eastspring investments

A Prudential plc company

EASTSPRING INVESTMENTS WHOLESALE BOND FUND

QUARTERLY REPORT

FOR THE FINANCIAL PERIOD FROM 1 APRIL 2026
TO 30 JUNE 2026

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 June 2026.

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/YEAR ENDED

Category	Second quarter from 1.4.2026 to 30.6.2026	First quarter from 1.1.2026 to 31.3.2026	Financial year ended 31.12.2025
	(%)	(%)	(%)
Unquoted fixed income securities	77.94	67.84	71.05
Cash and other assets	22.06	32.16	28.95
Total	**100.00**	**100.00**	**100.00**
Net Asset Value (NAV) (RM'000)	579,387	554,466	546,657
Units In Circulation (Units '000)	560,675	535,984	527,846
Net Asset Value Per Unit (RM)	1.0334	1.0345	1.0356
Highest Net Asset Value Per Unit (RM)#	1.0334	1.0345	1.0356
Lowest Net Asset Value Per Unit (RM)#	1.0329	1.0320	1.0340
Total Return (%)			
- Capital Growth	(0.11)	(0.11)	0.44
- Income Distribution	0.96	0.95	3.83
Total Return (%)	0.85	0.84	4.29
Gross Distribution Per Unit (RM)	0.0099	0.0098	0.0391
Net Distribution Per Unit (RM)	0.0099	0.0098	0.0391
Total Expense Ratio (TER) (%)	-	-	0.26
Portfolio Turnover Ratio (PTR) (times)	-	-	0.22

Figure shown as ex-distribution.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.7.2025 to 30.6.2026	3 years 1.7.2023 to 30.6.2026	Since commencement 11.4.2022 to 30.6.2026
	(%)	(%)	(%)
Average total return	3.64	3.94	3.89

Year ended	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	Since commencement 11.4.2022 31.12.2022
	(%)	(%)	(%)	(%)
Annual total return	4.29	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:

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.

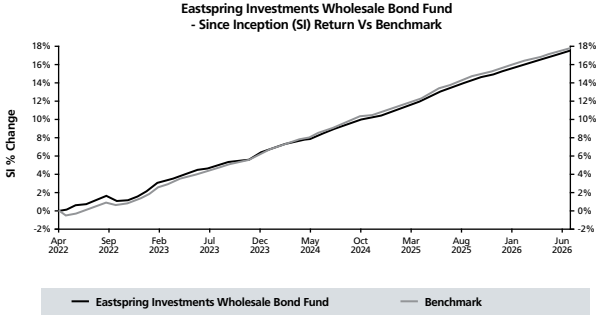
MANAGER'S REPORT

Fund Performance

Since inception, the Fund recorded a return of 17.49%, underperforming the benchmark return of 17.77% by 0.28%.

During the period under review, the Fund registered a return of 0.85%, outperforming the benchmark return of 0.84% by 0.01%.

The outperformance in the period under review was attributed to the Fund's investments in corporate bonds which outperformed the benchmark.



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 June 2026.

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 June 2026:

Income Return (%)	Capital Return* (%)	Total Return (%)	Total Return of Benchmark (%)
0.96	(0.11)	0.85	0.84

* 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)
26/6/26	0.0099	0.0099	1.0428	1.0329

No unit split were declared for the financial period ended 30 June 2026.

Investment Strategy During the Period Under Review

Market remains volatile, albeit at a lesser degree. We will continue to look for trading opportunities and solid credit papers in these volatile times.

We prefer government bonds over government guaranteed given the recent sharp compression in GG yields spreads. Good corporate bonds will remain the bedrock of the portfolio.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2026 (%)	31-Mar 2026 (%)	Changes (%)
Unquoted fixed income securities	77.94	67.84	10.10
Cash and other assets	22.06	32.16	(10.10)

Asset Allocation as at 30 June 2026

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 changes to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unit holders during the period under review.

MARKET REVIEW

The second quarter of 2026 was dominated by persistent global inflationary pressures, geopolitical tensions in the Middle East, and a significant shift toward a higher-for-longer global interest rate environment. Escalating conflict involving Iran drove substantial volatility in energy markets, causing oil prices to surge and creating renewed inflation concerns across major economies. As a result, most central banks maintained restrictive monetary policy stances, while market expectations for rate cuts were largely removed.

Against this backdrop, Malaysian government bond markets remained relatively resilient. While domestic yields fluctuated throughout the quarter, movements were considerably more contained than in global markets. Foreign investor participation remained generally supportive despite temporary outflows in May, and Bank Negara Malaysia (BNM) maintained a stable monetary policy stance with the Overnight Policy Rate (OPR) unchanged at 2.75%.

The Federal Reserve kept the federal funds target range unchanged at 3.50%–3.75% throughout Q2 2026, extending its pause amid elevated inflation and geopolitical uncertainties. The transition from Jerome Powell to Chair Kevin Warsh marked a key policy development during the quarter. Markets interpreted subsequent Fed communications as increasingly hawkish, resulting in higher expectations of additional policy tightening and effectively eliminating expectations for rate cuts in 2026.

The Bank of England maintained its Bank Rate at 3.75% throughout the quarter. Inflation moderated gradually from 3.3% in March to 2.8% by May, although policymakers remained cautious given ongoing energy-related risks. Economic activity indicators remained generally soft despite occasional improvements in retail spending.

In contrast, the European Central Bank became increasingly concerned about inflation risks arising from energy costs. After holding rates steady in April and May, the ECB delivered a 25bp rate hike in June 2026, its first increase since 2023. Despite elevated inflation concerns, growth prospects weakened, prompting downward revisions to eurozone GDP forecasts Australia increased its cash rate by 25bps in May before pausing in June. Indonesia raised rates aggressively to defend its currency and contain imported inflation, while the Philippines and Japan tightened policy in June. China maintained an accommodative stance, keeping key lending rates unchanged amid slowing domestic demand and ongoing property sector weakness.

Malaysia's economy remained resilient during the quarter. Real GDP expanded by 5.4% year-on-year in 1Q2026, underpinned by sustained domestic demand and continued investment activity. BNM maintained its 2026 growth forecast of 4.0%–5.0%.

Inflation remained manageable relative to global peers. Headline inflation rose gradually from 1.7% in March to 2.0% in May, while core inflation remained stable around 2.0%. Labour market conditions also remained healthy, with unemployment fluctuating within a narrow range of 2.9%–3.0%.

BNM's international reserves strengthened during the quarter, increasing from USD128.8 billion in April to USD132.6 billion by end-June. The Ringgit appreciated during April and May before weakening significantly in June as the US dollar strengthened following increasingly hawkish Fed expectations

MGS yield curve flattened in 2Q2026 as ample domestic liquidity pushed and benign inflation pushed longer tenor yields lower. The 3-, 5-, 10- and 15-year MGS yields closed at 3.26%, 3.40%, 3.60% and 3.82%, respectively, at end-June 2026, compared to 3.26%, 3.43%, 3.63% and 3.92%, respectively, at end-March 2026.

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 APRIL 2026 TO 30 JUNE 2026

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2026 TO 30 JUNE 2026

	Financial period from 1.4.2026 to 30.6.2026	Financial period from 1.4.2025 to 30.6.2025
	RM	RM
INVESTMENT INCOME		
Interest income from deposits with licensed financial institutions	1,407,740	955,369
Interest income from unquoted fixed income securities	4,329,719	4,135,371
Net (loss)/gain on financial assets at fair value through profit or loss	(485,835)	1,410,052
	5,251,624	6,500,792
EXPENSES		
Management fee	(286,355)	(254,518)
Trustee fee	(71,589)	(63,629)
Audit fee	(2,704)	(1,621)
Tax agent fee	(923)	(923)
Other expenses	(36,905)	(6,849)
	(398,476)	(327,540)
PROFIT BEFORE TAXATION	4,853,148	6,173,252
TAXATION	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME	4,853,148	6,173,252
Profit after taxation is made up of the following:		
Realised amount	5,338,983	4,938,817
Unrealised amount	(485,835)	1,234,435
	4,853,148	6,173,252

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	30.6.2026	31.12.2025
	RM	RM
ASSETS		
Cash and cash equivalents	127,857,275	63,188,659
Deposits with licensed financial institutions	15,114,343	95,206,041
Financial assets at fair value through profit or loss	451,558,854	388,398,802
TOTAL ASSETS	594,530,472	546,793,502
LIABILITIES		
Amount due to Manager	15,000,000	-
Accrued management fee	97,230	92,219
Amount due to Trustee	24,307	23,055
Other payables and accruals	22,226	20,903
TOTAL LIABILITIES	15,143,763	136,177
NET ASSET VALUE OF THE FUND	579,386,709	546,657,325
EQUITY		
Unit holders' capital	568,126,408	534,177,419
Retained earnings	11,260,301	12,479,906
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS	579,386,709	546,657,325
NUMBER OF UNITS IN CIRCULATION	560,674,556	527,845,694
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)	1.0334	1.0356

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2026 TO 30 JUNE 2026

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 April 2026	542,418,609	12,047,540	554,466,149
Movement in unit holders' contribution:			
Creation of units from applications	35,067,412	-	35,067,412
Creation of units from distribution	5,640,387	-	5,640,387
Cancellation of units	(15,000,000)	-	(15,000,000)
Distribution (Gross/Net: 0.99 sen)	-	(5,640,387)	(5,640,387)
Total comprehensive income for the financial period	-	4,853,148	4,853,148
Balance as at 30 June 2026	568,126,408	11,260,301	579,386,709
Balance as at 1 April 2025	483,783,984	11,779,114	495,563,098
Movement in unit holders' contribution:			
Creation of units from applications	36,037,367	-	36,037,367
Creation of units from distribution	5,907,967	-	5,907,967
Cancellation of units	(36,000,000)	-	(36,000,000)
Distribution (Gross/Net: 1.15 sen)	-	(5,907,967)	(5,907,967)
Total comprehensive income for the financial period	-	6,173,252	6,173,252
Balance as at 30 June 2025	489,729,318	12,044,399	501,773,717

CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2026 TO 30 JUNE 2026

	Financial period from 1.4.2026 to 30.6.2026	Financial period from 1.4.2025 to 30.6.2025
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of investments	4,000,000	14,919,584
Payments for purchase of investments	(78,122,400)	(38,877,800)
Proceeds from maturity of Islamic deposits with licensed financial institutions	90,000,000	100,000,000
Placement of deposits with licensed financial institutions	(10,000,000)	(160,000,000)
Interest received from deposits with licensed financial institutions	2,374,533	994,697
Interest received from unquoted fixed income securities	2,563,900	3,385,039
Management fee paid	(283,138)	(252,149)
Trustee fee paid	(70,786)	(63,037)
Payment for other fees and expenses	(42,578)	(12,586)
Net cash generated from/(used in) operating activities	10,419,531	(79,906,252)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from units created	35,067,412	36,037,367
Cash payments for units released	-	(36,000,000)
Net cash generated from financing activities	35,067,412	37,367
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	45,486,943	(79,868,885)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	82,370,332	86,451,463
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	127,857,275	6,582,578

CORPORATE DIRECTORY

THE MANAGER

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