98.98	98.92
Cash and other assets	0.99	1.02	1.08
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	42,584	47,835	52,900
Units In Circulation (Units '000)	81,330	115,100	131,073
Net Asset Value Per Unit (RM)	0.5236	0.4156	0.4036
Highest Net Asset Value Per Unit (RM)	0.5236	0.4643	0.4164
Lowest Net Asset Value Per Unit (RM)	0.5056	0.3847	0.3601
Total Return (%)			
- Capital Growth	25.99	2.97	11.00
- Income Distribution	-	-	-
Total Return (%)	25.99	2.97	11.00
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Total Expense Ratio (TER) (%)*	1.97	1.93	1.93
Portfolio Turnover Ratio (PTR) (times)^	0.23	0.30	0.14

* 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 1.1.2025 to 31.12.2025	3 years 1.1.2023 to 31.12.2025	5 years 1.1.2021 to 31.12.2025
	(%)	(%)	(%)
Average total return	25.99	12.91	2.47

Year ended	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.1.2021 to 31.12.2021
	(%)	(%)	(%)	(%)	(%)
Annual total return	25.99	2.97	11.00	(19.88)	(2.09)

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

$$n = \text{Number of years}$$

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

For the 5-year period, the Fund recorded a return of 12.97%, underperforming the benchmark return of 23.90% by 10.93%.

During the period under review, the Fund registered a return of 25.99%, outperforming the benchmark return of 21.21% by 4.78%.

The fund outperformed its benchmark with both country allocation and stock selection contributing strongly to relative returns.

The biggest country allocation effect came from the fund's underweight positions in India and Saudi Arabia. The fund also benefited from its overweights to Poland, Brazil, Mexico and Peru, as well as its underweight to Thailand and Malaysia, and zero-weight to Turkey. On the negative side, the off-benchmark position in Argentina (which was sold out of in October), the fund's exposure to China and its cash position detracted.

Stock selection in Taiwan (overweight Delta Electronic, Unimicron Technology, Ase Technology, Elite Material and Accton Technology) and China (overweight Zijin Mining, Sieyuan Electric, Sungrow Power Supply, Innovent Biologics, CATL, Zhejiang Sanhua Intelligent Controls) added the most to returns. Korean stock selection (overweight Hanwha Aerospace, SK Hynix, Samsung Electronics, zero-weight Celltrion) was also strongly positive. Stock selection in Chile (off-benchmark Antofagasta) also added to returns.

Conversely, stock selection in Brazil (overweight Suzano, XP, Prio, Raia Drogasil) and India (overweight Tata Consultancy, off-benchmark MakeMyTrip, overweight Varun Beverages, Bajaj Finance, Power Grid Corp.) was negative. It also weighed on returns in South Africa (zero-weight AngloGold Ashanti, overweight Shoprite Holdings, Absa Group, Bid Corp., FirstRand), Mexico (overweight Femsa, zero-weight Grupo Mexico and Industrias Penoles) and Indonesia (overweight Bank Central Asia and Bank Rakyat, zero-weight Barito Pacific, underweight Telkom Indonesia).

MANAGER'S REPORT (CONTINUED)

Fund Performance
(continued)

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

Benchmark: Morgan Stanley Capital International Emerging Markets Net Total Return (MSCI EM Net TR).

Source: Lipper for Investment Management and www.msci.com, as at 31 December 2025.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 31 December 2025:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	25.99	25.99	21.21

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

Distribution/ Unit Split

No distribution or unit split were declared for the financial year ended 31 December 2025.

Investment Strategy During the Period Under Review

Q1 2025

During the first quarter, we initially increased our overweight to Taiwan, in a move to actual weight but then moderated our overweight exposure. We increased overweight exposure to UAE, and decreased our underweight to Thailand, both on the back of bottom-up stock opportunities. We modestly increased overweight exposure to Mexico and in so doing, moved closer to our model's recommendation. This was later trimmed given evolving tariff risk. We reduced the underweight to Korea in a risk reduction move. While Korea is exposed to tariff risk, sensitive to a global slowdown and experiencing political instability, much was being priced in. All the while, we moved Greece from neutral to overweight.

This was funded by increasing our underweight to China given ongoing tariff risks and political tension. We later reversed this to manage risk. We reduced our overweight to South Africa on rising concerns about government stability. We also exited Malaysia and increased our underweight to Qatar, in both cases due to bottom-up decisions.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review (continued)

Q2 2025

During the second quarter, we reduced our underweight in Korea to neutral. Although Korea is sensitive to global growth and tariff risk, the potential for corporate governance reform had risen with the new government, and valuations were attractive. We increased exposure in China, also to neutral, which was mainly driven by a temporary trade deal with the US signalling the avoidance of the worst-case tariff scenario, while China additionally has a strong policy backdrop which could be supportive. All the while, in Saudi Arabia, despite stretched valuations, we increased exposure upon an attractive stock opportunity. To that end, exposure in UAE and Argentina also rose owing to attractive stock opportunities over the quarter.

This was funded by initially reducing the overweight in Taiwan when tariffs were creating cyclical risk. We later added to overweight exposure towards the end of the period given the positive outlook for AI demand. We moved to actual weight in India by modestly increasing our underweight position. Although economic growth is inflecting positively and the market is relatively defensive from a geopolitical perspective, valuations remain expensive. Concurrently, we reduced our overweight to Mexico early in the quarter given domestic policy concerns and the risks to the market from slower US growth and further tariff action. Finally, we exited positions in Thailand and Qatar, in both cases as a result of bottom-up decisions.

Q3 2025

During the third quarter of 2025, we increased the magnitude of the overweight to Taiwan. The structural outlook for AI hardware spend remains positive, with high conviction around AI-related earnings forecasts into H1 2026. We increased the overweight to Brazil, where valuations are attractive and we have reached the end of the rate hiking cycle. We also overrode the model to take Indonesia from neutral to a small overweight position. While policy risk has increased, valuations are attractive.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review (continued)

These moves were funded as follows. We increased the magnitude of the underweight to India, moving closer to the model's recommendation. Although economic growth is inflecting positively, valuations remain expensive and US-India relations have deteriorated, with the US imposing additional tariffs, citing India's trade surplus and ties to Russia. We overrode the model to take Mexico from neutral to a small underweight. Despite reasonable valuations, Mexico's growth outlook has weakened, the market is sensitive to US growth and there is risk around USMCA renewal. We also reduced South Africa to neutral in line with the model's recommendation. Finally, we reduced the size of our off-benchmark exposure to Argentina, owing to a stock specific decision.

These moves led to a reduction in our cash position.

Q4 2025

During the fourth quarter of 2025 we took Mexico from an underweight to a neutral position, in line with the model's recommendation. While tariff risks and uncertainty regarding the US trade agreement (USMCA) renewal are weighing on investment decisions, valuations remain reasonable and important progress has been made on immigration and drug control, as the Mexican government continues to work closely with the US.

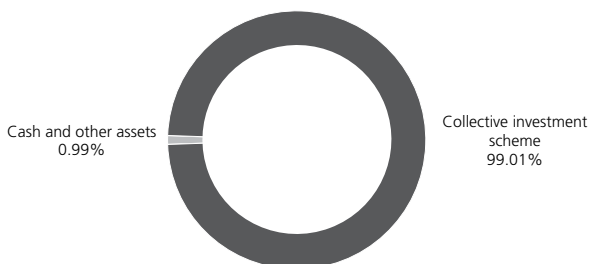
This was primarily funded by exiting our off-benchmark position in Argentina, owing to a bottom-up stock decision and reducing the magnitude of our overweight position in Brazil. Brazil's economy continues to expand, with GDP growth at 2.2% for 2025, though momentum is slowing as high interest rates begin to bite. Valuations remain attractive, however, political uncertainty ahead of the 2026 elections is rising. We also exited our position in Saudi Arabia to align with the model's recommendation. As a consequence of these moves, our cash position increased over the quarter.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	31-Dec 2025 (%)	31-Dec 2024 (%)	Changes (%)
Collective investment scheme	99.01	98.98	0.03
Cash and other assets	0.99	1.02	(0.03)

Asset Allocation as at 31 December 2025



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

Target Fund Top
10 Holdings

31 December 2025	
Holding Name	(%)
Taiwan Semiconductor Manufacturing Co Ltd	9.80
Tencent Holdings Ltd	6.28
Samsung Electronics Co Ltd	5.72
SK hynix Inc	2.84
HDFC Bank Ltd	2.48
Hon Hai Precision Industry Co Ltd	2.13
Alibaba Group Holding Ltd	1.97
Zijin Mining Group Co Ltd	1.72
AlA Group Ltd	1.61
Contemporary Amperex Technology Co Ltd	1.55

Source: Schroders, data as of 31 December 2025.

MANAGER'S REPORT (CONTINUED)

**Target Fund
Top 10 Holdings
(continued)**

31 December 2024	
Holding Name	(%)
Taiwan Semiconductor Manufacturing Co Ltd	9.98
Tencent Holdings Ltd	6.48
Samsung Electronics Co Ltd	3.09
Meituan	2.30
MediaTek Inc	2.26
HDFC Bank Ltd	2.00
Hon Hai Precision Industry Co Ltd	1.94
Trip.com Group Ltd	1.79
Tata Consultancy Services Ltd	1.73
ICICI Bank Ltd	1.69

Source: Schroders, data as of 31 December 2024.

**State of Affairs of
the Fund**

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

MARKET REVIEW

Global markets appear to have shrugged off the geopolitical disruption caused by President Trump's military action in Venezuela in early January and continue to advance as the supportive themes of 2025 remain in play. These include ongoing progress towards broad global trade deals, investor enthusiasm for technology stocks - driven by AI capex - and monetary policy loosening in some economies.

Ongoing US policy uncertainty and the economy's large twin deficits have contributed to weakness in the US dollar, from richly valued levels. This, together with increased global liquidity, is a tailwind for EM in general – not only should a weaker dollar create a deflationary impulse on domestic inflation, which will allow some loosening of monetary policy in certain economies, but it should also support capital inflows, lower debt-servicing costs and boost corporate earnings. While it is difficult to predict short-term currency moves, our view remains that the dollar will weaken over the medium-term.

Meanwhile, global trade should be supported by ongoing resilience in US demand, and the re-routing of Chinese trade is underway. There is ongoing uncertainty on end-state tariffs for many countries, but tariff risk may have a positive skew.

The technology cycle should provide further support as we expect AI-related capex demand to remain strong during 2026, driven by capex commitments by US hyperscalers. However, markets anticipate this and increased visibility on 2027 capex will be important.

In China, the equity market performed well for much of 2025 helped by improved sentiment although the final quarter of the year saw some of these gains reverse as investors took profits. The macroeconomic backdrop remains soft, but not weak enough to prompt meaningful policy action. We continue to expect policy support to be incremental and reactive, with the focus on achieving the 5% growth target, and execution will be key. However, the improvement in trade relations with the US has removed a key geopolitical overhang for Chinese assets which, together with China's leading tech and AI development position, should be supportive of the equity market.

Headline EM valuations are expensive across a range of metrics, but the underlying country picture is more nuanced. After strong rallies in north Asia, all the large Asian markets are now expensive; however, parts of Latin America and emerging Europe remain undervalued. Positive earnings revisions are coming through in market leading areas but need to broaden out to provide a fundamental basis for sustained performance this year. Easier monetary policy should provide space for this to happen.

Near term, the key risks for EM continue to be the policy uncertainty associated with the Trump administration, and its implications for global growth, policy developments in China, and a sooner-than-expected slowdown in AI demand. Geopolitics is a further area to monitor, both in terms of US-China relations, as well as the ongoing conflicts in Ukraine and the Middle East, and US ambitions elsewhere.

REBATES AND SOFT COMMISSIONS

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

STATEMENT BY THE MANAGER

We, Yap Siok Hoon and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 20 to 54 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2025 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

YAP SIOK HOON
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 23 February 2026

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 December 2025 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the year covered by these financial statements in accordance with the following: -

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 23 February 2026

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS GLOBAL EMERGING MARKETS FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Global Emerging Markets Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 December 2025, 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 31 December 2025, 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 material accounting policy information, as set out on pages 20 to 54.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
Date: 23 February 2026

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025	2024
		RM	RM
INVESTMENT INCOME			
Interest income from deposits			
with licensed financial institutions		13,394	26,072
Net gain on financial assets			
at fair value through profit or loss	6	10,612,203	4,888,530
Net foreign currency exchange loss		(186,097)	(338,685)
		<u>10,439,500</u>	<u>4,575,917</u>
EXPENSES			
Management fee	3	(765,893)	(1,042,709)
Trustee fee	4	(34,040)	(46,343)
Audit fee		(6,600)	(6,600)
Tax agent fee		(3,700)	(3,992)
Other expenses		(25,016)	(18,316)
		<u>(835,249)</u>	<u>(1,117,960)</u>
PROFIT BEFORE TAXATION		9,604,251	3,457,957
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>9,604,251</u>	<u>3,457,957</u>
Profit after taxation is made up of the following:			
Realised amount		2,409,300	2,738,188
Unrealised amount		7,194,951	719,769
		<u>9,604,251</u>	<u>3,457,957</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025	2024
		RM	RM
ASSETS			
Cash and cash equivalents	7	415,167	632,362
Financial assets at fair value through profit or loss	6	42,163,590	47,345,189
Amount due from Manager		55,487	31,338
Amount due from brokers		476,300	231,310
Management fee rebate receivables		53,665	61,723
TOTAL ASSETS		<u>43,164,209</u>	<u>48,301,922</u>
LIABILITIES			
Accrued management fee		65,101	74,824
Amount due to Manager		493,668	374,363
Amount due to Trustee		2,893	3,326
Other payables and accruals		18,169	14,272
TOTAL LIABILITIES		<u>579,831</u>	<u>466,785</u>
NET ASSET VALUE OF THE FUND		<u>42,584,378</u>	<u>47,835,137</u>
EQUITY			
Unit holders' capital		20,671,879	35,526,889
Retained earnings		21,912,499	12,308,248
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>42,584,378</u>	<u>47,835,137</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>81,330,007</u>	<u>115,099,791</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5236</u>	<u>0.4156</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 January 2025	35,526,889	12,308,248	47,835,137
Movement in unit holders' contribution:			
Creation of units from applications	6,649,091	-	6,649,091
Cancellation of units	(21,504,101)	-	(21,504,101)
Total comprehensive income for the financial year		9,604,251	9,604,251
Balance as at 31 December 2025	<u>20,671,879</u>	<u>21,912,499</u>	<u>42,584,378</u>
Balance as at 1 January 2024	44,049,815	8,850,291	52,900,106
Movement in unit holders' contribution:			
Creation of units from applications	20,279,400	-	20,279,400
Cancellation of units	(28,802,326)	-	(28,802,326)
Total comprehensive income for the financial year	-	3,457,957	3,457,957
Balance as at 31 December 2024	<u>35,526,889</u>	<u>12,308,248</u>	<u>47,835,137</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025	2024
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		16,906,461	21,650,088
Purchase of investments		(1,989,063)	(12,764,172)
Interest income received from deposits with licensed financial institutions		13,394	26,072
Management fee paid		(775,617)	(1,047,894)
Management fee rebate received		639,473	861,134
Trustee fee paid		(34,473)	(46,573)
Payment for other fees and expenses		(31,419)	(27,968)
Realised foreign exchange loss		(186,262)	(338,520)
Net cash generated from operating activities		<u>14,542,494</u>	<u>8,312,167</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		6,624,942	20,376,881
Payments for cancellation of units		(21,384,796)	(28,710,373)
Net cash used in financing activities		<u>(14,759,854)</u>	<u>(8,333,492)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(217,360)	(21,325)
EFFECT OF FOREIGN EXCHANGE DIFFERENCES			
		165	(165)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		<u>632,362</u>	<u>653,852</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	7	<u>415,167</u>	<u>632,362</u>

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

MATERIAL ACCOUNTING POLICY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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. 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 MFRS and International Financial Reporting Standards 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 revenue 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 J.

- a. Standards, amendments to published standards and interpretations that are applicable and effective:

There are no standards, amendments to standards or interpretations that are applicable and effective for annual periods beginning on 1 January 2025 that have a material effect on the financial statements of the Fund.

- b. Standards and amendments that have been issued that are applicable to the Fund but not yet effective:
 - Amendments to MFRS 9 and MFRS 7 ‘Amendments to the Classification and Measurement of Financial Instruments’ (effective 1 January 2026)

- The amendments clarify that financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred, and financial liabilities are derecognised at the settlement date (i.e. when the liability is extinguished or qualifies for derecognition).
 - There is an optional exception to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the specified criteria are met;
 - The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion;
 - There are additional new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - The amendments update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").
- Annual improvements to MFRS Accounting Standards for enhanced consistency (effective 1 January 2026)
 - MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'
- The new MFRS introduces a new structure of profit or loss statement.
 - i. Income and expenses are classified into 3 new main categories:
 - Operating category which typically included results from the main business activities;
 - Investing category that presents the results of investments in associates and joint venture and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
 - ii. Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

- Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.
- Changes to the guidance on aggregate and disaggregation which focus on grouping items based on their shared characteristics.

The Fund is currently still assessing the effect of the above standards and amendments. No other new standards or amendments to standards are expected to have a material effect on the financial statements of the Fund.

B INCOME RECOGNITION

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

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

Realised gain or loss on disposal of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis for collective investment scheme.

C TAXATION

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

D FUNCTIONAL AND PRESENTATION CURRENCY

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

E FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

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

Investments in CIS have contractual cash flows that do not represent SPPI and therefore are classified as fair value through profit or loss.

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

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

ii. Recognition and measurement

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

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

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

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

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

Investment in collective investment scheme are valued based on the last published net asset value per unit at the date of statement of financial position.

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

iii. Impairment for assets carried at amortised costs

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

iv. Significant increase in credit risk

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

v. Definition of default and credit-impaired financial assets

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

vi. Write-off

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

F AMOUNT DUE FROM/(TO) BROKERS

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

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

Significant financial difficulties of the brokers, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

G CASH AND CASH EQUIVALENTS

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

H FOREIGN CURRENCY TRANSLATION

Foreign currency transactions in the Fund are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

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 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 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1 INFORMATION ON THE FUND

Eastspring Investments Global Emerging Markets Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 7 December 2007 (the “Deed”), Second Supplemental Master Deed dated 30 November 2009 entered into between Eastspring Investments Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (“HSBC Trustee”). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, Eighth Supplemental Master Deed dated 25 January 2017, Ninth Supplemental Master Deed dated 11 December 2017, Tenth Supplemental Master Deed dated 4 June 2018, Eleventh Supplemental Master Deed dated 30 September 2021, Twelfth Supplemental Master Deed dated 29 June 2022 and Thirteenth Supplemental Master Deed dated 29 November 2022 (collectively referred to as the “Deeds”).

The Fund was launched on 11 January 2008 and will continue its operations until terminated as provided under Clause 12 of the Deed.

The Fund invests in a foreign collective investment scheme primarily the Schroder International Selection Fund - Emerging Markets (the “Target Fund”), incorporated in Luxembourg.

The main objective of the Fund seeks to achieve long-term capital growth by investing in a collective investment scheme called the Schroder International Selection Fund - Emerging Markets (the “Target Fund”), which in turn seeks to provide capital growth primarily through investment in equity securities of emerging markets companies.

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

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

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (inclusive of price risk, interest rate risk and foreign exchange/currency risk), stock/issuer risk, fund management risk, liquidity risk, credit/default risk, country risk, emerging markets risk, non-compliance risk and capital 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
2025				
Cash and cash equivalents	7	415,167	-	415,167
Collective investment scheme	6	-	42,163,590	42,163,590
Amount due from Manager		55,487	-	55,487
Amount due from brokers		476,300	-	476,300
Management fee rebate receivables		53,665	-	53,665
		<u>1,000,619</u>	<u>42,163,590</u>	<u>43,164,209</u>
2024				
Cash and cash equivalents	7	632,362	-	632,362
Collective investment scheme	6	-	47,345,189	47,345,189
Amount due from Manager		31,338	-	31,338
Amount due from brokers		231,310	-	231,310
Management fee rebate receivables		61,723	-	61,723
		<u>956,733</u>	<u>47,345,189</u>	<u>48,301,922</u>

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

Market risk

i. Price risk

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

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

	2025	2024
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment scheme	42,163,590	47,345,189

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

% Change in price	2025		2024	
	Market value	Impact on profit after tax and net asset value	Market value	Impact on profit after tax and net asset value
	RM	RM	RM	RM
+5% (2024: +5%)	44,271,770	2,108,180	49,712,448	2,367,259
-5% (2024: -5%)	40,055,411	(2,108,180)	44,977,930	(2,367,259)

ii. Interest rate risk

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

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

iii. Foreign exchange/Currency risk

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

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

	Financial assets at fair value through profit or loss	Amount due from brokers	Total
	RM	RM	RM
<u>2025</u>			
EURO	42,163,590	476,300	42,639,890
<u>2024</u>			
EURO	47,345,189	231,310	47,576,499

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements. The analysis is based on each currency's respective historical volatility, with all variables remain constants. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate.

Any increase/(decrease) in foreign exchange rate will result in a corresponding increase/ (decrease) in net assets attributable to unitholders by each currency's respective historical volatility. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

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

	Change in price	Impact on profit after tax	Impact on net asset value
	%	RM	RM
<u>2025</u>			
EURO	+/- 6.67	+/-2,844,081	+/-2,844,081
<u>2024</u>			
EURO	+/- 5.38	+/- 2,559,616	+/- 2,559,616

Stock/Issuer risk

The performance of equities and money market instruments held by the Underlying Fund is also dependent on company specific factors like the issuer's business situation. If the company-specific factors deteriorate, the price of the specific security may drop significantly and permanently, possibly even regardless of an otherwise generally positive stock market trend. Risks include but are not limited to competitive operating environments, changing industry conditions and poor management.

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 interest of unit holders.

Liquidity risk

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

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

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
2025			
Accrued management fee	65,101	-	65,101
Amount due to Manager	493,668	-	493,668
Amount due to Trustee	2,893	-	2,893
Other payables and accruals	-	18,169	18,169
Contractual undiscounted cash outflows	<u>561,662</u>	<u>18,169</u>	<u>579,831</u>
2024			
Accrued management fee	74,824	-	74,824
Amount due to Manager	374,363	-	374,363
Amount due to Trustee	3,326	-	3,326
Other payables and accruals	-	14,272	14,272
Contractual undiscounted cash outflows	<u>452,513</u>	<u>14,272</u>	<u>466,785</u>

Credit/Default risk

Credit risk refers to the ability of an issuer or a counterparty to make timely payments of interest income, principals and proceeds from realisation of investments.

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

The credit risk arising from placements of deposits with licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the SC's Guidelines on Unit Trust Funds.

The credit/default risk is minimal as all transactions in collective investment scheme are settled/paid upon delivery using approved brokers.

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

	Cash and cash equivalents	Amount due from Manager	Amount due from brokers	Management fee rebate receivables	Total
	RM	RM	RM	RM	RM
<u>2025</u>					
Financial Services					
- AAA	415,167	-	-	-	415,167
Other					
- NR	-	55,487	476,300	53,665	585,452
	<u>415,167</u>	<u>55,487</u>	<u>476,300</u>	<u>53,665</u>	<u>1,000,619</u>
<u>2024</u>					
Financial Services					
- AAA	632,362	-	-	-	632,362
Other					
- NR	-	31,338	231,310	61,723	324,371
	<u>632,362</u>	<u>31,338</u>	<u>231,310</u>	<u>61,723</u>	<u>956,733</u>

None of these financial assets are past due or impaired.

Country risk

The stock prices may be affected by the political and economic conditions of the country in which the stocks are listed. A unit trust fund that invests in foreign securities may experience more rapid and extreme changes in value than a unit trust fund that invests exclusively in securities of Malaysian companies. Nationalisation, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect a unit trust fund's investment in a foreign country. In the event of nationalisation, expropriation or other confiscation, a unit trust fund could lose its entire investment in foreign securities. Careful consideration shall be given to risk factors such as liquidity, political and economic environment before any investments are made in a foreign country.

Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated.

Emerging markets risk

Investments in securities of emerging market issuers entail significant risks in addition to those customarily associated with investing in securities of issuers in more developed markets, such as:

- i. low or non-existent trading volume, resulting in a lack of liquidity and increased volatility in prices for such securities, as compared to securities of comparable issuers in more developed capital markets;
- ii. uncertain national policies and social, political and economic instability, increasing the potential for expropriation of assets, confiscatory taxation, high rates of inflation or unfavourably diplomatic developments;
- iii. possible fluctuations in exchange rates, differing legal systems and the existence or possible imposition of exchange controls, custodial restrictions or other laws or restrictions applicable to such investments;
- iv. national policies which may limit a portfolio's investment opportunities such as restrictions on investment in issuers or industries deemed sensitive to national interests; and
- v. the lack of relatively early development of legal structures governing private and foreign investments and private property.

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund are not compliant to the rules set out in the Fund's constitution or the laws that govern the Fund or applicable internal control procedures, or acts of fraudulence or dishonesty.

Non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM20,671,879 (2024: RM35,526,889) and retained earnings of RM 21,912,499 (2024: RM12,308,248). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

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 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 or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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 markets 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
<u>2025</u>				
Financial assets at fair value through profit or loss:				
Collective investment scheme	42,163,590	-	-	42,163,590
<u>2024</u>				
Financial assets at fair value through profit or loss:				
Collective investment scheme	47,345,189	-	-	47,345,189

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

- ii. The carrying value of cash and cash equivalents, amount due from Manager, amount due from brokers, management fee rebate receivables 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 1.80% per annum of the net asset value of the Fund calculated on daily basis.

For the financial year ended 31 December 2025, management fee is recognised at a rate of 1.80% (2024: 1.80%) per annum on the net asset value of the Fund, calculated on a 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 0.08% per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum (excluding foreign custodian fees and charges).

For the financial year ended 31 December 2025, the Trustee fee is recognised at a rate of 0.08% (2024: 0.08%) 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 TAXATION

	2025	2024
	RM	RM

Tax charged for the financial year:

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

	2025	2024
	RM	RM
Profit before taxation	9,604,251	3,457,957
Tax at Malaysian statutory rate of 24% (2024: 24%)	2,305,020	829,910
Tax effects of:		
Investment income not subject to tax	(2,505,480)	(1,098,220)
Expenses not deductible for tax purposes	15,062	16,476
Restriction on the tax deductible expenses for Unit Trust Funds	185,398	251,834
Taxation	-	-

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment scheme	<u>42,163,590</u>	<u>47,345,189</u>
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	2,786,002	3,311,684
Change in unrealised fair value gain	7,194,786	719,934
Management fee rebate on collective investment scheme [#]	<u>631,415</u>	<u>856,912</u>
	<u>10,612,203</u>	<u>4,888,530</u>

[#] In arriving at the fair value of collective investment scheme, the management fee initially paid to the Manager of the collective investment scheme has been considered as part of its net asset value. In order to prevent the double charging of management fee which is not permissible under SC Guidelines, management fee charged on the Fund's investments in collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of collective investment scheme is reflected as an increase in the net asset value of the collective investment scheme. The rebate of management fee is 1.50% per annum or RM631,415 (2024: 1.50% per annum or RM856,912) calculated on net asset value of Schroder International Selection Fund Emerging Markets on a daily basis.

a. Collective investment scheme

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2025	Percentage of net asset value of the Fund
	Units	RM	RM	%
Schroder International Selection Fund Emerging Markets – Class A	<u>436,464</u>	30,409,561	<u>42,163,590</u>	99.01
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>11,754,029</u>	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>42,163,590</u>	

a. Collective investment scheme

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
Schroder International Selection Fund Emerging Markets – Class A	<u>624,574</u>	42,785,946	<u>47,345,189</u>	98.98
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>4,559,243</u>	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>47,345,189</u>	

The Target Fund is a Sub-fund of the Schroder International Selection Fund which is a SICAV (“Société d’Investissement à Capital Variable”).

Schroder International Selection Fund (“SICAV”) is an open-ended investment company organised as a “Société Anonyme” under the law of the Grand Duchy of Luxembourg and qualifies as a SICAV. The Target Fund was launched on 17 March 2006. The Investment Manager of the Target Fund is Schroder Investment Management Limited in UK.

The Target Fund seeks to provide capital growth primarily through investment in equity and equity-related securities of emerging markets companies.

b. Target Fund's top 10 holdings

i. Target Fund's top 10 holdings as at 31 December 2025 is as follows:

	Percentage of Target Fund's NAV
	%
Taiwan Semiconductor Manufacturing Co Ltd	9.80
Tencent Holdings Ltd	6.28
Samsung Electronics Co Ltd	5.72
SK Hynix Inc	2.84
HDFC Bank Ltd	2.48
Hon Hai Precision Industry Co Ltd	2.13
Alibaba Group Holding Ltd	1.97
Zijin Mining Group Co Ltd	1.72
AIA Group Ltd	1.61
Contemporary Amperex Technology Co Ltd	1.55
Total	<u>36.10</u>

ii. Target Fund's top 10 holdings as at 31 December 2024 is as follows:

	Percentage of Target Fund's NAV
	%
Taiwan Semiconductor Manufacturing Co Ltd	9.98
Tencent Holdings Ltd	6.48
Samsung Electronics Co Ltd	3.09
Meituan	2.30
MediaTek Inc	2.26
HDFC Bank Ltd	2.00
Hon Hai Precision Industry Co Ltd	1.94
Trip.com Group Ltd	1.79
Tata Consultancy Services Ltd	1.73
ICICI Bank Ltd	1.69
Total	<u>33.26</u>

7 CASH AND CASH EQUIVALENTS

	2025	2024
	RM	RM
Bank balances with a licensed bank	45,137	132,317
Deposits with licensed financial institution	370,030	500,045
	<u>415,167</u>	<u>632,362</u>

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

	2025	2024
	%	%
Deposits with licensed financial institution	<u>3.00</u>	<u>3.25</u>

The deposits have an average maturity of 2 days (2024: 2 days).

8 UNITS IN CIRCULATION

	2025	2024
	No. of units	No. of units
At the beginning of the financial year	115,099,791	131,072,896
Creation of units arising from applications during the financial year	13,715,208	49,685,943
Cancellation of units during the financial year	(47,484,992)	(65,659,048)
At the end of the financial year	<u>81,330,007</u>	<u>115,099,791</u>

9 TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

Name of issuer	Value of trades RM	Percentage of total trades %
<u>2025</u> Schroder Investment Management (Singapore) Limited	19,140,514	100.00
<u>2024</u> Schroder Investment Management (Singapore) Limited	34,544,177	100.00

The issuer highlighted above is not related to the Manager. There are no brokerage fees charged by the issuer.

10 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 and parties related to the Manager:

	No. of units	2025		2024	
		RM	No. of units	RM	
Eastspring Investments Berhad	1,000	524	1,000	416	
Directors of Eastspring Investments Berhad	8,981	4,703	8,981	3,733	

The above units were transacted at the prevailing market price.

The units are held legally and beneficially by the Manager. 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.

11 TOTAL EXPENSE RATIO (“TER”)

	2025	2024
	%	%
TER	1.97	1.93

TER is derived from the following calculation:

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

- A = Management fee (excluding management fee rebate)
- B = Trustee fee
- C = Audit fee
- D = Tax agent fee
- E = Other expenses
- F = Average net asset value of Fund calculated on a daily basis

The average net asset value of the Fund for the financial year calculated on a daily basis is RM42,506,091 (2024: RM57,902,583).

12 PORTFOLIO TURNOVER RATIO (“PTR”)

	2025	2024
PTR (times)	0.23	0.30

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 = RM1,989,063 (2024: RM12,764,172)

total disposals for the financial year = RM17,151,451 (2024: RM21,780,005)

13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 23 February 2026.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

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BUSINESS OFFICE

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Persiaran TRX Barat

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TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

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SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

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Persiaran TRX Barat

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Kuala Lumpur

TELEPHONE NO.

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ENQUIRIES

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