

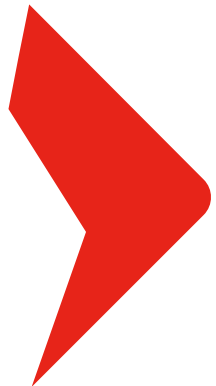


A Prudential plc company 

EASTSPRING INVESTMENTS GLOBAL BALANCED TARGET RETURN FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023



Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

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

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Raymond Tang Chee Kin', written in a cursive style.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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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 CIS.</p> <p>ANY MATERIAL CHANGES 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: The 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/PERIOD ENDED

Category	2023	2022	Since commencement 8.6.2020 to 30.9.2021
	(%)	(%)	(%)
Collective investment schemes	89.62	88.23	98.60
Cash and other assets	10.38	11.77	1.40
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	58,504	58,448	60,368
Units In Circulation (Units '000)	108,096	114,384	108,474
Net Asset Value Per Unit (RM)	0.5412	0.5110	0.5565
Highest Net Asset Value Per Unit (RM) [#]	0.5454	0.5669	0.5706
Lowest Net Asset Value Per Unit (RM) [#]	0.5350	0.5069	0.4886
Total Return (%)			
- Capital Growth	5.91	(8.18)	11.30
- Income Distribution	1.98	-	-
Total Return (%)	8.01	(8.18)	11.30
Gross Distribution Per Unit (RM)	0.0107	-	-
Net Distribution Per Unit (RM)	0.0107	-	-
Total Expense Ratio (TER) (%) [*]	1.59	1.59	2.12
Portfolio Turnover Ratio (PTR) (times) [^]	0.82	0.34	0.66

[#] 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 1.10.2022 to 30.9.2023	3 year 1.10.2020 to 30.9.2023	Since commencement 8.6.2020 to 30.9.2023
	(%)	(%)	(%)
Average total return	8.01	3.76	3.02

Year ended	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	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

NAV₀ = 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

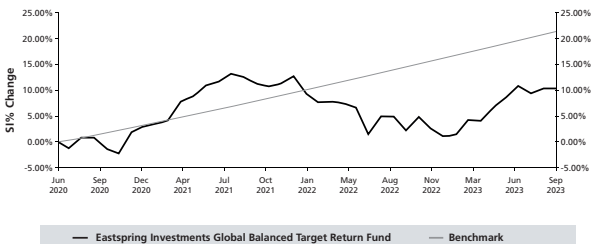
Fund Performance

Since inception, the Fund registered a return of 10.38%, underperforming the benchmark return of 21.25% by 10.87%.

For the period under review, the Fund registered a return of 8.01%, outperforming the benchmark return of 5.98% by 2.03%.

The Fund's outperformance for the period under review was driven by the flexibility in asset allocation through multiple asset classes, namely equity, fixed income and money market. The Fund remained invested throughout the period under review and benefited from its collective overweight in equity relative to fixed income between 4Q2022 and 1Q2023, and thereafter an overweight in fixed income and money market. Global equities started 2023 on a strong note, and ended 1H2023 in double digit positive territory, despite the banking sector tumult in March 2023, triggered by the collapse of Silicon Valley Bank (SVB). Gains within the fixed income portfolio, although more modest, contributed positively as well due to the overweight in high yield credits. Separately, the broad US Dollar strength also added to the outperformance of the Fund during the review period.

**Eastspring Investments Global Balanced Target Return Fund
- Since Inception (SI) Return Vs Benchmark**



MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

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 2023.

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

Analysis of Fund Performance

For the financial year ended 30 September 2023:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
1.98	5.91	8.01	5.98

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

Distribution/ Unit Split

Ex-Date	15-Jun-23
Distribution Per Unit	(RM)
Gross	0.0107
Net	0.0107

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

Ex-Date	15-Jun-23
	(RM per Unit)
Net Asset Value before distribution	0.5512
Less: distribution	(0.0107)
Net Asset Value after distribution	0.5405

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

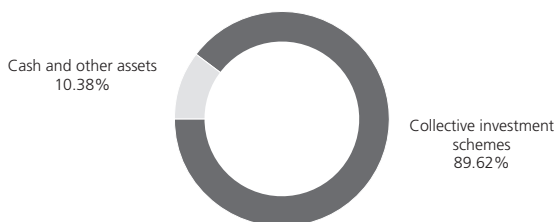
MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

The Fund started the review period with an underweight in equities relative to fixed income. However, as several indicators for equities observed turned more positive, we began moving towards an overweight in equities, diversifying across low volatility strategies, as well as increasing exposure to Asian equities on post-covid China recovery prospect and peaking interest rate expectations. However, following the strong outperformance of global equities in 1H2023, the Fund actively took profit on strength and de-risk the portfolio by raising allocation to fixed income and money market instruments on defensive play to safeguard the Fund's total returns. Within fixed income, we preferred high yield credits over investment grade, due to the shorter-date profile of high yield credit portfolios which was a source of resilience, in a rising yield environment. This strategy has contributed positively to the fund's overall returns.

Asset Allocation

Asset Allocation	30-Sep 2023 (%)	30-Sep 2022 (%)	Changes (%)
Collective investment schemes	89.62	88.23	1.39
Cash and other assets	10.38	11.77	(1.39)

Asset Allocation as at 30 September 2023

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

MANAGER'S REPORT (CONTINUED)

**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

In spite of the myriad of macroeconomic headwinds clouding investment outlook (e.g. US banking sector tumult, geopolitical tensions, fear of recession, increasing tighter monetary conditions and renewed growth risks in China), global equities posted strong gains with MSCI All Country World Index registering a return of 18.7% during the review period, in US dollar terms. The advance was driven by developed markets, notably US, whilst emerging market lagged. Developed markets outperformed emerging markets with a gain of 19.9% versus 8.9%. The outperformance of developed markets on the back of strong return in US equities was mainly due to the enthusiasm surrounding Artificial Intelligence, which boosted technology stocks.

In fixed income markets, during 4Q2022, global fixed income recouped a portion of the losses from earlier in the year as most developed market sovereign yields stabilized at higher levels and credit spreads generally tightened on improved risk sentiment. Despite persistent hawkish rhetoric from key developed market central banks, below consensus inflation offered hope that most economies have already experienced peak inflation. The Federal Reserve ("Fed") raised rates twice during the quarter, ending at 4.5%. The Bank of England also announced two rate hikes, bringing the UK interest rate to 3.5% at the end of 4Q2023, while the Bank of Japan announced a modification to its yield curve control policy. The 10-year US Treasury yield edged up the first half of the quarter, touching a high of 4.2% before closing the year at 3.9%.

Moving to 2023, global fixed income started the year on a stronger footing as signs of inflation easing in several key regions, uncertainties surrounding growth and fear of recession led to hopes that global central banks are at the tail-end of rate hiking cycle. The prospect of less restrictive monetary policy and weaker growth increased demand for bonds, which was further boosted in 2Q2023, following the collapse of Silicon Valley Bank and wider concerns surround global financial sector in March, dampening risk appetite. The 10-year US Treasury yield fell to a low of 3.3% in April, before ending 2Q2023 at 3.8%. The global aggregate bond index returned 3% over the same quarter.

As the year progressed, resilient activity and inflation declining at a moderate pace have endorsed a narrative of higher for longer interest rate environment, and potentially higher peak policy rates than initially expected. Against this backdrop, global bond yields began to drift upwards, with the selloff in bonds intensifying in the last two months of the period under review. The 10-year US Treasury yield ended the 3Q2023 at 4.6% (+70bps YTD). The global aggregate bond index fell by -3.6% during the same period (-2.2% YTD). High yield bond markets remain the top performing sector for fixed income this year, with the US and European benchmarks returning 6.0% and 6.1% respectively, as at YTD September 2023.

REBATES AND SOFT COMMISSIONS

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

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EASTSPRING INVESTMENTS GLOBAL BALANCED TARGET RETURN FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

STATEMENT BY THE MANAGER

We, Tang Chee Kin and John Campbell Tupling, being two of the Directors of Eastspring Investments Berhad, do hereby state that, in the opinion of the Manager, the accompanying financial statements set out on pages 18 to 53 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 30 September 2023 and of its financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards.

For and on behalf of the Manager,
EASTSPRING INVESTMENTS BERHAD

TANG CHEE KIN
Executive Director/Chief Executive Officer

JOHN CAMPBELL TUPLING
Independent, Non-Executive Director

Kuala Lumpur
Date: 22 November 2023

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

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

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

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 22 November 2023

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 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 September 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 53.

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: 22 November 2023

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	2023	2022
		RM	RM
INVESTMENT INCOME/(LOSS)			
Gross dividend income		88,599	-
Interest income from deposits			
with licensed financial institutions		114,459	51,813
Net gain/(loss) on financial assets at fair value through profit or loss	7	5,275,315	(4,299,725)
Net foreign currency exchange (loss)/gain		(39,920)	162,371
		<u>5,438,453</u>	<u>(4,085,541)</u>
EXPENSES			
Management fee	3	(864,730)	(890,771)
Trustee fee	4	(31,707)	(32,662)
Audit fee		(6,500)	(6,500)
Tax agent fee		(3,700)	(3,400)
Other expenses		(32,472)	(10,779)
		<u>(939,109)</u>	<u>(944,112)</u>
PROFIT/(LOSS) BEFORE TAXATION		4,499,344	(5,029,653)
TAXATION	5	-	-
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>4,499,344</u>	<u>(5,029,653)</u>
Profit/(loss) after taxation is made up of the following:			
Realised amount		1,075,910	1,958,626
Unrealised amount		3,423,434	(6,988,279)
		<u>4,499,344</u>	<u>(5,029,653)</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Note	2023	2022
		RM	RM
ASSETS			
Cash and cash equivalents	8	6,198,711	7,149,113
Financial assets at fair value through profit or loss	7	52,429,718	51,574,472
Amount due from Manager		44,681	29,802
Management fee rebate receivable		7,133	-
TOTAL ASSETS		<u>58,680,243</u>	<u>58,753,387</u>
LIABILITIES			
Accrued management fee		72,495	73,439
Amount due to Manager		84,017	195,307
Amount due to Trustee		2,658	2,693
Other payables and accruals		17,484	33,716
TOTAL LIABILITIES		<u>176,654</u>	<u>305,155</u>
NET ASSET VALUE OF THE FUND		<u>58,503,589</u>	<u>58,448,232</u>
EQUITY			
Unit holders' capital		54,646,626	57,945,028
Retained earnings		3,856,963	503,204
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>58,503,589</u>	<u>58,448,232</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>108,096,249</u>	<u>114,384,282</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.5412</u>	<u>0.5110</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
Balance as at 1 October 2022		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>
Balance as at 1 October 2021		54,835,010	5,532,857	60,367,867
Movement in unit holders' contribution:				
Creation of units from applications		21,642,175	-	21,642,175
Cancellation of units		(18,532,157)	-	(18,532,157)
Total comprehensive loss for the financial year		-	(5,029,653)	(5,029,653)
Balance as at 30 September 2022		<u>57,945,028</u>	<u>503,204</u>	<u>58,448,232</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

	Note	2023	2022
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		49,392,488	21,772,365
Purchase of investments		(44,990,088)	(18,119,565)
Interest income received from deposits			
with licensed financial institutions		114,459	51,813
Dividends received		64,813	-
Management fee paid		(865,674)	(893,204)
Management fee rebate received		10,536	-
Trustee fee paid		(31,742)	(32,751)
Payment for other fees and expenses		(35,118)	(16,506)
Realised foreign exchange (loss)/gain		(39,920)	162,371
Net cash generated from operating activities		<u>3,619,754</u>	<u>2,924,523</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		7,160,036	21,984,277
Payments for cancellation of units		(11,635,909)	(18,573,778)
Distribution paid		(94,283)	-
Net cash (used in)/generated from financing activities		<u>(4,570,156)</u>	<u>3,410,499</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(950,402)	6,335,022
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>7,149,113</u>	<u>814,091</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	<u>6,198,711</u>	<u>7,149,113</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements 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 2022:

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

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

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

B. INCOME RECOGNITION

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.

The Fund classifies cash and cash equivalents, amount due from Manager 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 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 are extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” 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.

Collective investment schemes are valued based on the last published net asset value per unit or share of such collective investment schemes 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) at the date of the 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.

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 the Trustee 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 30 SEPTEMBER 2023

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 (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
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>
2022				
Cash and cash equivalents	8	7,149,113	-	7,149,113
Collective investment schemes	7	-	51,574,472	51,574,472
Amount due from Manager		29,802	-	29,802
		<u>7,178,915</u>	<u>51,574,472</u>	<u>58,753,387</u>

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

Market risk

i. Price risk

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

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

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment schemes	52,429,718	51,574,472

The following table summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to movements in prices of collective investment schemes at the end of each reporting financial 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.

% Change in price	2023		2022	
	Market value	Impact on profit after tax and net asset value	Market value	Impact on loss after tax and net asset value
	RM	RM	RM	RM
+5% (2022: +5%)	55,051,204	2,621,486	54,153,196	2,578,724
-5% (2022: -5%)	49,808,232	(2,621,486)	48,995,748	(2,578,724)

ii. Interest rate risk

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

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

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>2023</u>			
USD	32,085,060	1,526,463	33,611,523
<u>2022</u>			
USD	51,574,472	4,032,794	55,607,266

The table below summarises the sensitivity of the Fund's profit/(loss) after tax and net asset value to changes in foreign exchange movements at the end of each reporting financial 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 rate	Impact on profit/(loss) after tax and net asset value
	%	RM
<u>2023</u>		
USD	6.39	2,147,776
<u>2022</u>		
USD	5.00	2,780,363

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
<u>2023</u>			
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
<u>2022</u>			
Accrued management fee	73,439	-	73,439
Amount due to Manager	195,307	-	195,307
Amount due to Trustee	2,693	-	2,693
Other payables and accruals	-	33,716	33,716
Contractual undiscounted cash outflows	271,439	33,716	305,155

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	Management fee rebate receivable	Total
	RM	RM	RM	
<u>2023</u>				
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>7,133</u>	<u>6,250,525</u>
<u>2022</u>				
Financial Services				
- AAA	3,070,219	-	-	3,070,219
- AA1	4,078,894	-	-	4,078,894
Other				
- NR	-	29,802	-	29,802
	<u>7,149,113</u>	<u>29,802</u>	<u>-</u>	<u>7,178,915</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 RM54,646,626 (2022: RM57,945,028) and retained earnings of RM3,856,963 (2022: RM503,204). 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>2023</u>				
Financial assets at fair value through profit or loss:				
Collective investment schemes	52,429,718	-	-	52,429,718
<u>2022</u>				
Financial assets at fair value through profit or loss:				
Collective investment schemes	51,574,472	-	-	51,574,472

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, 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 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 2023, management fee is recognised at a rate of 1.50% (2022: 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 2023, the Trustee fee is recognised at a rate of 0.055% (2022: 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

	2023	2022
	RM	RM
Tax charged for the financial year:		
Current taxation	-	-

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

	2023	2022
	RM	RM
Profit/(loss) before taxation	4,499,344	(5,029,653)
Tax at Malaysian statutory rate of 24% (2022: 24%)	1,079,843	(1,207,117)
Tax effects of:		
(Investment income not subject to tax)/ investment loss not deductible for tax purposes	(1,305,229)	980,530
Expenses not deductible for tax purposes	16,291	11,242
Restriction on the tax deductible expenses for Unit Trust Funds	209,095	215,345
Taxation	-	-

6. DISTRIBUTION

	2023
	RM
Distribution to unit holders are from the following sources:	
Prior financial years' realised income	29,754
Dividend income	88,599
Interest income	114,459
Net realised gain on sale of investments	<u>1,851,882</u>
Gross realised income	2,084,694
Less: Expenses	<u>(939,109)</u>
	<u>1,145,585</u>
Gross distribution per unit (sen)	<u>1.07</u>
Net distribution per unit (sen)	<u>1.07</u>
Ex-Date	<u>15 June 2023</u>

Gross distribution is derived using total income less total expenses. The distribution is made from current and prior financial years' realised income. There is no distribution for the financial year ended 30 September 2022.

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.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Collective investment schemes	<u>52,429,718</u>	<u>51,574,472</u>
Net gain/(loss) on financial assets at fair value through profit or loss:		
Realised gain on disposals	1,834,212	2,688,554
Change in unrealised fair value gain/(loss)	3,423,434	(6,988,279)
Management fee rebate#	17,669	-
	<u>5,275,315</u>	<u>(4,299,725)</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 RM17,669 (2022: RM Nil) calculated on net asset value of collective investment schemes on a daily basis.

Collective investment schemes

	Quantity	Aggregate cost	Fair value as at 30.9.2023	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
Eastspring Investments US High Yield Bond Fund - Class D	88,086	8,771,027	9,789,270	16.73

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 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		<u>2,930,404</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>52,429,718</u>	

Collective investment schemes

	Quantity	Aggregate cost	Fair value as at 30.9.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
Eastspring Investments US High Yield Bond Fund - Class D	147,444	14,387,302	14,652,861	25.07
Eastspring Investments Global Equity Navigator Fund - Class D	76,807	6,798,730	6,904,647	11.81
Eastspring Investments Global Low Volatility Equity Fund - Class D	114,678	7,922,018	8,590,629	14.70
Eastspring Investments Asian Low Volatility Equity Fund - Class D	120,395	6,108,383	6,155,646	10.53
Eastspring Investments Asian Bond Fund - Class D	85,752	9,391,017	8,296,173	14.19
Eastspring Investments US Investments Grade Bond Fund - Class D	68,048	7,460,052	6,974,516	11.93
	<u>613,124</u>	<u>52,067,502</u>	<u>51,574,472</u>	<u>88.23</u>

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

(493,030)

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

51,574,472

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

	2023	2022
	RM	RM
Bank balances with a licensed bank	1,549,071	4,078,894
Deposits with licensed financial institutions	4,649,640	3,070,219
	<u>6,198,711</u>	<u>7,149,113</u>

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

	2023	2022
	RM	RM
MYR	4,672,248	3,116,319
USD	1,526,463	4,032,794
	<u>6,198,711</u>	<u>7,149,113</u>

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

	2023	2022
	%	%
Deposits with licensed financial institutions	<u>3.87</u>	<u>2.60</u>

The deposits have an average maturity of 70 days (2022: 3 days).

9. UNITS IN CIRCULATION

	2023	2022
	No. of units	No. of units
At the beginning of the financial year	114,384,282	108,473,963
Creation of units during the financial year:		
Arising from applications	13,702,332	39,548,894
Arising from distribution	1,945,054	-
Cancellation of units during the financial year	(21,935,419)	(33,638,575)
At the end of the financial year	<u>108,096,249</u>	<u>114,384,282</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 US High Yield Bond 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
Eastspring Investments Global Low Volatility Equity 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 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:

	2023		2022	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	2,040	1,104	2,000	1,022

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

	2023		2022	
		RM		RM
Purchase of units in collective investment schemes managed by Eastspring Investments Berhad		20,340,000		-
Sales of units in collective investment schemes managed by Eastspring Investments Berhad		120,000		-
Purchase of units in collective investment schemes managed by Eastspring Investments (Singapore) Limited		24,585,275	18,119,565	
Sales of units in collective investment schemes managed by Eastspring Investments (Singapore) Limited		49,272,488	21,772,365	

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:

Name of issuer	Value of trades	Percentage of total trades
	RM	%
<u>2023</u>		
Eastspring Investments Berhad #	20,460,000	21.69
Eastspring Investments (Singapore) Limited #	73,857,763	78.31
	<u>94,317,763</u>	<u>100.00</u>
<u>2022</u>		
Eastspring Investments (Singapore) Limited #	<u>39,891,930</u>	<u>100.00</u>

- # Included in transactions by the Fund are trades conducted with related parties of the Manager which are Eastspring Investments Berhad RM20,460,000 (2022: RM Nil) and Eastspring Investments (Singapore) Limited RM73,857,763 (2022: RM39,891,930). The Manager is of the opinion that all transactions with the related parties have been entered into in the normal course of business at agreed terms between the related parties.

12. TOTAL EXPENSE RATIO ("TER")

	2023	2022
	%	%
TER	1.59	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 RM57,614,892 (2022: RM59,394,201).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2023	2022
PTR (times)	0.82	0.34

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 = RM44,925,275 (2022: RM18,119,565)

total disposals for the financial year = RM49,392,488 (2022: RM21,772,365)

14. APPROVAL OF FINANCIAL STATEMENTS

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

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

200001028634 (531241-U)

REGISTERED OFFICE

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BUSINESS OFFICE

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TRUSTEE

NAME

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