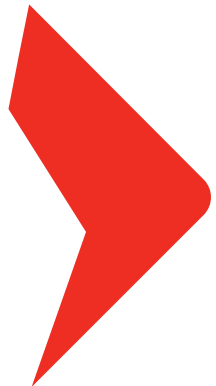


EASTSPRING INVESTMENTS DYNAMIC FUND

SEMI-ANNUAL REPORT

FOR THE SIX MONTHS FINANCIAL PERIOD
ENDED 31 DECEMBER 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 31 December 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'. The signature is fluid and cursive, with the first name 'Raymond' being the most prominent part.

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

Name of Fund

Eastspring Investments Dynamic Fund (the "Fund")

Fund Category/ Type

Mixed asset/growth

Fund Objective

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

Note: The Fund's focus is on growth.

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

Performance Benchmark

- (a) If 100% of the Fund's NAV invested in equities and equity related securities:
FTSE Bursa Malaysia 100 Index ("FBM100").
- (b) If 100% of the Fund's NAV invested in debentures and liquid assets:
Maybank 12-month fixed deposit rate
- (c) If invested in a mix of equities and equity-related securities, debentures and liquid assets:
50% FBM100 + 50% Maybank 12-month fixed deposit rate.

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

Source:

FTSE Bursa Malaysia 100 Index ("FBM100")
(www.bursamalaysia.com)

Maybank 12-month fixed deposit rate (www.maybank2u.com.my)

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

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

FUND INFORMATION (CONTINUED)

**Fund Income
Distribution Policy**

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

KEY PERFORMANCE DATA

FOR THE FINANCIAL PERIOD ENDED

Category	2023	2022	2021
	(%)	(%)	(%)
Quoted securities			
Construction	1.97	0.50	1.46
Consumer Products & Services	5.52	13.33	13.71
Energy	2.21	3.76	3.29
Financial Services	14.54	16.86	19.65
Health Care	2.00	2.94	4.00
Industrial Products & Services	10.41	4.25	8.53
Plantation	10.05	9.26	9.17
Property	4.56	2.96	3.48
Technology	3.83	4.55	9.00
Telecommunications & Media	8.81	7.13	8.86
Transportation & Logistics	2.48	1.06	1.58
Utilities	6.20	2.83	4.56
	72.58	69.43	87.29
Unquoted fixed income securities	5.56	5.39	6.65
Collective investment scheme	16.29	13.26	-
Cash and other assets	5.57	11.92	6.06
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	2023	2022	2021
Net Asset Value (NAV) (RM'000)	57,101	56,554	62,755
Units In Circulation (Units '000)	60,496	60,334	61,760
Net Asset Value Per Unit (RM)	0.9439	0.9374	1.0161
Highest Net Asset Value Per Unit (RM)	0.9457	0.9473	1.0690
Lowest Net Asset Value Per Unit (RM)	0.8882	0.8681	0.9753
Total Return (%)			
- Capital Growth	6.57	2.47	1.16
- Income Distribution	-	-	-
Total Return (%)	6.57	2.47	1.16
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Total Expense Ratio (TER) (%)*	0.69	0.70	0.70
Portfolio Turnover Ratio (PTR) (times)^	0.18	0.08	0.33

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

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

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.1.2023 to 31.12.2023	3 years 1.1.2021 to 31.12.2023	5 years 1.1.2019 to 31.12.2023
	(%)	(%)	(%)
Average total return	4.91	(1.17)	4.72

Year ended	1.7.2022 to 30.6.2023	1.7.2021 to 30.6.2022	1.7.2020 to 30.6.2021	1.7.2019 to 30.6.2020	1.7.2018 to 30.6.2019
	(%)	(%)	(%)	(%)	(%)
Annual total return	0.88	(5.93)	15.89	5.39	1.61

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.

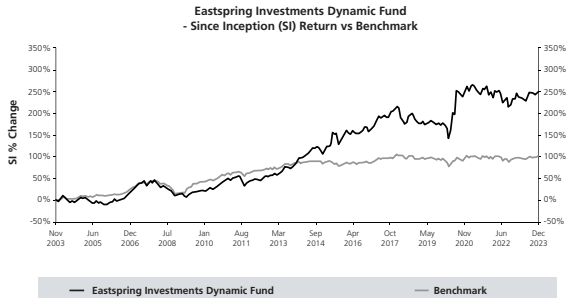
MANAGER'S REPORT

Fund Performance

Over the 5-year period, the Fund recorded a return of 25.94%, outperforming the benchmark return of 2.72% by 23.22%.

During the period under review, the Fund registered a return of 6.57%, outperforming the benchmark return of 4.02% by 2.55%.

The Fund underperformance was mainly due to stock and sector selections. Exposure to El Asia Pacific Equity Fund, plantation and consumer discretionary sectors were detractors to the performance. Meanwhile, the contributors were property, industrial, and material sectors which boosted the Fund performance. The Fund performance was also supported by positive return from investments in corporate bonds.



MANAGER'S REPORT (CONTINUED)

Fund Performance (continued)

Benchmark:

- (a) If 100% of the Fund's NAV invested in equities and equity-related securities:
FTSE Bursa Malaysia 100 Index ("FBM100").
- (b) If 100% of the Fund's NAV invested in debentures and liquid assets:
Maybank 12-month fixed deposit rate
- (c) If invested in a mix of equities and equity-related securities, debentures and liquid assets:
50% FBM100 + 50% Maybank 12-month fixed deposit rate.

Source: Lipper for Investment Management, www.bursamalaysia.com and www.maybank2u.com.my as at 31 December 2023.

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

Analysis of Fund Performance

For the financial period ended 31 December 2023:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	6.57	6.57	4.02

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

Distribution/ Unit Split

No distribution or unit split were declared for the financial period ended 31 December 2023.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During the Period Under Review

Equity Strategy

The Fund will focus on stocks which has good capital appreciation potential with strong fundamental. During this period, the Fund seek to invest in export-oriented sectors such as manufacturing, EMS, technology, plantation to leverage on potential global recovery play. The Fund also sought to invest in consumer discretionary, materials and industrial sectors for domestic consumption play on the back of a potential tourism recovery in 2023 and govt pump priming efforts.

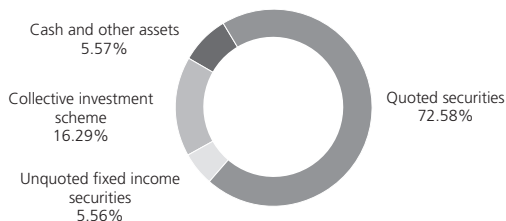
Bond Strategy

The Fund participated in selected quality issuances for yield pick-up, and traded on market volatility, subject to liquidity constraints.

Asset Allocation

Asset Allocation	31-Dec 2023 (%)	30-Jun 2023 (%)	Changes (%)
Quoted securities	72.58	61.38	11.20
Unquoted fixed income securities	5.56	5.79	(0.23)
Collective investment scheme	16.29	14.86	1.43
Cash and other assets	5.57	17.97	(12.40)

Asset Allocation as at 31 December 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.

We have issued the Eighth Supplementary Master Prospectus dated 2 February 2024 with the following changes:

- a. We, as the Manager reserves the right to change the minimum amounts and number of units in relation to investments into the Fund. We will notify unit holders by way letter should we decide to increase the minimum amounts and number of units;
- b. To lower minimum initial and/or additional investments amount, minimum redemption and minimum holding units for investments via our digital platform as well as on our distributor's digital platform;
- c. To only allow income distribution payments via electronic bank transfer (e-payment);
- d. To implement auto-reinvestment of the income distributions in the absence of a registered bank account; and
- e. To implement auto-reinvestment enhancement for income distributions paid to unit holders should there be unclaimed income distribution payment for the last three (3) consecutive distributions.

With above, unit holders may refer to **Appendix 1** for the detailed list of changes.

MARKET REVIEW

Equity

Malaysian equity markets performed well in the beginning of 3Q2023, after 6 months of consecutive monthly declines, outperforming regional markets, especially on USD basis, as the MYR appreciated by 3.54% against the USD. In the second half of July, we saw foreign inflows into Malaysian equities, and we ended the month with net foreign buying of RM1.4b, after 10 consecutive months of foreign outflows since September 2022. Towards the end July, PM Anwar Ibrahim unveiled his plans for an economic reset via the MADANI Economy Framework, and then announced the National Energy Transition Roadmap (Phase 1) the same day. Malaysian equity markets continued to outperform regional markets for the second consecutive month in August. Malaysia had an eventful month where the State Elections were held for 6 states, which resulted in a status quo outcome: PH/BN won 3 states and PN won 3 states as well. The government launched Phase 2 of NETR end of August, providing some details on the energy exchange hub to enable cross border RE trading, with the Prime Minister hinting that the Energy Exchange will hopefully be expedited to ready by end 2023. The surprise for July was the M&As announced. KLK announced that they will be acquiring a 33% +1 share in Boustead Plantations (with intention to acquire the remaining shares not owned, acting in concert with LTAT), and Sime Darby is proposing to take over UMW. The Malaysian Ringgit depreciated 3.1%, after hitting a low of RM4.507/USD on 31 July 2023. By the end of the 3Q2023, Malaysian equity markets managed to eke out a positive return for the period and maintain their outperformance over other regional markets. The government announced the New Industrial Master Plan (“NIMP”) 2030, which is targeting a 6.5% increase in manufacturing value-added by 2030 to RM587.8b, expecting to require a total investment of RM95b over seven years. News that the Malaysian prosecution was withdrawing all 47 charges of criminal breach of trust, graft, and money laundering faced by Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi, after applying to discharge all the charges, came as a surprise. Corporate earnings reported in September were overall weaker than expected, resulting in downgrades to consensus earnings. Foreign investors continued to be net buyers of equity in September 2023, for the third consecutive month, after previously being net sellers for 10 consecutive months.

Malaysian equities performed relatively well in the 4Q2023. October was a fairly eventful month, with the announcement of Budget 2024 which investors took to be fairly neutral. Within the Budget, subsidies are lower for 2024 at 10% of operating expenditures (versus 14% in 2023), and the announcement of additional infrastructure goodies were announced such as the restoration of LRT3 stations and extension of LRT to the mainland. Not long after this, a slew of economic data released in the US, continued to highlight the strength of the US economy, withstanding the surge in interest rates thus far. Investors speculated that this would be a risk for the US Federal Reserve to remain hawkish on their interest rate policy, providing strength to the US Dollar. The MYR traded at Asian Financial Crisis lows at RM4.79/USD on the 24 October 2023, lowest level in more than 25 years. November was results reporting month for 3Q2023. Generally, the results reported were weaker and missed expectations more than meet or beat. Those that had exposure to external demand for example tech, came in below, whilst many companies across a broad range of sectors continued to be impacted by cost pressures. Foreign investors turned net buyer of Malaysian equities in November of RM1.6b. December was a quiet month for Malaysian equities, with few events and announcements. However, during the month, the media reported on the proposal of the Johor-Singapore Special Economic Zone, with the MoU to be signed in January 2024. The Prime Minister announced the cabinet reshuffle mid-December, adding 5 new ministers appointed to his cabinet. The Cabinet which had 28 ministers previously has been expanded to 31, with two ministerial portfolios split up and the appointment of a second Finance Minister. In December, we saw net foreign buying of RM0.3m for the second month in a row. However, Malaysia ended the year with net foreign outflows of RM2.4b. YTL Corp and YTL Power replaced Westports and Dialog as KLCI constituents effective 18 December 2023.

The FBM KLCI closed the period under review at 1,454.66 points, higher by 5.7%. In tandem with the FBM KLCI, the FBM Emas Index closed the period under review higher by 6.7% while the MSCI Asia Pacific ex-Japan Index rose by 2.9% in USD terms.¹

¹ **Source:** Source: Bloomberg

Bond

The Federal Reserve (“Fed”) raised its federal funds rate by 25 bps during the review period to 5.25%-5.50% at its July meeting citing that the U.S. economy has been expanding at a moderate pace while inflation remains elevated. However, in its subsequent Federal Open Market Committee (“FOMC”) meeting, the Fed left the federal funds rate unchanged as its indicators suggest that “growth of economic activity has slowed” from its strong pace in the third quarter. Nonetheless, the U.S. economic data released in December 2023 appears mixed with both U.S. Personal Consumption Expenditure (“PCE”) and Core PCE price index continued to cool to 2.6% and 3.2% respectively in November (October revised: 2.9%; 3.4%).

Meanwhile, the University of Michigan Consumer Sentiment index for December rebounded to 69.7 from 61.3 in the previous month. The U.S. Flash Composite Purchasing Managers’ Index (“PMI”) increased marginally to 51.0 in December from 50.7 in November, as the rise in Services PMI to 51.3 was partially offset by the decline in Manufacturing PMI to 48.2. The U.S. economy added 199,000 jobs based on Nonfarm Payroll (“NFP”) for November, an increase compared to 150,000 in October. The unemployment rate declined to 3.7% in November compared to 3.9% recorded in the month before. Moody’s Investors Service changed its ratings outlook on the U.S. to “negative” from “stable” while affirming the AAA credit rating, after Fitch downgraded its credit rating for the U.S. from AAA to AA+ in August. The U.S. also had avoided the shutdown of Federal agencies as the Congress approves temporary funding and pushes the fight over the federal budget into the new year 2024.

Elsewhere, globally the tightening cycle has taken a pause with the Bank of England (“BOE”) in its Monetary Policy Committee (“MPC”) meeting in December kept its bank rate unchanged at 5.25% for a third consecutive meeting, citing that “monetary policy will need to be restrictive for sufficiently long to return inflation to the 2% target”. The European Central Bank (“ECB”) decided to keep its three key interest rates on the main refinancing operations, marginal lending facility and the deposit facility unchanged at 4.50%, 4.75% and 4.00% respectively. ECB stated that while inflation has dropped in recent months, it is likely to pick up again temporarily in the near term. In Asia, the central banks of Indonesia and the Philippines both decided to maintain their policy interest rates at 6.00% and 6.50% respectively in December. Also, the People’s Bank of China (“PBoC”) maintained its key lending rate, 1-year and 5-year loan prime rate (“LPR”) at 3.45% and 4.20% respectively in December. Economic activity data from China continued to show some improvement compared to the past few months, although its economic recovery is perceived to still be fragile.

In Malaysia, Bank Negara Malaysia (“BNM”) retained its Overnight Policy Rate (“OPR”) at 3.00% over third consecutive Monetary Policy Committee (“MPC”) meetings (July, September, and November) which also marked the fifth time this year the OPR was left unchanged as MPC noted the decision remains supportive of the economy and is consistent with the current assessment of the inflation and growth prospects. The MPC statement added a new paragraph touching on currency volatility, attributing MYR weakness to a strong USD, tight US monetary policy and concerns over geopolitical tensions, BNM emphasized that FX volatility would not derail Malaysia’s growth prospects. Also, the MPC retains its data-dependent stance, noting the government’s intention to review price controls and subsidies in 2024 will affect the outlook for inflation and demand conditions.

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

Also, Malaysian PM Anwar Ibrahim tabled Budget 2024 in October, targeting a fiscal deficit of 4.3% of GDP with an expenditure allocation of RM393.8bn and a revenue projection of RM307.6bn. Among key the measures announced include the hike in sales and service tax (“SST”) from 6% to 8%, the introduction of capital gains tax on sale of unlisted shares in Mar 2024, and a Luxury Goods Tax which will be set at 5-10%.

Malaysia’s CPI and core CPI continued to decline to 1.5% and 2.0% year-on-year (“y-o-y”) respectively in November (October: 1.8%; 2.4%). The unemployment rate remained unchanged at 3.4% from June to October 2023. BNM international reserves increased to US\$112.8bn as of mid-December (mid-Nov: US\$110.5bn). The reserves position is sufficient to finance 5.5 months of imports and is 1.0x of the total short-term external debt.

Malaysia's MGS yield curve traded mixed and steeper during the period with 3-, 5-, 10- and 15-year yields closed at 3.46%, 3.56%, 3.73% and 3.98%, respectively. The increase in yields was driven by higher global yields, as investors demand for larger risk premiums on long duration in a bearish environment while the front-end to belly was driven by global inflation expectations declining. MGII yields too ended the same across the curve with the 3-, 5-, 10- and 15-year MGII close at 3.48%, 3.59%, 3.78% and 3.95% respectively.

REBATES AND SOFT COMMISSIONS

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

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

EASTSPRING INVESTMENTS DYNAMIC FUND

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 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 unaudited financial statements set out on pages 18 to 66 are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance, changes in equity and cash flows for the six months financial period 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: 23 February 2024

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DYNAMIC FUND (“Fund”)

We have acted as Trustee of the Fund for the financial period ended 31 December 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 period covered by these financial statements in accordance with the following:-

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

For Deutsche Trustees Malaysia Berhad

Ng Hon Leong
Head, Fund Operations

Sylvia Beh
Chief Executive Officer

Kuala Lumpur
Date: 23 February 2024

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Note	6-months financial period ended 31.12.2023	6-months financial period ended 31.12.2022
		RM	RM
INVESTMENT INCOME			
Gross dividend income		647,396	729,790
Interest income from deposits with licensed financial institutions		76,869	87,316
Interest income from unquoted fixed income securities		71,332	82,494
Net gain on financial assets at fair value through profit or loss	6	3,215,947	873,252
		<u>4,011,544</u>	<u>1,772,852</u>
EXPENSES			
Management fee	3	(355,079)	(349,773)
Trustee fee	4	(19,884)	(19,587)
Audit fee		(3,871)	(3,882)
Tax agent fee		(1,860)	(1,715)
Other expenses		(9,925)	(14,510)
Transaction costs		(59,543)	(33,220)
		<u>(450,162)</u>	<u>(422,687)</u>
PROFIT BEFORE TAXATION		3,561,382	1,350,165
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>3,561,382</u>	<u>1,350,165</u>
Profit after taxation is made up of the following:			
Realised amount		(979,901)	149,314
Unrealised amount		4,541,283	1,200,851
		<u>3,561,382</u>	<u>1,350,165</u>

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

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023	2022
		RM	RM
ASSETS			
Cash and cash equivalents	7	3,287,944	6,043,675
Financial assets at fair value through profit or loss	6	53,933,936	49,839,251
Amount due from Manager		38,262	71,480
Amount due from broker		-	713,118
Dividends receivable		44,143	29,716
TOTAL ASSETS		<u>57,304,285</u>	<u>56,697,240</u>
LIABILITIES			
Accrued management fee		60,058	59,756
Amount due to Manager		124,513	61,024
Amount due to Trustee		3,363	3,346
Other payables and accruals		15,103	18,695
TOTAL LIABILITIES		<u>203,037</u>	<u>142,821</u>
NET ASSET VALUE OF THE FUND		<u>57,101,248</u>	<u>56,554,419</u>
EQUITY			
Unit holders' capital		22,909,204	22,870,221
Retained earnings		34,192,044	33,684,198
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>57,101,248</u>	<u>56,554,419</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>60,495,904</u>	<u>60,333,866</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.9439</u>	<u>0.9374</u>

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

UNAUDITED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 July 2023	23,727,507	30,630,662	54,358,169
Movement in unit holders' contribution:			
Creation of units from applications	1,625,973	-	1,625,973
Cancellation of units	(2,444,276)	-	(2,444,276)
Total comprehensive income for the financial period	-	3,561,382	3,561,382
Balance as at 31 December 2023	<u>22,909,204</u>	<u>34,192,044</u>	<u>57,101,248</u>
Balance as at 1 July 2022	23,303,720	32,334,033	55,637,753
Movement in unit holders' contribution:			
Creation of units from applications	1,428,314	-	1,428,314
Cancellation of units	(1,861,813)	-	(1,861,813)
Total comprehensive income for the financial period	-	1,350,165	1,350,165
Balance as at 31 December 2022	<u>22,870,221</u>	<u>33,684,198</u>	<u>56,554,419</u>

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

UNAUDITED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023

	6-months financial period ended 31.12.2023	6-months financial period ended 31.12.2022
Note	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	6,908,359	5,255,997
Purchase of investments	(13,023,697)	(3,492,895)
Dividends received	662,565	737,976
Interest received from deposits with licensed financial institutions	76,869	87,316
Interest received from unquoted fixed income securities	71,114	96,938
Management fee paid	(351,219)	(348,258)
Trustee fee paid	(19,668)	(19,503)
Payment for other fees and expenses	(19,222)	(24,350)
Net cash (used in)/generated from operating activities	<u>(5,694,899)</u>	<u>2,293,221</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	1,654,439	1,397,127
Payments for cancellation of units	(2,413,360)	(1,925,917)
Net cash used in financing activities	<u>(758,921)</u>	<u>(528,790)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,453,820)	1,764,431
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>9,741,764</u>	<u>4,279,244</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	7 <u>3,287,944</u>	<u>6,043,675</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023

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

A. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with the MFRS and IFRS require 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 period. 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 July 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 July 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 and unquoted fixed income securities are 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 disposal of quoted securities are accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted fixed income securities is accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a cost adjusted basis for accretion of discount or amortisation of premium.

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 period.

D. FUNCTIONAL AND PRESENTATION CURRENCY

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

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities at fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

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

The Fund classifies accrued management fee, amount due to Manager, amount due to Trustee 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 and transaction costs are expensed in the statement of comprehensive income.

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

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

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

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

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund’s right to receive payments is established.

Investment in collective investment scheme are valued based on the last published net asset value per unit or share of such collective investment scheme 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).

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

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

Unquoted fixed income securities are carried at cost and adjusted for any amortisation of premium or accretion of discount from acquisition date to maturity date. The carrying cost is revalued to reflect its fair value on a daily basis using the net present value method based on fair value prices quoted by a bond pricing agency ("BPA") registered with the Securities Commission's ("SC") as per the SC Guidelines on Unit Trust Funds. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific unquoted fixed income securities differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- (i) records its basis for using non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

Financial assets and other financial liabilities are subsequently carried at amortised cost using the effective 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 obligor'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 period.

F. 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.

G. 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 period 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.

H. TRANSACTION COSTS

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

I. 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 broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12 months expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments are all considered indicators that a loss allowance may be required.

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

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 SC's Guidelines on Unit Trust Funds.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 DECEMBER 2023

1. INFORMATION ON THE FUND

Eastspring Investments Dynamic Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 5 November 2003, Master Supplemental Deed dated 12 July 2007 and Second Supplemental Master Deed dated 30 November 2009 between HSBC (Malaysia) Trustee Berhad (“HSBC Trustee”) and Eastspring Investments Berhad (the “Manager”). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015, Seventh Supplemental Master Deed dated 11 July 2016, Eighth Supplemental Master Deed dated 25 January 2017, Ninth Supplemental Master Deed dated 11 December 2017, Tenth Supplemental Master Deed dated 4 June 2018, Eleventh Supplemental Master Deed dated 30 September 2021, Twelfth Supplemental Master Deed dated 29 June 2022 and Thirteenth Supplemental Master Deed dated 29 November 2022 (collectively referred to as the “Deeds”).

The Fund was launched on 6 November 2003 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The main objective of the Fund is to seek to provide investors with capital appreciation by actively investing in equity and equity-related securities. For defensive considerations, the Fund may invest in debentures and money market instruments.

The Fund seeks to achieve its objective by adopting a flexible asset allocation strategy between the different asset classes of equities and equity-related securities, debentures and liquid assets, depending on the investment market outlook.

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 and interest rate risk), stock/issuer risk, liquidity risk, non-compliance risk, fund management risk, capital risk and credit/default risk.

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

Financial instruments of the Fund are as follows:

	Note	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2023				
Cash and cash equivalents	7	3,287,944	-	3,287,944
Quoted securities	6	-	41,455,148	41,455,148
Collective investment scheme	6	-	9,300,974	9,300,974
Unquoted fixed income securities	6	-	3,177,814	3,177,814
Amount due from Manager		38,262	-	38,262
Dividends receivable		44,143	-	44,143
		<u>3,370,349</u>	<u>53,933,936</u>	<u>57,304,285</u>
2022				
Cash and cash equivalents	7	6,043,675	-	6,043,675
Quoted securities	6	-	39,289,712	39,289,712
Collective investment scheme	6	-	7,500,033	7,500,033
Unquoted fixed income securities	6	-	3,049,506	3,049,506
Amount due from Manager		71,480	-	71,480
Amount due from broker		713,118	-	713,118
Dividends receivable		29,716	-	29,716
		<u>6,857,989</u>	<u>49,839,251</u>	<u>56,697,240</u>

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

Market risk

i. Price risk

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

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

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted securities	41,455,148	39,289,712
Collective investment scheme	9,300,974	7,500,033
Unquoted fixed income securities*	3,177,814	3,049,506
	<u>53,933,936</u>	<u>49,839,251</u>

* Includes interest receivables of RM31,234 (2022: RM30,986).

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

% Change in price	Market value	Impact on profit after tax and net asset value
	RM	RM
<u>2023</u>		
+5%	56,597,837	2,695,135
-5%	51,207,567	(2,695,135)
<u>2022</u>		
+5%	52,298,678	2,490,413
-5%	47,317,852	(2,490,413)

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.

In general, when interest rates rise, unquoted fixed income securities prices will tend to fall and vice versa. Therefore, the net asset value of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted fixed income securities till maturity, such price fluctuations would dissipate as it approaches maturity, and thus the growth of the net asset value shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in prices of unquoted fixed income securities and money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

This risk is crucial since unquoted fixed income securities portfolio management depends on forecasting interest rate movements. Prices of unquoted fixed income securities move inversely to interest rate movements, therefore as interest rates rise, the prices of unquoted fixed income securities decrease and vice versa. Furthermore, unquoted fixed income securities with longer maturity and lower yield coupon rates are more susceptible to interest rate movements.

Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of interest income and principal, especially if the issuers are highly leveraged. An increase in interest rates may therefore increase the potential for default by an issuer.

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

	2023	2022
% Change in interest rate of unquoted fixed income securities	Impact on profit after tax and net asset value	Impact on profit after tax and net asset value
	RM	RM
+1% (2022: +1%)	(10,464)	(12,022)
-1% (2022: -1%)	10,510	12,085

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

Stock/Issuer risk

This risk refers to the individual risk of the respective companies issuing the securities. Specific risk includes but is not limited to changes in consumer tastes and demand, legal suits, competitive operating environments, changing industry conditions and management omissions and errors. However, this risk is minimised through investing in a wide range of companies in different sectors and thus function independently from one another.

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
2023			
Accrued management fee	60,058	-	60,058
Amount due to Manager	124,513	-	124,513
Amount due to Trustee	3,363	-	3,363
Other payables and accruals	-	15,103	15,103
Contractual undiscounted cash outflows	<u>187,934</u>	<u>15,103</u>	<u>203,037</u>
2022			
Accrued management fee	59,756	-	59,756
Amount due to Manager	61,024	-	61,024
Amount due to Trustee	3,346	-	3,346
Other payables and accruals	-	18,695	18,695
Contractual undiscounted cash outflows	<u>124,126</u>	<u>18,695</u>	<u>142,821</u>

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.

Fund management risk

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

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM22,909,204 (2022: RM22,870,221) and retained earnings of RM34,192,044 (2022: RM33,684,198). 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.

Credit/Default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of interest income, principals and proceeds from realisation of investments. In the case of the Fund, the Manager regularly review the ratings assigned to the Issuer so that the necessary steps can be taken if the ratings fall below those prescribed by the Deeds.

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

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

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

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

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

	Financial assets at fair value through profit or loss		Cash and cash equivalents		Dividends receivable	Amount due from Manager		Amount due from broker		Total
	RM	RM	RM	RM		RM	RM	RM	RM	
2023										
Construction										
- NR										
Energy										
- NR	-	-	-	8,624	-	-	-	-	-	8,624
Financial Services										
- AAA	-	3,230,863	-	-	-	-	-	-	-	3,230,863
- AA1	-	57,081	-	-	-	-	-	-	-	57,081
- NR	-	-	-	4,560	-	-	-	-	-	4,560
Plantation										
- NR	-	-	-	22,421	-	-	-	-	-	22,421
Property										
- NR	-	-	-	4,600	-	-	-	-	-	4,600
Technology										
- NR	-	-	-	3,938	-	-	-	-	-	3,938
Unquoted Fixed Income Securities										
Energy & Utilities										
- AA- IS	1,052,226	-	-	-	-	-	-	-	-	1,052,226
Government										
- NR	2,125,588	-	-	-	-	-	-	-	-	2,125,588
Other										
- NR	-	-	-	-	-	38,262	-	-	-	38,262
	3,177,814	3,287,944	44,143	38,262	44,143	38,262	-	-	38,262	6,548,163

	Financial assets at fair value through profit or loss		Cash and cash equivalents		Dividends receivable		Amount due from Manager		Amount due from broker		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2022												
Financial Services												
- AAA	-	5,990,952	-	-	-	-	-	-	-	-	-	5,990,952
- AA1	-	52,723	-	-	-	-	-	-	-	-	-	52,723
Technology												
- NR	-	-	-	6,136	-	-	-	-	-	-	-	6,136
Telecommunications & Media												
- NR	-	-	-	23,580	-	-	-	-	-	-	-	23,580
Unquoted Fixed Income Securities												
- AA- IS	1,019,986	-	-	-	-	-	-	-	-	-	-	1,019,986
- NR	2,029,520	-	-	-	-	-	-	-	-	-	-	2,029,520
Other												
- NR	-	-	-	-	-	71,480	-	713,118	-	-	-	784,598
	<u>3,049,506</u>	<u>6,043,675</u>	<u>29,716</u>	<u>71,480</u>	<u>713,118</u>	<u>713,118</u>	<u>9,907,495</u>					

None of these financial assets are past due or impaired.

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 period end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager will determine the point within the bid-ask spread that is representative of the fair value.

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

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

i. Fair value hierarchy

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

The different levels have been defined as follows:

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2023</u>				
Financial assets at fair value through profit or loss:				
Quoted securities	41,455,148	-	-	41,455,148
Collective investment scheme	9,300,974	-	-	9,300,974
Unquoted fixed income securities	-	3,177,814	-	3,177,814

2022

Financial assets at fair value through profit or loss:				
Quoted securities	39,289,712	-	-	39,289,712
Collective investment scheme	7,500,033	-	-	7,500,033
Unquoted fixed income securities	-	3,049,506	-	3,049,506

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2 these include unquoted fixed income securities. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note E to the financial statements.

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

3. MANAGEMENT FEE

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

For the financial period ended 31 December 2023, the management fee is recognised at a rate of 1.25% (2022: 1.25%) per annum on the net asset value of the Fund, calculated on daily basis.

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

4. TRUSTEE FEE

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

For the financial period ended 31 December 2023, the Trustee fee is recognised at a rate of 0.07% (2022: 0.07%) subject to a minimum fee of RM18,000 per annum on the net asset value of the Fund, inclusive of local custodian fee, 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

	6-months financial period ended 31.12.2023	6-months financial period ended 31.12.2022
	RM	RM

Tax charged for the financial period:

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:

	6-months financial period ended 31.12.2023	6-months financial period ended 31.12.2022
	RM	RM
Profit before taxation	3,561,382	1,350,165
Tax at Malaysian statutory rate of 24% (2022: 24%)	854,732	324,040
Tax effects of:		
Investment income not subject to tax	(962,771)	(425,484)
Expenses not deductible for tax purposes	21,891	16,568
Restriction on tax deductible expenses for Unit Trust Funds	86,148	84,876
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	RM	RM
Financial assets at fair value through profit or loss:		
Quoted securities (Note 6 (i))	41,455,148	39,289,712
Collective investment scheme (Note 6 (ii))	9,300,974	7,500,033
Unquoted fixed income securities (Note 6 (iii))	3,177,814	3,049,506
	<u>53,933,936</u>	<u>49,839,251</u>
Net gain on financial assets at fair value through profit or loss:		
Realised losses on disposals	(1,325,336)	(327,599)
Change in unrealised fair value gain	4,541,283	1,200,851
	<u>3,215,947</u>	<u>873,252</u>

i. Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.12.2023	
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Berhad	107,500	473,000	493,425	0.86
IJM Corporation Berhad	338,000	607,464	635,440	1.11
	445,500	1,080,464	1,128,865	1.97
<u>Consumer Products & Services</u>				
Genting Berhad	41,000	211,913	189,420	0.33
Genting Malaysia Berhad	68,000	210,043	182,920	0.32
MR D.I.Y. Group (M) Berhad	395,000	747,928	572,750	1.00
Padini Holdings Berhad	47,000	169,030	164,970	0.29
PETRONAS Dagangan Berhad	12,400	304,187	270,816	0.47
PPB Group Berhad	33,000	564,270	477,840	0.84
QL Resources Berhad	81,000	475,944	462,510	0.81
Sime Darby Berhad	355,000	856,602	834,250	1.46
	1,032,400	3,539,917	3,155,476	5.52
<u>Energy</u>				
Dialog Group Berhad	81,000	276,539	167,670	0.29
Hibiscus Petroleum Berhad	431,200	1,091,417	1,095,248	1.92
	512,200	1,367,956	1,262,918	2.21

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.12.2023	of net asset value of the Fund
	Units	RM	RM	%
<u>Financial Services</u>				
AMMB Holdings Berhad	76,000	277,567	304,760	0.53
Bursa Malaysia Berhad	45,000	346,286	310,950	0.54
CIMB Group Holdings Berhad	395,000	2,197,930	2,310,750	4.05
Malayan Banking Berhad	193,000	1,713,298	1,715,770	3.00
Public Bank Berhad	739,000	3,191,778	3,170,310	5.55
RHB Bank Berhad	90,800	514,294	494,860	0.87
	1,538,800	8,241,153	8,307,400	14.54
<u>Health Care</u>				
IHH Healthcare Berhad	95,000	565,279	572,850	1.00
KPJ Healthcare Berhad	395,000	425,636	568,800	1.00
	490,000	990,915	1,141,650	2.00
<u>Industrial Products & Services</u>				
HSS Engineers Berhad	275,000	194,260	266,750	0.47
Malayan Cement Berhad	146,000	566,521	617,580	1.08
Malaysia Smelting Corporation Berhad	286,000	591,508	580,580	1.02
PETRONAS Chemicals Group Berhad	341,400	2,513,346	2,444,424	4.28
Press Metal Aluminium Holdings Berhad	233,000	1,217,714	1,120,730	1.96
Solarvest Holdings Berhad	216,000	288,706	280,800	0.49
Sunway Berhad	308,000	565,474	634,480	1.11
	1,805,400	5,937,529	5,945,344	10.41

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.12.2023	of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Hap Seng Plantations Holdings Berhad	345,000	833,384	593,400	1.04
IOI Corporation Berhad	235,000	1,054,106	923,550	1.62
Kuala Lumpur Kepong Berhad	105,000	2,309,248	2,291,100	4.01
Sarawak Oil Palms Berhad	200,000	655,042	518,000	0.91
Sime Darby Plantation Berhad	253,000	1,186,923	1,128,380	1.98
TSH Resources Berhad	288,000	401,168	280,800	0.49
	<u>1,426,000</u>	<u>6,439,871</u>	<u>5,735,230</u>	<u>10.05</u>
<u>Property</u>				
Matrix Concepts Holdings Berhad	184,000	281,336	303,600	0.53
S P Setia Berhad	816,000	913,582	652,800	1.14
Sime Darby Property Berhad	1,086,000	800,068	678,750	1.19
UEM Sunrise Berhad	1,189,000	599,257	969,035	1.70
	<u>3,275,000</u>	<u>2,594,243</u>	<u>2,604,185</u>	<u>4.56</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net
	Units	RM	31.12.2023	asset value
			RM	of the
				Fund
				%
<u>Technology</u>				
CTOS Digital Berhad	193,000	374,999	272,130	0.48
Frontken Corporation Berhad	53,000	173,864	171,720	0.30
Genetec Technology Berhad	228,000	563,323	538,080	0.94
Inari Amertron Berhad	179,000	580,730	538,790	0.94
ITMAX System Berhad	163,000	259,077	291,770	0.51
SNS Network Technology Berhad	1,600,000	401,950	376,000	0.66
	<u>2,416,000</u>	<u>2,353,943</u>	<u>2,188,490</u>	<u>3.83</u>
<u>Telecommunications & Media</u>				
Axiata Group Berhad	197,000	830,908	468,860	0.82
CelcomDigi Berhad	385,000	1,636,459	1,570,800	2.75
Maxis Berhad	136,000	607,959	523,600	0.92
REDtone Digital Berhad	667,000	367,161	466,900	0.82
Telekom Malaysia Berhad	209,000	1,029,378	1,159,950	2.03
TIME dotCom Berhad	155,000	618,165	837,000	1.47
	<u>1,749,000</u>	<u>5,090,030</u>	<u>5,027,110</u>	<u>8.81</u>
<u>Transportation & Logistics</u>				
Malaysia Airports Holdings Berhad	79,000	575,950	581,440	1.02
MISC Berhad	114,000	828,253	831,060	1.46
	<u>193,000</u>	<u>1,404,203</u>	<u>1,412,500</u>	<u>2.48</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2023	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Utilities</u>				
PETRONAS Gas Berhad	27,000	460,042	469,800	0.82
Tenaga Nasional Berhad	173,000	1,925,425	1,736,920	3.04
YTL Corporation Berhad	378,000	533,793	714,420	1.25
YTL Power International Berhad	246,000	593,795	624,840	1.09
	<u>824,000</u>	<u>3,513,055</u>	<u>3,545,980</u>	<u>6.20</u>
TOTAL QUOTED SECURITIES	<u>15,707,300</u>	<u>42,553,279</u>	<u>41,455,148</u>	<u>72.58</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(1,098,131)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>41,455,148</u>		

i. Quoted securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net
	Units	RM	31.12.2022	asset value
			RM	of the
				Fund
				%
<u>Construction</u>				
IJM Corporation Berhad	178,000	337,096	284,800	0.50
<u>Consumer Products & Services</u>				
AEON Co. (M) Berhad	429,000	652,745	587,730	1.04
DRB-HICOM Berhad	189,000	287,186	302,400	0.53
Genting Berhad	319,000	1,648,785	1,429,120	2.53
Genting Malaysia Berhad	419,000	1,294,233	1,127,110	1.99
Mr D.I.Y. Group (M) Berhad	424,500	924,261	849,000	1.50
Padini Holdings Berhad	97,000	301,551	324,950	0.57
PETRONAS Dagangan Berhad	32,000	784,998	736,000	1.30
PPB Group Berhad	38,000	628,634	662,720	1.17
Senheng New Retail Berhad	377,000	326,030	228,085	0.40
Sime Darby Berhad	411,000	991,729	945,300	1.67
UMW Holdings Berhad	103,000	323,666	357,410	0.63
	2,838,500	8,163,818	7,549,825	13.33
<u>Energy</u>				
Dialog Group Berhad	425,000	1,450,976	1,041,250	1.84
Hibiscus Petroleum Berhad	724,000	750,869	774,680	1.37
Velesto Energy Berhad	2,061,000	329,386	309,150	0.55
	3,210,000	2,531,231	2,125,080	3.76

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net
	Units	RM	31.12.2022	asset value
			RM	of the
				Fund
				%
<u>Financial Services</u>				
Alliance Bank Malaysia Berhad	59,000	225,410	216,530	0.38
AMMB Holdings Berhad	150,000	543,719	621,000	1.10
Bursa Malaysia Berhad	83,000	638,706	551,950	0.98
CIMB Group Holdings Berhad	200,000	1,039,851	1,160,000	2.05
Hong Leong Bank Berhad	27,500	515,531	565,400	1.00
Malayan Banking Berhad	361,000	3,216,926	3,140,700	5.55
Public Bank Berhad	667,000	2,889,349	2,881,440	5.09
RHB Bank Berhad	69,694	389,985	403,528	0.71
	<u>1,617,194</u>	<u>9,459,477</u>	<u>9,540,548</u>	<u>16.86</u>
<u>Health Care</u>				
Duopharma Biotech Berhad	266,331	673,039	428,793	0.76
IHH Healthcare Berhad	198,000	1,323,749	1,231,560	2.18
	<u>464,331</u>	<u>1,996,788</u>	<u>1,660,353</u>	<u>2.94</u>
<u>Industrial Products & Services</u>				
PETRONAS Chemicals Group Berhad	147,000	1,154,012	1,264,200	2.24
Press Metal Aluminium Holdings Berhad	233,000	1,217,714	1,137,040	2.01
	<u>380,000</u>	<u>2,371,726</u>	<u>2,401,240</u>	<u>4.25</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.12.2022	of net asset value of the Fund
	Units	RM	RM	%
<u>Plantation</u>				
Genting Plantations Berhad	64,000	654,208	409,600	0.72
Hap Seng Plantations Holdings Berhad	248,000	641,141	481,120	0.85
IOI Corporation Berhad	235,000	1,054,106	951,750	1.68
Kuala Lumpur Kepong Berhad	49,400	1,142,781	1,104,584	1.95
Sarawak Oil Palms Berhad	213,000	697,619	553,800	0.98
Sime Darby Plantation Berhad	253,000	1,186,923	1,176,450	2.08
TSH Resources Berhad	528,000	735,475	564,960	1.00
	<u>1,590,400</u>	<u>6,112,253</u>	<u>5,242,264</u>	<u>9.26</u>
<u>Property</u>				
IOI Properties Group Berhad	297,000	335,788	314,820	0.56
S P Setia Berhad	516,000	700,109	30,9600	0.55
S P Setia Berhad – Preference Shares	345,720	131,374	119,273	0.21
Sime Darby Property Berhad	1,086,000	800,068	488,700	0.86
UEM Sunrise Berhad	1,730,000	871,922	441,150	0.78
	<u>3,974,720</u>	<u>2,839,261</u>	<u>1,673,543</u>	<u>2.96</u>

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.12.2022	of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
CTOS Digital Berhad	332,000	645,076	471,440	0.83
D&O Green Technologies Berhad	65,000	282,169	278,200	0.49
Genetec Technology Berhad	82,000	227,917	195,980	0.35
Inari Amertron Berhad	236,000	779,698	615,960	1.09
ITMAX System Berhad	331,100	354,277	470,162	0.83
Malaysian Pacific Industries Berhad	3,600	109,504	103,536	0.18
My E.G. Services Berhad	320,000	301,248	278,400	0.49
TT Vision Holdings Berhad	484,800	164,832	164,832	0.29
	<u>1,854,500</u>	<u>2,864,721</u>	<u>2,578,510</u>	<u>4.55</u>
<u>Telecommunications & Media</u>				
Axiata Group Berhad	262,000	1,105,066	809,580	1.43
Digi.Com Berhad	149,000	625,961	596,000	1.05
Maxis Berhad	69,000	333,909	264,960	0.47
REDtone Digital Berhad	1,500,000	825,700	750,000	1.33
Telekom Malaysia Berhad	107,010	519,098	577,854	1.02
TIME dotCom Berhad	211,000	841,502	1,033,900	1.83
	<u>2,298,010</u>	<u>4,251,236</u>	<u>4,032,294</u>	<u>7.13</u>
<u>Transportation & Logistics</u>				
MISC Berhad	80,000	579,430	600,000	1.06

i. Quoted securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.12.2022	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Utilities</u>				
PETRONAS Gas Berhad	37,000	630,427	633,440	1.12
Tenaga Nasional Berhad	100,500	1,236,784	967,815	1.71
	<u>137,500</u>	<u>1,867,211</u>	<u>1,601,255</u>	<u>2.83</u>
TOTAL QUOTED SECURITIES	<u>18,623,155</u>	<u>43,374,248</u>	<u>39,289,712</u>	<u>69.43</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(4,084,536)</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>39,289,712</u>		

ii. Collective investment scheme

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net
	Units	RM	31.12.2023	asset value of the Fund
			RM	%
Eastspring Investments Asia Pacific Equity MY Fund	<u>14,167,516</u>	10,506,739	<u>9,300,974</u>	16.29
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>(1,205,765)</u>	
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>9,300,974</u>	

ii. Collective investment scheme

Name of counter	Quantity Units	Aggregate cost RM	Fair value as at 31.12.2022 RM	Percentage of net asset value of the Fund %
Eastspring Investments Asia Pacific Equity MY Fund	<u>11,617,151</u>	8,760,005	<u>7,500,033</u>	13.26

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

(1,259,972)

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

7,500,033

iii. Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.12.2023	Percentage of net asset value of the Fund
	RM	RM	RM	%
4.53% Danainfra Nasional Berhad 1.4.2037 (NR)	2,000,000	2,022,588	2,125,588	3.72
5.09% Southern Power Generation Sdn Bhd 30.4.2029 (AA- IS)	1,000,000	1,008,646	1,052,226	1.84
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>3,000,000</u>	3,031,234	<u>3,177,814</u>	5.56
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>146,580</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>3,177,814</u>	

iii. Unquoted fixed income securities

Name of counter	Nominal value	Aggregate cost	Fair value as at 31.12.2022	Percentage of net asset value of the Fund
	RM	RM	RM	%
4.53% Danainfra Nasional Berhad 1.4.2037 (NR)	2,000,000	2,022,340	2,029,520	3.59
5.09% Southern Power Generation Sdn Bhd 30.4.2029 (AA- IS)	1,000,000	1,008,646	1,019,986	1.80
TOTAL UNQUOTED FIXED INCOME SECURITIES	<u>3,000,000</u>	3,030,986	<u>3,049,506</u>	5.39
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>18,520</u>		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>3,049,506</u>		

The effective weighted average interest rate of unquoted fixed income securities per annum as at the date of the statement of financial position are as follows:

	2023	2022
	%	%
Unquoted fixed income securities	<u>4.05</u>	<u>4.56</u>

7. CASH AND CASH EQUIVALENTS

	2023	2022
	RM	RM
Bank balance with a licensed bank	57,081	52,723
Deposits with licensed financial institution	3,230,863	5,990,952
	<u>3,287,944</u>	<u>6,043,675</u>

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

	2023	2022
	%	%
Deposits with licensed financial institution	<u>3.25</u>	<u>2.90</u>

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

8. UNITS IN CIRCULATION

	2023	2022
	No. of units	No. of units
At the beginning of the financial period	61,375,138	60,822,447
Creation of units from applications during the financial period	1,752,862	1,550,026
Cancellation of units during the financial period	<u>(2,632,096)</u>	<u>(2,038,607)</u>
At the end of the financial period	<u>60,495,904</u>	<u>60,333,866</u>

9. TRANSACTIONS WITH BROKERS/DEALERS

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

Name of brokers/ dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2023</u>				
Maybank Investment Bank Berhad	4,407,379	22.20	8,658	24.12
Kenanga Investment Bank Berhad	2,835,590	14.28	5,204	14.50
CLSA Securities Malaysia Sdn Bhd	2,747,279	13.84	5,220	14.54
J.P. Morgan Securities (Malaysia) Sdn Bhd	2,202,884	11.10	4,185	11.66
Eastspring Investments Berhad #	1,501,611	7.56	-	-
CGS - CIMB Securities Sdn Bhd	1,024,266	5.16	1,946	5.42
KAF Equities Sdn Bhd	1,011,946	5.10	1,923	5.36
RHB Investment Bank Berhad	984,138	4.96	2,970	8.28
Macquarie Capital Securities (Malaysia) Sdn Bhd	949,515	4.78	1,804	5.03
UOB Kay Hian Securities (M) Sdn Bhd	785,058	3.95	1,492	4.16
Others	1,404,020	7.07	2,486	6.93
	19,853,686	100.00	35,888	100.00

Name of brokers/ dealers	Value	Percentage	Brokerage fees	Percentage
	of trades	of total trades		of total brokerage fees
	RM	%	RM	%
<u>2022</u>				
CGS - CIMB Securities Sdn Bhd	1,835,776	22.07	6,506	34.15
RHB Investment Bank Berhad	1,253,676	15.07	2,507	13.16
UBS Securities Malaysia Sdn Bhd	956,140	11.50	1,912	10.03
Credit Suisse Securities (Malaysia) Sdn Bhd	801,177	9.63	1,563	8.20
Affin Hwang Investment Bank Berhad	617,769	7.43	1,191	6.25
UOB Kay Hian Securities (M) Sdn Bhd	590,079	7.10	1,180	6.19
KAF Equities Sdn Bhd	576,591	6.93	824	4.32
Kenanga Investment Bank Berhad	372,350	4.48	745	3.91
Hong Leong Investment Bank Berhad	301,248	3.62	603	3.16
J.P. Morgan Securities (Malaysia) Sdn Bhd	276,357	3.33	552	2.91
Others	735,132	8.84	1,471	7.72
	<u>8,316,295</u>	<u>100.00</u>	<u>19,054</u>	<u>100.00</u>

Included in transactions by the Fund are trades conducted with Eastspring Investments Berhad, a related party of Manager amounting to RM1,501,611 (2022: Nil).

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 Asia Pacific Equity MY Fund	Collective investment scheme managed by Eastspring Investments Berhad
Eastspring Investments Berhad	The Manager
Eastspring Investments Group Private Limited	Immediate holding company of the Manager
Prudential Plc	Ultimate holding company of the Manager

Units held by Manager:

	2023		2022	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,679	1,585	1,612	1,509

The above units were transacted at the prevailing market price.

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

Significant related parties transactions

	2023	2022
	RM	RM
Purchase of units in collective investment scheme managed by Eastspring Investments Berhad	1,501,611	-
Sales of units in collective investment scheme managed by Eastspring Investments Berhad	-	-

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. TOTAL EXPENSE RATIO ("TER")

	2023	2022
	%	%
TER	0.69	0.70

TER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

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

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

The average net asset value of the Fund for the financial period calculated on a daily basis is RM56,490,668 (2022: RM55,549,602).

12. PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	0.18	0.08

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial period = RM12,986,151 (2022: RM3,347,236)

total disposals for the financial period = RM6,867,535 (2022: RM4,988,049)

13. APPROVAL OF FINANCIAL STATEMENTS

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

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FAX NO.

603-2789 7220

EMAIL

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TRUSTEE

NAME

DEUTSCHE TRUSTEES MALAYSIA BERHAD

COMPANY NO.

200701005591 (763590-H)

REGISTERED OFFICE & BUSINESS OFFICE

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TELEPHONE NO.

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SALE & PURCHASE OF UNITS

Eastspring Investments Berhad

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Persiaran TRX Barat

55188 Tun Razak Exchange

Kuala Lumpur

TELEPHONE NO.

603-2778 1000

BRANCHES

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88000 Kota Kinabalu, Sabah

TELEPHONE NO.

6088-238 613

ENQUIRIES

CLIENT SERVICES

603-2778 1000

APPENDIX 1 – LIST OF CHANGES FOR EASTSPRING INVESTMENTS DYNAMIC FUND

Unless otherwise stated, the following changes are affected via the Eight Supplementary Master Prospectus dated 2 February 2024.

Section	Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022	Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024
Transaction Information – Transaction Details	<p>7th paragraph:</p> <p>The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time.</p>	<p>7th paragraph:</p> <p>The Manager reserves the right to change the minimum amounts and number of Units stipulated above from time to time. <u>Should the Manager decide to increase the minimum amounts and number of units as stipulated under the transaction details section, the Manager shall notify the Unit Holders by way of a letter at least fourteen (14) days prior to the effective date of such change. Investment made via digital platforms may have a lower minimum initial investment, minimum additional investment amount, minimum redemption and/or minimum holding of Units of the Fund, subject to the respective digital platforms' terms and conditions, which may be amended from time to time.</u></p>

Section	<p>Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022</p>	<p>Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024</p>
<p>Transaction Information – Income Reinvestment Policy</p>	<p>Income distributed to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if the Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.</p> <p>Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager for the income distribution to be paid out, the income distribution proceeds will either be paid by cheque or credited to a Malaysian domiciled bank account via telegraphic or online transfer. Any fees or charges imposed by the bank will be borne by the Unit Holder.</p>	<p>Income distribution to a Unit Holder will automatically be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost if the Unit Holder did not elect the mode of distribution in the master account opening form or provide any written instruction to the Manager.</p> <p>Should a Unit Holder elect the mode of distribution in the master account opening form or provide any written instruction to the Manager for the income distribution to be paid out, the income distribution proceeds <u>will be paid via e-payment ONLY (i.e. income distribution proceeds will be credited to a Malaysian domiciled bank account via telegraphic or online transfer)</u>. Any fees or charges imposed by the bank will be borne by the Unit Holder.</p>

Section	Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022	Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024
Transaction Information – Income Reinvestment Policy (continued)	<p>The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete.</p> <p><u>Applicable only to Eastspring Global Target Income Fund</u></p> <p>Distribution payment which is less than or equal to the amount of RM300* or such other amount which will be determined by the Manager will be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost.</p> <p>* should this amount be increased in the future, Unit Holder will be informed via post mail or email at least fourteen (14) calendar days prior to the implementation of such increase.</p>	<p>The Manager reserves the right to reinvest income distribution without providing any reason if the instruction in the master account opening form or written instruction is incomplete. <u>In the absence of a registered bank account, the distribution (if any) will be reinvested.</u></p> <p>Distribution payment which is less than or equal to the amount of RM300* or such other amount which will be determined by the Manager will be reinvested into additional Units in the Fund at the NAV per Unit at the end of the Business Day of the income distribution date at no cost.</p> <p>* should this amount be increased in the future, Unit Holder will be informed via post mail or email at least fourteen (14) calendar days prior to the implementation of such increase.</p>

Section	Current disclosure in the Master Prospectus dated 15 July 2017, the First Supplementary Master Prospectus dated 2 February 2018, the Second Supplementary Master Prospectus dated 31 October 2018, the Third Supplementary Master Prospectus dated 2 January 2019, the Fourth Supplementary Master Prospectus dated 1 August 2019, the Fifth Supplementary Master Prospectus dated 1 October 2020, the Sixth Supplementary Master Prospectus dated 15 December 2021 and the Seventh Supplementary Master Prospectus dated 30 December 2022	Revised disclosure in the Eighth Supplementary Master Prospectus dated 2 February 2024
Transaction Information – Auto Reinvestment Policy	Not applicable.	<p><i>(added)</i></p> <p><u>2nd Paragraph:</u></p> <p>The Manager reserves the right to change the income distribution instruction to “reinvestment” if the Unit Holder did not claim the income distribution payment for the last three (3) consecutive distributions.</p>

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