eastspring investments

A Prudential plc company

EASTSPRING INVESTMENTS WHOLESALE BOND FUND

QUARTERLY REPORT

FOR THE FINANCIAL PERIOD FROM 1 JULY 2025
TO 30 SEPTEMBER 2025

Dear Valued Investor,

Greetings from Eastspring Investments Berhad!

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

We are pleased to enclose a copy of the Annual/Semi-annual/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 30 September 2025.

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

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

Yours sincerely,

YAP SIOK HOON
Executive Director/Chief Executive Officer

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FUND INFORMATION

Name of Fund	Eastspring Investments Wholesale Bond Fund (the "Fund")
Fund Category/ Type	Fixed Income/Income
Fund Objective	The Fund aims to provide regular income stream* and capital growth to Unit Holders. * Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out. **ANY MATERIAL CHANGE TO THE FUND'S OBJECTIVE WOULD REQUIRE UNIT HOLDERS' APPROVAL.**
Performance Benchmark	With effect from 1 November 2024, the benchmark will be changed from 60% Refinitiv BPAM 1 – 3 years corporate bond index + 40% Refinitiv BPAM 1 – 3 years government bond index to 60% FTSE BPAM Corporate 1Y-3Y All Bond Index + 40% FTSE BPAM Government 1Y-3Y All Bond Index. **Note:** The risk profile of the Fund is not the same as the risk profile of the performance benchmark.
Fund Income Distribution Policy	Subject to the availability of income, distribution of income, if any, will be on a quarterly basis, after deduction of taxation and expenses. Income distribution may also be distributed in any other periods as may be determined by the Manager from time to time. Distribution of income, if any, may be made from (i) realised income, (ii) realised capital gains and/or (iii) capital.

KEY PERFORMANCE DATA
FOR THE FINANCIAL PERIOD ENDED

Category	Third quarter from 1.7.2025 to 30.9.2025	Second quarter from 1.4.2025 to 30.6.2025	First quarter from 1.1.2025 to 31.3.2025
	(%)	(%)	(%)
Unquoted fixed income securities	76.64	78.67	78.49
Cash and other assets	23.36	21.33	21.51
Total	**100.00**	**100.00**	**100.00**
Net Asset Value (NAV) (RM'000)	507,082	501,774	495,563
Units In Circulation (Units '000)	490,075	484,649	479,183
Net Asset Value Per Unit (RM)	1.0347	1.0353	1.0342
Highest Net Asset Value Per Unit (RM)#	1.0347	1.0353	1.0339
Lowest Net Asset Value Per Unit (RM)#	1.0343	1.0342	1.0336
Total Return (%)			
- Capital Growth	(0.06)	0.14	0.27
- Income Distribution	1.11	1.11	0.80
Total Return (%)	1.05	1.25	1.08
Gross Distribution Per Unit (RM)	0.0115	0.0115	0.0083
Net Distribution Per Unit (RM)	0.0115	0.0115	0.0083
Total Expense Ratio (TER) (%)	-	-	-
Portfolio Turnover Ratio (PTR) (times)	-	-	-

Figures shown as ex-distribution.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.10.2024 to 30.9.2025	3 years 1.10.2022 to 30.9.2025	Since commencement 11.4.2022 to 30.9.2025
	(%)	(%)	(%)
Average total return	4.20	4.24	3.99

	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	Since commencement 11.4.2022 to 31.12.2022
	(%)	(%)	(%)
Annual total return	3.86	4.37	2.18

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

Bases of calculation and assumptions made in calculating returns:

$$\text{Percentage growth} = \frac{NAV_t}{NAV_0} - 1$$

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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.

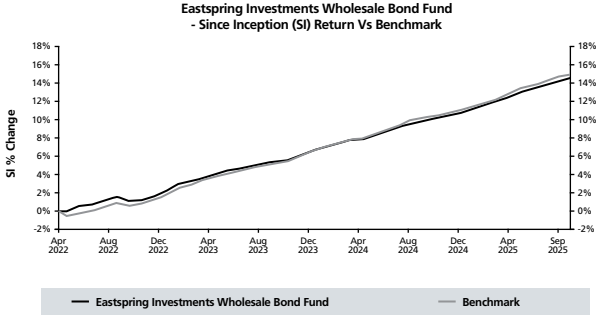
MANAGER'S REPORT

Fund Performance

Since inception, the Fund recorded a return of 14.56%, underperforming the benchmark return of 14.93% by 0.37%.

For the period under review, the Fund registered a return of 1.05%, underperforming the benchmark return of 1.07% by 0.02%.

The underperformance in the period under review was mainly attributed to the Fund's investment in government bonds.



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

Benchmark: 60% FTSE BPAM Corporate 1Y-3Y All Bond Index + 40% FTSE BPAM Government 1Y-3Y All Bond Index.

Source: Lipper for Investment Management, as at 30 September 2025.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial period ended 30 September 2025:

Income Return (%)	Capital Return* (%)	Total Return (%)	Total Return of Benchmark (%)
1.11	(0.06)	1.05	1.07

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

Distribution/ Unit Split

Ex-date	Distribution per unit		Net Asset Value per unit	
	Gross (RM)	Net (RM)	Before Distribution (RM)	After distribution (RM)
25/9/2025	0.0115	0.0115	1.0458	1.0343

No unit split were declared for the financial period ended 30 September 2025.

Investment Strategy During the Period Under Review

Market remains volatile, albeit at a lesser degree. We will continue to look for trading opportunities in these volatile times. Domestic bond yields will be supported by ample domestic liquidity and subdued issuance supply.

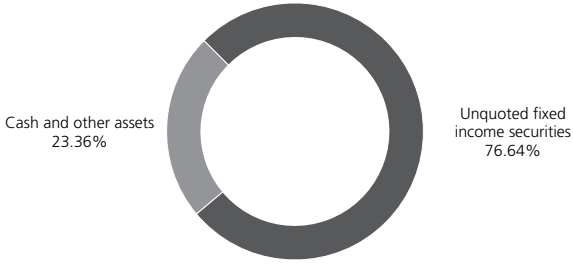
In this expensive market we are selective on corporate bonds, preferring to be overweight on credit worthy corporate bonds with wider spreads that should provide some level of protection in the event of credit spreads widening in the future.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Sep 2025 (%)	30-Jun 2025 (%)	Changes (%)
Unquoted fixed income securities	76.64	78.67	(2.03)
Cash and other assets	23.36	21.33	2.03

Asset Allocation as at 30 September 2025



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

State of Affairs of the Fund

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

On 18 July 2025, we sought the consent from all unitholders of the Fund to revise the Fund's income distribution policy, allowing for the flexibility to distribute income out of capital. All unitholders have provided their consent to this revision.

Following this, the revision has been implemented by amending the Principal Deed of the Fund dated 11 February 2022 via the First Supplemental Deed dated 9 September 2025 to incorporate new clauses that permit the distribution of income out of capital.

We have also issued the Fourth Supplementary Information Memorandum dated 14 November 2025 to similarly state that the Fund will be able to distribute income out of capital.

MARKET REVIEW

Despite initial tariff hikes in early 2025 that pushed the average effective U.S. tariff rate to nearly 18%—the highest since the 1930s, the administration began easing tensions mid-year through negotiated agreements. Between April and August, the U.S. reached preliminary deals with major partners including the EU, Japan, South Korea, and ASEAN members, alongside a temporary tariff truce with China, reducing escalation risks and stabilizing trade flows. These agreements introduced phased reductions on some sectoral tariffs and exemptions for critical goods, though baseline duties on most imports remained elevated at around 10%. Looking ahead, the trajectory of tariff relief depends on successful implementation of these frameworks and legal challenges to the administration's use of emergency powers under IEEPA.

During the period, the Federal Reserve shifted from a prolonged hold to a cautious easing stance. After keeping rates steady at 4.25%–4.50% since December 2024, the Fed delivered a 25 bps cut in September 2025, bringing the target range to 4.00%–4.25%. These moves reflected slowing job growth, rising unemployment above 4%, and inflation moderating toward 3%, though still above the 2% goal. In the latest September's Summary of Economic Projection, forward guidance emphasized data dependence and a gradual path toward a longer-run rate near 3%, signaling two more cuts possible before year-end.

Malaysia's economy in 1H25 demonstrated resilience amid global trade tensions and tariff-related uncertainties, posting a growth of 4.4% year-on-year, within the official revised projection band of 4.0–4.8%. Growth was primarily driven by robust domestic demand, buoyant private investment, and strong services sector performance, supported by tourism recovery and wholesale and retail trade expansion. Manufacturing remained steady, anchored by electrical and electronics exports. The labor market strengthened, with unemployment narrowing to 3%, and the ringgit appreciated over 5% against the U.S. dollar, reflecting investor confidence. Fiscal consolidation continued, targeting a deficit of 3.8% of GDP, while accommodative monetary policy and structural reforms under the MADANI Economy Framework helped sustain momentum despite external headwinds. Budget 2026 will be unveiled on 10 October 2025 and is expected to remain expansionary and supportive of growth to cushion the impact from the ongoing external uncertainty.

Malaysia's inflation in 2025 remained subdued, averaging around 1.4% for most of the year, with headline CPI projected at 1.5%–2.3%, well below earlier expectations due to limited impact from subsidy rationalisation and stable global commodity prices. Core inflation hovered near 2%, reflecting moderate domestic demand and contained cost pressures despite policy reforms like SST expansion and wage adjustments. In response to soft inflation and resilient growth, Bank Negara Malaysia cut the OPR by 25 bps to 2.75% in July, its first easing in five years, before holding steady in September as risks to growth and inflation appeared balanced. The central bank maintained a data-dependent stance, signaling that further cuts were unlikely barring significant downside risks. Overall, BNM's actions aimed to support economic momentum while keeping inflation expectations anchored amid external uncertainties and domestic subsidy rationalization.

Malaysia's MGS yield curve shifted higher during the period with 3-, 5-, 10- and 15-year yields closing at 3.15%, 3.25%, 3.43% and 3.47%, respectively (June 2025: 3.08%; 3.17%; 3.35%; 3.38%).

REBATES AND SOFT COMMISSIONS

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

SECURITIES LENDING OR REPURCHASE TRANSACTIONS

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

EASTSPRING INVESTMENTS WHOLESALE BOND FUND

CONDENSED FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JULY 2025 TO 30 SEPTEMBER 2025

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 JULY 2025 TO 30 SEPTEMBER 2025

	Financial period from 1.7.2025 to 30.9.2025	Financial period from 1.7.2024 to 30.9.2024
	RM	RM
INVESTMENT INCOME		
Interest income from deposits with licensed financial institutions	929,478	1,039,664
Interest income from unquoted fixed income securities	4,197,117	3,901,869
Net gain on financial assets at fair value through profit or loss	468,994	993,052
	5,595,589	5,934,585
EXPENSES		
Management fee	(254,399)	(253,378)
Trustee fee	(63,600)	(63,345)
Audit fee	(1,638)	(1,634)
Tax agent fee	(933)	(930)
Other expenses	(5,368)	(5,820)
	(325,938)	(325,107)
PROFIT BEFORE TAXATION	5,269,651	5,609,478
TAXATION	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME	5,269,651	5,609,478
Profit after taxation is made up of the following:		
Realised amount	5,076,574	5,133,855
Unrealised amount	193,077	475,623
	5,269,651	5,609,478

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

	30.9.2025	31.12.2024
	RM	RM
ASSETS		
Cash and cash equivalents	78,454,632	68,941,955
Deposits with licensed financial institutions	40,122,548	75,159,576
Financial assets at fair value through profit and loss	388,622,310	352,680,256
TOTAL ASSETS	507,199,490	496,781,787
LIABILITIES		
Accrued management fee	83,227	84,224
Amount due to Trustee	20,807	21,056
Distribution payable	-	42,404
Other payables and accruals	13,945	16,396
TOTAL LIABILITIES	117,979	164,080
NET ASSET VALUE OF THE FUND	507,081,511	496,617,707
EQUITY		
Unit holders' capital	495,341,351	486,350,612
Retained earnings	11,740,160	10,267,095
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS	507,081,511	496,617,707
NUMBER OF UNITS IN CIRCULATION	490,075,155	481,660,049
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)	1.0347	1.0311

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 JULY 2025 TO 30 SEPTEMBER 2025

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 July 2025	489,729,318	12,044,399	501,773,717
Movement in unit holders' contribution:			
Creation of units from applications	38,143	-	38,143
Creation of units from distribution	5,573,890	-	5,573,890
Distribution (Gross/Net: 1.15 sen)	-	(5,573,890)	(5,573,890)
Total comprehensive income for the financial period	-	5,269,651	5,269,651
Balance as at 30 September 2025	495,341,351	11,740,160	507,081,511
Balance as at 1 July 2024	470,844,578	8,635,734	479,480,312
Movement in unit holders' contribution:			
Creation of units from applications	38,036,612	-	38,036,612
Creation of units from distribution	4,812,064	-	4,812,064
Distribution (Gross/Net: 1.04 sen)	(546,058)	(4,683,383)	(5,229,441)
Total comprehensive income for the financial period	-	5,609,478	5,609,478
Balance as at 30 September 2024	513,147,196	9,561,829	522,709,025

CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 JULY 2025 TO 30 SEPTEMBER 2025

	Financial period from 1.7.2025 to 30.9.2025	Financial period from 1.7.2024 to 30.9.2024
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	55,537,415	130,438,000
Purchase of investments	(29,557,800)	(30,137,000)
Proceeds from maturity of deposits with licensed financial institutions	277,850,000	-
Placement of deposits with licensed financial institutions	(237,850,000)	(10,000,000)
Interest received from deposits with licensed financial institutions	1,015,286	982,405
Interest received from unquoted fixed income securities	5,164,043	6,102,153
Management fee paid	(257,548)	(251,666)
Trustee fee paid	(64,387)	(62,916)
Payment for other fees and expenses	(3,098)	(1,547)
Net cash generated from operating activities	71,833,911	97,069,429
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	38,143	38,036,612
Net cash generated from financing activities	38,143	38,036,612
NET INCREASE IN CASH AND CASH EQUIVALENTS	71,872,054	135,106,041
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	6,582,578	29,648,232
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	78,454,632	164,754,273

CORPORATE DIRECTORY

THE MANAGER

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