

EASTSPRING INVESTMENTS GLOBAL BALANCED TARGET RETURN FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 September 2024.

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Yap Sioh Hoon', 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	7
Rebates and Soft Commissions	8
Securities Lending or Repurchase Transactions	8
Statement by the Manager	10
Trustee's Report to the Unit Holders of Eastspring Investments Global Balanced Target Return Fund	11
Independent Auditors' Report to the Unit Holders of Eastspring Investments Global Balanced Target Return Fund	12
Statement of Comprehensive Income	16
Statement of Financial Position	17
Statement of Changes in Equity	18
Statement of Cash Flows	19
Material Accounting Policy Information	20
Notes to the Financial Statements	27
Corporate Directory	53

FUND INFORMATION

Name of Fund	Eastspring Investments Global Balanced Target Return Fund (the "Fund")
Fund Category/Type	Fund-of-Funds (Balanced)/Growth and Income
Fund Objective	<p>The Fund seeks to provide investor with long-term capital appreciation by investing in a diversified portfolio of local and/or foreign collective investments schemes ("CIS").</p> <p>ANY MATERIAL CHANGE TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.</p>
Performance Benchmark	<p>The performance benchmark of the Fund is 6% growth of NAV per annum over the long-term.</p> <p>Note: This is not a guaranteed return and is only a measurement of the Fund's performance. The Fund may not achieve the targeted return of 6% growth of NAV per annum in any particular financial year but strives to achieve this return over the long-term.</p>
Fund Income Distribution Policy	Distribution of availability of income, distribution of income, if any, will be on annual basis, after deduction of taxation and expenses.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	2024	2023	2022
	(%)	(%)	(%)
Collective investment schemes	98.06	89.62	88.23
Cash and other assets	1.94	10.38	11.77
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	44,643	58,504	58,448
Units In Circulation (Units '000)	81,713	108,096	114,384
Net Asset Value Per Unit (RM)	0.5463	0.5412	0.5110
Highest Net Asset Value Per Unit (RM) [#]	0.5902	0.5454	0.5669
Lowest Net Asset Value Per Unit (RM) [#]	0.5463	0.5350	0.5069
Total Return (%)			
- Capital Growth	0.94	5.91	(8.18)
- Income Distribution	2.02	1.98	-
Total Return (%)	2.98	8.01	(8.18)
Gross Distribution Per Unit (RM)	0.0118	0.0107	-
Net Distribution Per Unit (RM)	0.0118	0.0107	-
Total Expense Ratio (TER) (%) [*]	1.61	1.59	1.59
Portfolio Turnover Ratio (PTR) (times) [^]	0.84	0.82	0.34

[#] Figure 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 1.10.2023 to 30.9.2024	3 years 1.10.2021 to 30.9.2024	Since commencement 8.6.2020 to 30.9.2024
	(%)	(%)	(%)
Average total return	2.98	0.71	3.01

Year ended	1.10.2023 to 30.9.2024	1.10.2022 to 30.9.2023	1.10.2021 to 30.9.2022	Since commencement 8.6.2020 to 30.9.2021
	(%)	(%)	(%)	(%)
Annual total return	2.98	8.01	(8.18)	11.30

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

Bases of calculation and assumptions made in calculating returns:

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

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

Since inception, the Fund registered a return of 13.67%, underperforming the benchmark return of 28.55% by 14.88%.

For the period under review, the Fund registered a return of 2.98%, underperforming the benchmark return of 6.02% by 3.04%.

During the period under review, the Fund's collective overweight in equity funds, namely, Eastspring Global Equity Navigator Fund, and the Asian strategies worked well, buoyed by strong corporate earnings, continued interest in artificial intelligence centric stocks and decent economic growth. Fixed income investments contributed positively as well during the period under review on market's anticipation of major central banks policy easing. However, the strengthening of the Ringgit against USD moderated the performance of the Fund.



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

Benchmark: 6% growth of NAV per annum over the long-term.

Source: Lipper for Investment Management, as at 30 September 2024.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 30 September 2024:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
2.02	0.94	2.98	6.02

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

Distribution/ Unit Split

Ex-Date	18-Jun-24
Distribution Per Unit	(RM)
Gross	0.0118
Net	0.0118

Impact on NAV arising from distribution for the financial year ended 30 September 2024.

Ex-Date	18-Jun-24
	(RM per Unit)
Net Asset Value before distribution	0.5957
Less: distribution	(0.0118)
Net Asset Value after distribution	0.5839

No unit split were declared for the financial year ended 30 September 2024.

Investment Strategy During the Period Under Review

During the period under review, the Fund maintained preference for global equities as various indicators continued to point towards tilting our asset allocation toward risky assets such as equities. Within the equity's allocation, higher investments were kept within Asia region which worked out well. Within fixed income, we had a preference for high yield bonds over investment grade strategy which also benefitted as well.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Sep 2024	30-Sep 2023	Changes
	(%)	(%)	(%)
Collective investment schemes	98.06	89.62	8.44
Cash and other assets	1.94	10.38	(8.44)

Asset Allocation as at 30 September 2024



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

State of Affairs of the Fund

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

MARKET REVIEW

Equity

Global equities continued to rise over the first quarter of 2024 amid generally resilient economic data, bolstered by supporting sentiment, as well as the ongoing enthusiasm for Artificial Intelligence (“AI”) related stocks. Robust economic data and strong earnings from a number of US technology heavyweights further buoyed markets, with the US market generating a 10.4% (in USD terms) return over the quarter. Asia and Emerging Markets generally underperformed the Developed Markets over the quarter. Although Chinese equities saw some improvement in sentiment, both the onshore and investible markets posted negative returns amid continued growth concerns.

Global equity markets rose in the second quarter of 2024, buoyed by strong corporate earnings, continued AI interest, and still decent economic growth momentum. US Consumer Price Index inflation data showed some signs of easing, following a reflationary first quarter. Emerging Markets surged by 5.1% (in USD terms), outperforming the Developed Markets which gained 2.8%. The ASEAN markets lagged the broader Asia Pacific ex-Japan (+6.4%, in USD terms) and EM markets, dragged by underperformance from Indonesia and the Philippines.

Despite heightened market volatility in the first few trading days of August, which saw equity markets slide in response to weak US jobs data and investor concerns surrounding growth weakness, with the notable exception of South Korea, most equity markets ended the third quarter of 2024 with positive gains in USD terms. In September, the much-awaited start of the US Federal Reserve rate cutting cycle and increased hopes of a soft landing, alongside newly announced stimulus measures in China, all contributed to easing investor concerns. To close the quarter, the MSCI USA Index ultimately climbed 5.9% (in USD terms). MSCI Emerging Markets Index returned 8.9% (in USD terms), outperforming the 6.5% return (in USD terms) from MSCI World Index, driven by a 23.6% surge in the MSCI China Index in USD terms. Notable gains from Singapore, Thailand, the Philippines, Indonesia, and Malaysia drove ASEAN outperformance relative to broader Asia and EM in the quarter.

Fixed Income

In the first quarter of 2024, the inflation and interest rate outlook underwent significant changes. Initially, the market expected the US Federal Reserve (“US Fed”) to take quick action to reduce interest rates, but these expectations were later moderated. This led to higher US Treasury yields, with a broadbased increase across key tenors; 10-year, 20-year, and 30-year yields were up by 0.32%, 0.25%, and 0.31% respectively, to close at 4.20%, 4.45% and 4.34%. The Barclays Global Aggregate Index fell 2.1% (in USD terms)

amid rising government bond yields, while the ICE BofA US High Yield Constrained Index outperformed investment grade bonds due to strong Q4 earnings and lower interest rate sensitivity.

During the second quarter of 2024, yields on US Treasuries drifted moderately higher, with the 10- year yield up by 16 bps to end June with 4.36%. On the monetary policy front, the Bank of Canada and the European Central Bank became the first G7 central banks to cut rates. Global aggregate bonds, as proxied by the Bloomberg Global Aggregate Index, declined 1.1% (in USD terms), while US Treasuries, as represented by the Bloomberg US Treasury Index, returned 0.1% (in USD terms), amongst the best sovereign performers.

In the third quarter of 2024, global bond markets experienced an upswing, buoyed by falling interest rates, a depreciating USD, and subsiding inflationary pressures. Central banks globally moderated their hawkish policies as inflation receded in most advanced economies, striving for a gentle economic deceleration. US Treasury yields saw a marked decrease across key tenors, with 2-year yield falling by 105 basis points to approximately 3.66% and 10-year yield falling by 55 basis points to around 3.81%. The US Fed's 50 basis point rate cut in September, and the anticipation of further lower rates, generally lifted fixed income markets, both government bonds and credit, during the quarter. Amid falling global yields, global aggregate bonds delivered a 7.0% (in USD terms) return while U.S. aggregate bonds rose by 5.2% (in USD terms).

REBATES AND SOFT COMMISSIONS

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

EASTSPRING INVESTMENTS GLOBAL BALANCED TARGET RETURN FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

STATEMENT BY THE MANAGER

We, Yap Siok Hoon and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 16 to 52 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 2024 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: 25 November 2024

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS GLOBAL BALANCED TARGET RETURN FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 30 September 2024 and we hereby confirm to the best of our knowledge, after having made all reasonable enquiries, Eastspring Investments Berhad has operated and managed the Fund during the 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: 25 November 2024

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS GLOBAL BALANCED TARGET RETURN FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Eastspring Investments Global Balanced Target Return Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 September 2024, 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 2024, 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 16 to 52.

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: 25 November 2024

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

	Note	2024	2023
		RM	RM
INVESTMENT INCOME			
Gross dividend income		332,708	88,599
Interest income from deposits with licensed financial institutions		82,709	114,459
Net gain on financial assets at fair value through profit or loss	7	3,000,248	5,275,315
Net foreign currency exchange loss		(362,739)	(39,920)
		<u>3,052,926</u>	<u>5,438,453</u>
EXPENSES			
Management fee	3	(786,303)	(864,730)
Trustee fee	4	(28,831)	(31,707)
Audit fee		(6,500)	(6,500)
Tax agent fee		(5,300)	(3,700)
Other expenses		(58,934)	(32,472)
		<u>(885,868)</u>	<u>(939,109)</u>
PROFIT BEFORE TAXATION		2,167,058	4,499,344
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>2,167,058</u>	<u>4,499,344</u>
Profit after taxation is made up of the following:			
Realised amount		3,307,582	1,075,910
Unrealised amount		(1,140,524)	3,423,434
		<u>2,167,058</u>	<u>4,499,344</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 30 SEPTEMBER 2024

	Note	2024	2023
		RM	RM
ASSETS			
Cash and cash equivalents	8	1,458,318	6,198,711
Financial assets at fair value through profit or loss	7	43,778,197	52,429,718
Amount due from Manager		100,910	44,681
Amount due from brokers		320,000	-
Management fee rebate receivable		11,292	7,133
TOTAL ASSETS		<u>45,668,717</u>	<u>58,680,243</u>
LIABILITIES			
Accrued management fee		56,578	72,495
Amount due to Manager		45,000	84,017
Amount due to Trustee		2,075	2,658
Amount due to brokers		906,620	-
Other payables and accruals		15,238	17,484
TOTAL LIABILITIES		<u>1,025,511</u>	<u>176,654</u>
NET ASSET VALUE OF THE FUND		<u>44,643,206</u>	<u>58,503,589</u>
EQUITY			
Unit holders' capital		39,625,516	54,646,626
Retained earnings		<u>5,017,690</u>	<u>3,856,963</u>
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>44,643,206</u>	<u>58,503,589</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>81,712,711</u>	<u>108,096,249</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.5463</u>	<u>0.5412</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 30 SEPTEMBER 2024

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
Balance as at 1 October 2023		54,646,626	3,856,963	58,503,589
Movement in unit holders' contribution:				
Creation of units from applications		4,654,349	-	4,654,349
Creation of units from distribution		877,673	-	877,673
Cancellation of units		(20,553,132)	-	(20,553,132)
Distribution				
(Gross/Net: 1.18 sen)	6	-	(1,006,331)	(1,006,331)
Total comprehensive income for the financial year		-	2,167,058	2,167,058
Balance as at 30 September 2024		<u>39,625,516</u>	<u>5,017,690</u>	<u>44,643,206</u>
Balance as at 1 October 2022		57,945,028	503,204	58,448,232
Movement in unit holders' contribution:				
Creation of units from applications		7,174,915	-	7,174,915
Creation of units from distribution		1,051,302	-	1,051,302
Cancellation of units		(11,524,619)	-	(11,524,619)
Distribution				
(Gross/Net: 1.07 sen)	6	-	(1,145,585)	(1,145,585)
Total comprehensive income for the financial year		-	4,499,344	4,499,344
Balance as at 30 September 2023		<u>54,646,626</u>	<u>3,856,963</u>	<u>58,503,589</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 30 SEPTEMBER 2024

	Note	2024	2023
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		49,706,054	49,392,488
Purchase of investments		(37,550,812)	(44,990,088)
Interest income received from deposits with licensed financial institutions		82,709	114,459
Dividends received		289,526	64,813
Management fee paid		(802,220)	(865,674)
Management fee rebate received		78,989	10,536
Trustee fee paid		(29,414)	(31,742)
Payment for other fees and expenses		(29,799)	(35,118)
Realised foreign exchange loss		(366,919)	(39,920)
Net cash generated from operating activities		11,378,114	3,619,754
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		4,598,120	7,160,036
Payments for cancellation of units		(20,592,149)	(11,635,909)
Distribution paid		(128,658)	(94,283)
Net cash used in financing activities		(16,122,687)	(4,570,156)
NET DECREASE IN CASH AND CASH EQUIVALENTS			
		(4,744,573)	(950,402)
EFFECTS OF FOREIGN EXCHANGE DIFFERENCES			
		4,180	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR			
		6,198,711	7,149,113
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR			
	8	1,458,318	6,198,711

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 30 SEPTEMBER 2024

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements is in conformity with the MFRS and IFRS which requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial 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 and amendments to existing standards effective 1 January 2023:

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

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

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

B. INCOME RECOGNITION

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).

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

Realised gain or loss on sale 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 schemes.

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. 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.

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 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 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. 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 quoted financial instrument.

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

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

Investment in collective investment schemes are valued based on the last published net asset value per unit or share of such collective investment schemes at the date of the statement of financial position or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in selling in such selling price).

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.

G. CASH AND CASH EQUIVALENTS

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

H. UNIT HOLDERS' CAPITAL

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

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

The outstanding units are carried at the redemption amount that is payable at each financial 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.

I. 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.

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.

K. AMOUNT DUE FROM/(TO) BROKERS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

1. INFORMATION ON THE FUND

Eastspring Investments Global Balanced Target Return Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 9 April 2019 (the “Deed”) entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) followed by First Supplemental Deed dated 6 April 2022 and Second Supplemental Deed dated 15 February 2024 (collectively referred to as the “Deeds”).

The Fund was launched on 18 May 2020 and will continue its operations until terminated as provided under Clause 12 of the Deed.

The main objective of the Fund seeks to provide investor with long-term capital appreciation by investing in a diversified portfolio of local and/or foreign collective investment schemes (“CIS”).

The Fund seeks to achieve its objective by investing in a diversified portfolio of local and/or foreign CIS which has exposure to different asset classes including but not limited to equities and fixed income securities. The Fund will at all times invests into at least five (5) CIS as the Fund aims to provide investor a diversified portfolio that has access to different asset classes and geographical region for diversification purpose.

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, 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	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2024				
Cash and cash equivalents	8	1,458,318	-	1,458,318
Collective investment schemes	7	-	43,778,197	43,778,197
Amount due from Manager		100,910	-	100,910
Amount due from brokers		320,000	-	320,000
Management fee rebate receivable		11,292	-	11,292
		<u>1,890,520</u>	<u>43,778,197</u>	<u>45,668,717</u>
2023				
Cash and cash equivalents	8	6,198,711	-	6,198,711
Collective investment schemes	7	-	52,429,718	52,429,718
Amount due from Manager		44,681	-	44,681
Management fee rebate receivable		7,133	-	7,133
		<u>6,250,525</u>	<u>52,429,718</u>	<u>58,680,243</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.

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment schemes	<u>43,778,197</u>	<u>52,429,718</u>

The following table summarises the sensitivity of the Fund's profit after tax and net asset value to movements in prices of collective investment schemes at the end of each financial reporting year. The analysis is based on the assumptions that the market price of the collective investment schemes 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 schemes, having regard to the historical volatility of the prices.

	2024		2023	
% Change in price	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
<u>2024</u>				
+5% (2023: +5%)	45,967,107	2,188,910	55,051,204	2,621,486
-5% (2023: -5%)	<u>41,589,287</u>	<u>(2,188,910)</u>	<u>49,808,232</u>	<u>(2,621,486)</u>

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	Cash and cash equivalents	Total
	RM	RM	RM
<u>2024</u>			
USD	34,597,389	910,051	35,507,440
<u>2023</u>			
USD	32,085,060	1,526,463	33,611,523

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to changes in foreign exchange movements at the end of each financial reporting year. The analysis is based on the assumption that the foreign exchange rate changes by 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.

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

	Change in price	Impact on profit after tax and net asset value
	%	RM
<u>2024</u>		
USD	6.08	2,158,852
<u>2023</u>		
USD	6.39	2,147,776

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 bank balances, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
2024			
Accrued management fee	56,578	-	56,578
Amount due to Manager	45,000	-	45,000
Amount due to Trustee	2,075	-	2,075
Amount due to brokers	906,620	-	906,620
Other payables and accruals	-	15,238	15,238
Contractual undiscounted cash outflows	1,010,273	15,238	1,025,511
2023			
Accrued management fee	72,495	-	72,495
Amount due to Manager	84,017	-	84,017
Amount due to Trustee	2,658	-	2,658
Other payables and accruals	-	17,484	17,484
Contractual undiscounted cash outflows	159,170	17,484	176,654

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 placement 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 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 receivable	Total
	RM	RM	RM	RM	RM
2024					
Financial Services					
- AAA	1,458,318	-	-	-	1,458,318
Other					
- NR	-	100,910	320,000	11,292	432,202
	<u>1,458,318</u>	<u>100,910</u>	<u>320,000</u>	<u>11,292</u>	<u>1,890,520</u>
2023					
Financial Services					
- AAA	4,649,640	-	-	-	4,649,640
- AA1	1,549,071	-	-	-	1,549,071
Other					
- NR	-	44,681	-	7,133	51,814
	<u>6,198,711</u>	<u>44,681</u>	<u>-</u>	<u>7,133</u>	<u>6,250,525</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.

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 RM39,625,516 (2023: RM54,646,626) and retained earnings of RM5,017,690 (2023: RM3,856,963). 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 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
<u>2024</u>				
Financial assets at fair value through profit or loss:				
Collective investment schemes	43,778,197	-	-	43,778,197
<u>2023</u>				
Financial assets at fair value through profit or loss:				
Collective investment schemes	52,429,718	-	-	52,429,718

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include collective investment schemes. 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.

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

3. MANAGEMENT FEE

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

For the financial year ended 30 September 2024, management fee is recognised at a rate of 1.50% (2023: 1.50%) per annum on the net asset value of the Fund, calculated on 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 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM15,000 per annum (excluding foreign custodian fees and charges).

For the financial year ended 30 September 2024, the Trustee fee is recognised at a rate of 0.055% (2023: 0.055%) subject to a minimum fee of RM15,000 per annum on the net asset value of the Fund, calculated on daily basis.

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

5. TAXATION

	2024	2023
	RM	RM

Tax charged for the financial year:

Current taxation	-	-
------------------	---	---

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

	2024	2023
	RM	RM
Profit before taxation	2,167,058	4,499,344
Tax at Malaysian statutory rate of 24% (2023: 24%)	520,094	1,079,843
Tax effects of:		
Investment income not subject to tax	(712,747)	(1,305,229)
Expenses not deductible for tax purposes	19,731	16,291
Restriction on the tax deductible expenses for Unit Trust Funds	172,922	209,095
Taxation	-	-

6 DISTRIBUTION

	2024	2023
	RM	RM
Distribution to unit holders are from the following sources:		
Prior financial years' realised income	-	29,754
Dividend income	77,358	88,599
Interest income	64,357	114,459
Net realised gain on sale of investments	1,465,985	1,851,882
Gross realised income	1,607,700	2,084,694
Less: Expenses	(601,369)	(939,109)
	1,006,331	1,145,585
Gross distribution per unit (sen)	1.18	1.07
Net distribution per unit (sen)	1.18	1.07
Ex-Date	18 June 2024	15 June 2023

Gross distribution is derived using total income less total expenses. The distribution is made from current and 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.

During the financial year ended 30 September 2024, the Fund incurred an unrealised loss of RM1,140,524.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment schemes	<u>43,778,197</u>	<u>52,429,718</u>
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	4,061,804	1,834,212
Change in unrealised fair value (loss)/gain	(1,144,704)	3,423,434
Management fee rebate [#]	<u>83,148</u>	<u>17,669</u>
	<u>3,000,248</u>	<u>5,275,315</u>

[#] In arriving at the fair value of collective investment schemes, the management fee initially paid to the Manager of the collective investment schemes has been considered as part of its net asset value. In order to prevent the double charging of management fee, management fee charged on the Fund's investments in collective investment schemes has been refunded to the Fund. Accordingly, any rebate of management fee received from the Manager of the collective investment schemes is reflected as an increase in the net asset value of the collective investment schemes. The rebate of management fee is from 0.25% to 1.50% per annum or RM83,148 (2023: RM17,669) calculated on net asset value of collective investment schemes on a daily basis.

Collective investment schemes

	Quantity	Aggregate cost	Fair value as at 30.9.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
Eastspring Investments Equity Income Fund	6,306,235	4,792,407	5,100,483	11.42
Eastspring Investments Islamic Income Fund	86,268	46,456	47,223	0.11
Eastspring Investments MY Focus Fund	3,848,747	3,924,242	4,033,102	9.03
Eastspring Investments Asian Bond Fund - Class D	81,724	8,588,875	8,404,835	18.83
Eastspring Investments Asian High Yield Bond Fund - Class D	59,521	3,538,205	3,232,401	7.24
Eastspring Investments Asian Low Volatility Equity Fund - Class D	98,447	6,314,941	7,006,462	15.69
Eastspring Investments Asian Multi Factor Equity Fund - Class D	1,201	64,536	65,076	0.15
Eastspring Investments Global Low Volatility Equity Fund - Class D	36,131	2,752,687	3,236,670	7.25
Eastspring Investments Global Equity Navigator Fund - Class D	16,775	1,957,941	2,037,502	4.56
Eastspring Investments Global Multi Factor Equity Fund - Class D	10,262	540,473	547,546	1.23

Collective investment schemes (continued)

	Quantity	Aggregate cost	Fair value as at 30.9.2024	Percentage of net asset value of the Fund
	Units	RM	RM	%
Eastspring Investments US High Yield Bond Fund - Class D	77,066	8,030,952	8,687,958	19.46
Eastspring Investments US Investments Grade Bond Fund - Class D	12,534	1,440,782	1,378,939	3.09
	<u>10,634,911</u>	<u>41,992,497</u>	<u>43,778,197</u>	<u>98.06</u>

**ACCUMULATED
UNREALISED GAIN ON
FINANCIAL ASSETS AT
FAIR VALUE THROUGH
PROFIT OR LOSS**
1,785,700
**TOTAL FAIR VALUE OF
FINANCIAL ASSETS AT
FAIR VALUE THROUGH
PROFIT OR LOSS**
43,778,197

Collective investment schemes

	Quantity	Aggregate cost	Fair value as at 30.9.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
Eastspring Investments Equity Income Fund	3,727,928	2,700,000	2,685,226	4.59
Eastspring Investments Islamic Income Fund	31,565,699	16,995,431	17,077,043	29.19
Eastspring Investments MY Focus Fund	620,619	590,000	582,389	1.00
Eastspring Investments Asian Bond Fund - Class D	58,597	6,042,375	5,909,979	10.10
Eastspring Investments Asian Low Volatility Equity Fund - Class D	103,161	5,307,446	6,347,192	10.85
Eastspring Investments Global Low Volatility Equity Fund - Class D	61,889	4,603,186	5,111,806	8.74
Eastspring Investments Global Equity Navigator Fund - Class D	27,433	2,490,956	2,890,330	4.94

Collective investment schemes (continued)

	Quantity	Aggregate cost	Fair value as at 30.9.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
Eastspring Investments US High Yield Bond Fund - Class D	88,086	8,771,027	9,789,270	16.73
Eastspring Investments US Investments Grade Bond Fund - Class D	18,612	1,998,893	2,036,483	3.48
	<u>36,272,024</u>	<u>49,499,314</u>	<u>52,429,718</u>	<u>89.62</u>

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

2,930,404

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

52,429,718

The collective investment schemes above are the sub-funds of the Eastspring Investments Funds (the "SICAV", an abbreviation Société d' Investissement à Capital Variable) domiciled in Luxembourg. The SICAV is an open-ended investment company registered on the official list of collective investment undertakings pursuant to Part I of the Luxembourg law of 30 March 1988 on collective investment undertakings. The investment manager of the Target fund is Eastspring Investments (Singapore) Limited. Eastspring Investments (Singapore) Limited is a wholly owned subsidiary of Prudential Plc.

8. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Bank balances with a licensed bank	958,274	1,549,071
Deposits with licensed financial institution	500,044	4,649,640
	<u>1,458,318</u>	<u>6,198,711</u>

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

	2024	2023
	RM	RM
MYR	548,267	4,672,248
USD	910,051	1,526,463
	<u>1,458,318</u>	<u>6,198,711</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:

	2024	2023
	%	%
Deposits with licensed financial institution	<u>3.18</u>	<u>3.87</u>

The deposits have an average maturity of 1 day (2023: 70 days).

9. UNITS IN CIRCULATION

	2024	2023
	No. of units	No. of units
At the beginning of the financial year	108,096,249	114,384,282
Creation of units during the financial year:		
Arising from applications	8,225,097	13,702,332
Arising from distribution	1,503,122	1,945,054
Cancellation of units during the financial year	<u>(36,111,757)</u>	<u>(21,935,419)</u>
At the end of the financial year	<u>81,712,711</u>	<u>108,096,249</u>

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
Eastspring Investments (Singapore) Limited	Related company of the Manager
Eastspring Investments Equity Income Fund (MYR)	Collective investment scheme managed by Eastspring Investments Berhad
Eastspring Investments Islamic Income Fund (MYR)	Collective investment scheme managed by Eastspring Investments Berhad
Eastspring Investments MY Focus Fund (MYR)	Collective investment scheme managed by Eastspring Investments Berhad
Eastspring Investments Asian Bond Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited
Eastspring Investments Asian High Yield Bond Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited
Eastspring Investments Asian Low Volatility Equity Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited
Eastspring Investments Asian Multi Factor Equity Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited
Eastspring Investments Global Equity Navigator Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited

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

Related parties	Relationship
Eastspring Investments Global Low Volatility Equity Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited
Eastspring Investments Global Multi Factor Equity Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited
Eastspring Investments US High Yield Bond Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited
Eastspring Investments US Investments Grade Bond Fund - Class D (USD)	Collective investment scheme managed by Eastspring Investments (Singapore) Limited
Prudential Plc	Ultimate holding company of the Manager

Units held by Manager:

	2024		2023	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	2,081	1,137	2,040	1,104

The above units were transacted at the prevailing market price.

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

Significant related party transactions

	2024	2023
	RM	RM
Purchase of units in collective investment schemes managed by Eastspring Investments Berhad	5,650,000	20,340,000
Sales of units in collective investment schemes managed by Eastspring Investments Berhad	<u>17,620,000</u>	<u>120,000</u>
Purchase of units in collective investment schemes managed by Eastspring Investments (Singapore) Limited	32,517,907	24,585,275
Sales of units in collective investment schemes managed by Eastspring Investments (Singapore) Limited	<u>32,406,054</u>	<u>49,272,488</u>

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

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

11. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

	Value of trades	Percentage of total trades
	RM	%
<u>2024</u>		
Eastspring Investments (Singapore) Limited [#]	64,923,961	73.61
Eastspring Investments Berhad [#]	23,270,000	26.39
	<u>88,193,961</u>	<u>100.00</u>
<u>2023</u>		
Eastspring Investments (Singapore) Limited [#]	73,857,763	78.31
Eastspring Investments Berhad [#]	20,460,000	21.69
	<u>94,317,763</u>	<u>100.00</u>

[#]Included in transactions by the Fund are trades conducted with the Manager, Eastspring Investments Berhad RM23,270,000 (2023: RM20,460,000) and a related company to the Manager, Eastspring Investments (Singapore) Limited RM64,923,961 (2023: RM73,857,763). The Manager is of the opinion that all transactions with the related party have been entered into in the normal course of business at agreed terms between the related party. There is no brokerage fees charged by the issuer.

12. TOTAL EXPENSE RATIO ("TER")

	2024	2023
	%	%
TER	1.61	1.59

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 (excluding withholding tax)

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 RM52,418,274 (2023: RM57,614,892).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2024	2023
PTR (times)	0.84	0.82

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 = RM38,167,907 (2023: RM44,925,275)

total disposals for the financial year = RM50,026,054 (2023: RM49,392,488)

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 25 November 2024.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

Level 25, Menara Hong Leong

No. 6, Jalan Damanela

Bukit Damansara

50490 Kuala Lumpur

BUSINESS OFFICE

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 3888

FAX NO.

603-2789 7220

EMAIL

cs.my@eastspring.com

WEBSITE

www.eastspring.com/my

TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE

Level 20, Menara IMC

No. 8, Jalan Sultan Ismail

50250 Kuala Lumpur

TELEPHONE NO.

603-2053 7522

FAX NO.

603-2053 7526

SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

Level 22, Menara Prudential

Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 1000

BRANCHES

Petaling Jaya

Eastspring Investments Berhad
A-17-P1 & M
Block A, Jaya One
72A, Jalan Profesor Diraja Ungku Aziz
46200 Petaling Jaya, Selangor

TELEPHONE NO.

603-7948 1288

Kota Kinabalu

Eastspring Investments Berhad
Suite E3, 9th Floor
CPS Tower, Centre Point Sabah
No. 1, Jalan Centre Point
88000 Kota Kinabalu, Sabah

TELEPHONE NO.

6088-238 613

ENQUIRIES

CLIENT SERVICES

603-2778 1000

Eastspring Investments Berhad 200001028634 (531241-U)
Level 22, Menara Prudential, Persiaran TRX Barat
55188 Tun Razak Exchange, Kuala Lumpur
T: (603) 2778 3888 F: (603) 2789 7220
eastspring.com/my

Client Services
T: (603) 2778 1000
cs.my@eastspring.com