



A member of Prudential plc (UK)



ANNUAL REPORT

EASTSPRING INVESTMENTS ISLAMIC TRUST

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

Comprising 3 funds:

1. Eastspring Investments Dana al-Ilham
2. Eastspring Investments Dana al-Islah
3. Eastspring Investments Dana Wafi

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/Interim/Quarterly Fund Reports of Eastspring Investments Berhad's fund(s) for the reporting period ended 31 March 2016.

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

Should you require any assistance, please do not hesitate to contact our Client Services at 03-2332 1000.

Yours sincerely,

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

Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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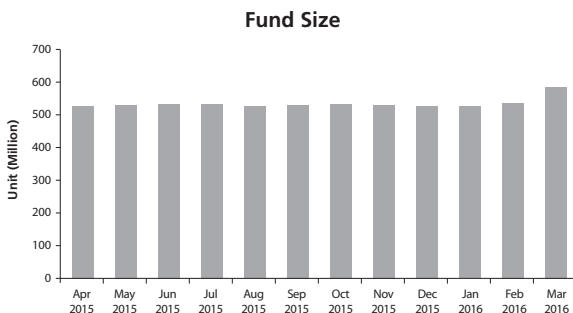
FUND INFORMATION

Name of Fund	Eastspring Investments Dana al-Ilham ("the Fund")
Fund Category/ Type	Shariah equity/growth
Fund Objective	<p>The Fund seeks to provide investors with high capital appreciation* from Shariah-compliant investments which have the potential of substantial value appreciation.</p> <p>* High returns are generally associated with high investment risks.</p>
Performance Benchmark	<p>FTSE Bursa Malaysia EMAS Shariah Index</p> <p>Source: www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	Incidental

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 31 March 2016, the size of Eastspring Investments Dana al-Ilham stood at 585.573 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	3,084	25.77	7,833	1.34
5,001 to 10,000 units	2,383	19.91	17,286	2.95
10,001 to 50,000 units	5,011	41.87	114,859	19.61
50,001 to 500,000 units	1,442	12.05	153,591	26.23
500,001 units and above	48	0.40	292,001	49.87
Total	11,968	100.00	585,570	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	31.3.2016	31.3.2015	31.3.2014
	(%)	(%)	(%)
Quoted Shariah-compliant securities			
Conglomerate	0.95	-	-
Construction	10.82	8.10	6.70
Consumer Product	-	1.97	3.97
Finance	3.88	4.36	4.53
Health Care	11.52	-	-
Industrial Product	4.54	4.58	10.24
Infrastructure Project Company	2.47	5.00	4.68
i-REITS	0.18	0.19	0.55
Manufacturing	0.61	-	-
Plantation	4.21	3.95	5.85
Power/Utilities	2.24	-	-
Properties	5.01	5.40	6.00
Technology	8.23	7.08	5.36
Trading/Services	26.55	35.83	37.10
Special Purpose Acquisition Company	-	0.21	0.95
	81.21	76.67	85.93
Cash and other assets	18.79	23.33	14.07
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

FOR THE FINANCIAL YEAR ENDED

Category	31.3.2016	31.3.2015	31.3.2014
Net Asset Value (NAV) (RM'000)	416,699	434,743	138,849
Units In Circulation (Units '000)	585,573	586,385	96,035
Net Asset Value Per Unit (RM)	0.7116	0.7414	1.4458
Highest Net Asset Value Per Unit (RM) [#]	0.7116	0.7414	1.4414
Lowest Net Asset Value Per Unit (RM) [#]	0.7070	0.7368	1.4458
Total Return (%)			
- Capital Growth	(4.02)	2.56	18.25
- Income Distribution	5.14	5.67	12.09
Total Return (%)	0.91	8.38	32.54
Gross Distribution Per Unit (RM)	0.0364	0.0418	0.1536
Net Distribution Per Unit (RM)	0.0362	0.0416	0.1481
Management Expense Ratio (MER) (%) [*]	1.68	1.59	1.66
Portfolio Turnover Ratio (PTR) (times) [^]	0.49	0.82	0.96

[#] Figures shown as ex-distribution.

^{*} There were no significant changes to the MER during the period under review.

[^] The lower PTR was due to less volatile trading environment.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.4.2015 to 31.3.2016	3 years 1.4.2013 to 31.3.2016	5 years 1.4.2011 to 31.3.2016
	(%)	(%)	(%)
Average total return	0.91	13.16	11.93

Year ended	1.4.2015 to 31.3.2016	1.4.2014 to 31.3.2015	1.4.2013 to 31.3.2014	1.4.2012 to 31.3.2013	1.4.2011 to 31.3.2012
	(%)	(%)	(%)	(%)	(%)
Annual total return	0.91	8.38	32.54	11.36	8.91

Source: Lipper for Investment Management, as at 31 March 2016.

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

$$\text{Performance annualised} = (1 + \text{Percentage Growth})^{1/n} - 1$$

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

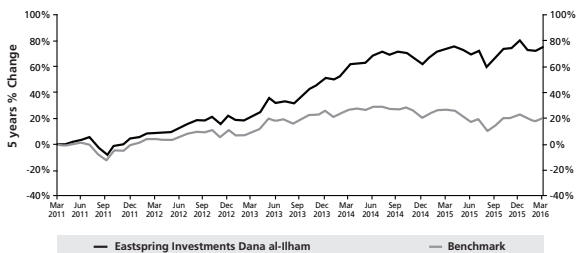
Over the 5-year period, the Fund recorded a return of 75.79%, outperforming the benchmark return of 20.49% by 55.30%.

For the period under review, the Fund registered a return of 0.91%, outperforming the benchmark return of -4.75% by 5.66%.

The outperformance was due to Shariah-compliant stock selection.

The Fund met its investment objective to provide investors with capital appreciation from Shariah-compliant investments.

**Eastspring Investments Dana al-Ilham -
5 Years Return Vs Benchmark**



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

Benchmark: FTSE Bursa Malaysia EMAS Shariah Index

Source: Lipper for Investment Management and www.bursamalaysia.com, as at 31 March 2016.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 31 March 2016:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
5.14	(4.02)	0.91	(4.75)

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

1. Quoted Shariah-compliant securities
2. Cash and other assets

Distribution/ Unit Split

Ex-date	24-Mar-16
Distribution Per Unit	(RM)
Gross	0.0364
Net	0.0362

Impact on NAV arising from distribution for the financial year ended 31 March 2016.

Ex-date	24-Mar-16
	(RM per Unit)
Net Asset Value before distribution	0.7450
Less: distribution	(0.0362)
Net Asset Value after distribution	0.7088

No unit split were declared for the financial year ended 31 March 2016.

Investment Strategy During Period Under Review

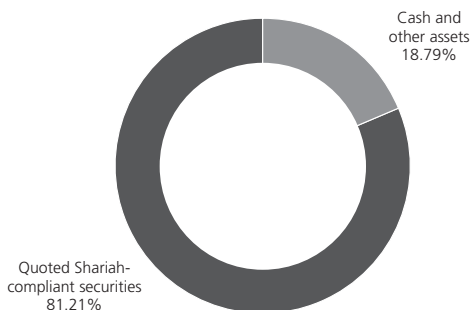
The Fund's exposure into exporters contributed to the outperformance due to the weaker ringgit during the year. In addition, underweight in telecommunication and oil & gas stocks helped the Fund to achieve better returns than the benchmark. The Fund will continue to identify undervalued Shariah-compliant stocks with strong fundamentals for longer term outperformance.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	31-Mar 2016 (%)	31-Mar 2015 (%)	Changes (%)
Quoted Shariah-compliant securities	81.21	76.67	4.54
Cash and other assets	18.79	23.33	(4.54)

Asset Allocation as at 31 March 2016



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

State of Affairs of the Fund

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

MARKET REVIEW

The 2Q2015 continued its positive trend as China and Hong Kong equity markets rallied on the back of the commencement of the Shanghai-Hong Kong Connect, and the People's Bank of China's move to lower the reserve requirement ratio for all banks by 100 basis points. However global markets tumbled by the end of 2Q2015 on the United States (US) growth concerns, amid concerns over a possible "Grexit". Domestically, the FTSE Bursa Malaysia KLCI (FBMKLCI) corrected below the 1,700 points psychological support temporarily on the back of weak corporate results, heightened political concerns, the fear of a Fitch Ratings downgrade, and the weak MYR. Big cap utility company, Tenaga Berhad was under selling pressure during the quarter, on speculation of Tenaga taking over 1Malaysia Development Berhad's (1MDB) power assets. However, 2Q2015 closed with some unexpected good news as Fitch Ratings affirmed Malaysia's long-term foreign currency Issuer Default Rating at "A-" but upgraded the outlook to "Stable" from "Negative".

The 3Q2015 started off on fairly firm footing following a resolution to the Greek crisis. However global equity markets corrected sharply mid-3Q2015 amid concerns over China's weak economic growth, the Renminbi (RMB) devaluation, tepid global growth, weak commodity prices, and fears of a US Federal interest rate lift-off. Emerging market currencies were much weaker during the quarter, and were further exacerbated by the surprising RMB devaluation in August. Some stability returned to global equity markets by the end of the quarter after the US decided to hold rates steady. The FBMKLCI corrected sharply during the quarter as investors reacted to a confluence of negative factors such as the continued international media reports on 1MDB, increased political uncertainty, weak crude oil prices, weak corporate earnings reporting, threat of US rate hikes, the sudden RMB devaluation, and the sharply lower MYR. The MYR depreciated by 16.5% quarter-on-quarter (q-o-q) against the USD to end the 3Q2015 at RM4.395/USD, levels not seen in more than 17 years since the Asian Financial Crisis of 1998. Towards the end of 3Q2015, the FBMKLCI rebounded on the announcement of economic measures by the government which included aims to shore up domestic investments by encouraging government linked companies to repatriate their overseas investments and re-invest locally, and the reactivation of the government equity investment firm ValueCap with an injection of RM20bil, to boost the stock market.

The 4Q2015 started off on a positive note with global equities rallying on signs of China's economy stabilising, better US corporates' earnings results and resilient economic data from the Eurozone. The International Monetary Fund's (IMF) board announced that the RMB has been officially approved for inclusion in the Special Drawing Rights (SDR) effective 1 October 2016. Post the last meeting for the year, the US Federal Open Market Committee (FOMC) announced the long awaited lift-off, with the FOMC unanimously voting to increase the target range for the Fed Funds rate by 25bps (to 0.25%-0.5%). In

Malaysia the 2016 budgeted fiscal deficit was revised to 3.1%, only slightly lower than 2015 fiscal deficit of 3.2%, on the back of better than expected GST revenue collection amid declining investment income from Petronas. Investor sentiment improved with the announcement that 1MDB would sell its power assets under Edra Global Energy Bhd to unlisted China General Nuclear Power Corporation (CGN) for RM9.83bil. However, towards the end of the quarter, the Malaysian equity market corrected amid concerns of the sharply lower crude oil prices and the weaker China economy.

The start of 1Q2016 was a very volatile period for global equity markets as investors fretted over the state of the US economy, weak oil prices with seemingly little impact on oil production, and continued concerns over China's stock market rout. China lifted the ruling that regulators put in place in 2015 to now allow shareholders with holdings exceeding 5% and insiders to sell their stakes. China's Securities Regulatory Commission (CSRC) introduced the use of circuit breakers in an attempt to tame the wild gyrations of the market, but had the opposite reaction, resulting in increased selling pressure triggering the circuit breaker many times in the first week of trading, until the CSRC abandoned it four days later. This was further complicated by weakness in the US Dollar as expectations for the US Federal Reserve to continue their hawkish stance diminished significantly early February due to the tighter financial conditions. Given the sharply lower oil prices, the Malaysian government announced a recalibrated Budget 2016 in an effort to maintain fiscal discipline. The 4Q2015 results reporting season ended with consensus adjusting down 2015 earnings to a contraction of 2%-3%, and 2016 EPS is now expected to grow by 5%-6% year-on-year (y-o-y), down from 7%-8% at the beginning of 2016. The MYR strengthened from RM4.29/USD at the end of 4Q2015 to RM3.90/USD by end of 1Q2016. Foreign institutional investors were net buy Malaysian equities for the 1Q2016 of RM5.7bil, after six consecutive quarters of net foreign outflow. Crude oil prices also rebounded from the low of USD27.10/bbl in January 2016, to end the quarter at USD38.34/bbl as production from shale oil production in the US started showing signs of declining.

The FBM KLCI closed the year under review at 1,717.58 points, down 6.18%. The broader FBM Emas (FBMS) Index closed the period under review lower by -5.11%. The MSCI Asia Pacific ex-Japan Index declined by 14.12% in USD terms¹.

¹ **Source:** Bloomberg; World Indices

REBATES AND SOFT COMMISSIONS

During the period under review, the Manager and its delegates (if any) received 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.

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.

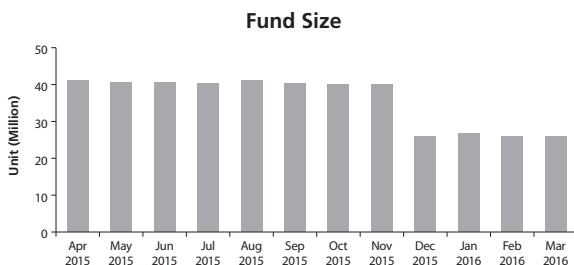
FUND INFORMATION

Name of Fund	Eastspring Investments Dana al-Islah ("the Fund")
Fund Category/ Type	Sukuk/income
Fund Objective	<p>The Fund seeks to provide investors with a stable income* stream and an opportunity for capital appreciation from Shariah-compliant fixed income and equity securities.</p> <p>* Income distributed will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.</p>
Performance Benchmark	<p>78% Quant Shop Malaysian Government Securities Short Index + 22% FTSE Bursa Malaysia EMAS Shariah Index</p> <p>Source: www.quantshop.com and www.bursamalaysia.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	At least once a year, subject to the availability of income.

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 31 March 2016, the size of Eastspring Investments Dana al-Islah stood at 25.904 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	333	27.10	1,006	3.88
5,001 to 10,000 units	280	22.78	2,095	8.09
10,001 to 50,000 units	516	41.99	11,141	43.01
50,001 to 500,000 units	97	7.89	9,754	37.66
500,001 units and above	3	0.24	1,907	7.36
Total	1,229	100.00	25,903	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	31.3.2016	31.3.2015	31.3.2014
	(%)	(%)	(%)
Quoted Shariah-compliant securities			
Construction	2.05	2.05	1.03
Consumer Product	2.00	2.13	0.83
Finance	-	1.61	1.94
Health Care	2.45	-	-
Industrial Product	2.83	2.37	1.23
Infrastructure Project Company	1.40	1.93	1.86
i-REITS	-	0.82	0.31
Plantation	2.21	1.05	1.52
Properties	0.02	1.67	1.60
Technology	-	0.90	-
Trading/Services	14.10	11.68	11.83
	27.06	26.21	22.15
Sukuk	51.53	68.25	54.23
Cash and other assets	21.41	5.54	23.62
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

FOR THE FINANCIAL YEAR ENDED

Category	31.3.2016	31.3.2015	31.3.2014
Net Asset Value (NAV) (RM'000)	18,661	31,180	25,100
Units In Circulation (Units '000)	25,904	42,504	33,846
Net Asset Value Per Unit (RM)	0.7204	0.7336	0.7416
Highest Net Asset Value Per Unit (RM) [#]	0.7202	0.7336	0.7416
Lowest Net Asset Value Per Unit (RM) [#]	0.7185	0.7321	0.7404
Total Return (%)			
- Capital Growth	(1.80)	(1.08)	(2.16)
- Income Distribution	4.11	4.13	9.31
Total Return (%)	2.24	3.00	6.94
Gross Distribution Per Unit (RM)	0.0296	0.0302	0.0668
Net Distribution Per Unit (RM)	0.0292	0.0299	0.0657
Management Expense Ratio (MER) (%) [*]	1.46	1.76	1.77
Portfolio Turnover Ratio (PTR) (times) [^]	0.47	0.65	0.55

[#] Figures shown as ex-distribution.

^{*} There were no significant changes to the MER during the period under review.

[^] The PTR was lower during the period under review due to fewer attractive trading opportunities during the period.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.4.2015 to 31.3.2016	3 years 1.4.2013 to 31.3.2016	5 years 1.4.2011 to 31.3.2016
	(%)	(%)	(%)
Average total return	2.24	4.04	4.52

Year ended	1.4.2015 to 31.3.2016	1.4.2014 to 31.3.2015	1.4.2013 to 31.3.2014	1.4.2012 to 31.3.2013	1.4.2011 to 31.3.2012
	(%)	(%)	(%)	(%)	(%)
Annual total return	2.24	3.00	6.94	5.47	5.04

Source: Lipper for Investment Management, as at 31 March 2016.

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

$$\text{Performance annualised} = (1 + \text{Percentage Growth})^{1/n} - 1$$

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

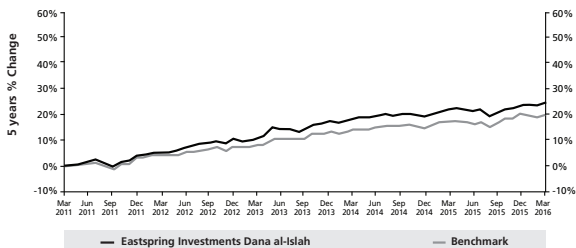
Over the 5-year period, the Fund recorded a return of 24.77%, outperforming the benchmark return of 20.04% by 4.73%.

For the period under review, the Fund registered a return of 2.24%, underperforming the benchmark return of 2.34% by 0.10%.

The underperformance was attributable to the performance of both the Shariah-compliant equities and sukuk.

The Fund met its investment objective to provide investors with a stable income and an opportunity for capital appreciation from sukuk and Shariah-compliant equity securities.

**Eastspring Investments Dana al-Islah -
5 Years Return Vs Benchmark**



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

Benchmark: 78% Quant Shop Malaysian Government Securities Short Index + 22% FTSE Bursa Malaysia EMAS Shariah Index

Source: Lipper for Investment Management, www.quantshop.com and www.bursamalaysia.com, as at 31 March 2016.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 31 March 2016:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
4.11	(1.80)	2.24	2.34

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

1. Quoted Shariah-compliant securities
2. Sukuk
3. Cash and other assets

Distribution/
Unit Split

Ex-date	24-Mar-16
Distribution Per Unit	(RM)
Gross	0.0296
Net	0.0292

Impact on NAV arising from distribution for the financial year ended 31 March 2016.

Ex-date	24-Mar-16
	(RM per Unit)
Net Asset Value before distribution	0.7488
Less: distribution	(0.0292)
Net Asset Value after distribution	<u>0.7196</u>

No unit split were declared for the financial year ended 31 March 2016.

MANAGER'S REPORT (CONTINUED)

Investment Strategy During Period Under Review

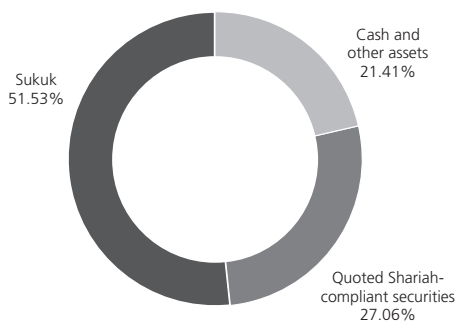
The Fund participated in selected quality sukuk for yield pick-up and traded on market volatility, subject to liquidity constraints.

For equities, the Fund maintained its exposure in fundamentally strong and defensive Shariah-compliant stocks. The Fund continued to identify investment opportunities during share price weakness/market volatility.

Asset Allocation

Asset Allocation	31-Mar 2016 (%)	31-Mar 2015 (%)	Changes (%)
Quoted Shariah-compliant securities	27.06	26.21	0.85
Sukuk	51.53	68.25	(16.72)
Cash and other assets	21.41	5.54	15.87

Asset Allocation as at 31 March 2016



The Fund increased its cash allocation to take advantage of attractive deposit rates during the period.

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.

**Cross-Trade
Transaction**

During the year under review, there were cross-trades executed through a dealer or a financial institution on an arm's length and fair value basis and in the best interest of the unit holders.

MARKET REVIEW

Bond

Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) steady at 3.25% throughout the period under review. At the Monetary Policy Committee (MPC) meeting on 9 July 2015, BNM stated that growth in private consumption was expected to slow after the frontloading of consumption activity prior to the implementation of the Goods and Services Tax (GST) on 1 April 2015. However, overall spending should be supported by wage growth and stable labour market conditions. The 11 September 2015 MPC meeting was held with the backdrop of a sharp depreciation of the ringgit (MYR) in August 2015 and September 2015. The MPC stated that the MYR was affected by global factors including weaker commodity prices and the strength of the US Dollar (USD) and expected the MYR to reflect underlying economic fundamentals when external and domestic uncertainties receded.

The MPC meeting on 21 January 2016 took place amidst a continuing fall in crude oil prices which increased worries over Malaysia's government revenue. BNM stated that despite the more difficult environment, the Malaysian economy would benefit from having diversified sources of growth, low unemployment, manageable external debt, a well capitalised banking system and developed capital markets. BNM announced a cut to the Statutory Reserve Requirement (SRR) from 4.00% to 3.50% effective 1 February 2016 to ensure sufficient liquidity in the financial system. At the MPC meeting on 9 March 2016, BNM stated that the Malaysian economy was expected to moderate in 2016 after growing 5% in 2015. Domestic demand would continue to support growth. Private consumption was expected to moderate but household spending was to be supported from additional disposable income from measures announced in the 2016 Budget.

Headline inflation jumped from 0.9% year-on-year (y-o-y) in March 2015 to 4.2% y-o-y in February 2016. The spike was attributable to the jump in non-food inflation, which climbed from 0.3% y-o-y in March 2015 to 3.9% y-o-y in February 2016 on transport inflation, which rose from -4.9% y-o-y in March 2015 to 3.6% y-o-y in February 2016. The MPC said in its March 2016 statement that 2016 headline inflation was expected to be higher than in 2015 on adjustments in administered prices and the weaker MYR. However, inflation was likely to be mitigated by low energy and commodity prices and subdued global inflation. The MPC stated that the current OPR level was appropriate but that it would continue to monitor risks in the global economic and financial environment and ensure that the stance of monetary policy was consistent with the sustainable growth of the Malaysian economy.

For the period under review, the 3-year, 5-year and 10-year sovereign bond yields eased by 10bps, 18bps and 9bps to close at 3.22%, 3.40% and 3.78% respectively.

Malaysian Government Securities (MGS) yields rose sharply in August 2015 on the sudden depreciation of the MYR, which slumped from RM3.825 to the USD at 31 July 2015 to RM4.1950 by end August 2015. Subsequently, MGS yields moderated before rallying in 1Q2016 on the Statutory Reserve Requirement (SRR) cut by BNM which was announced on 21 January followed by the Federal Open Market Committee's (FOMC) dovish statement on 16 March 2016 which signaled a very gradual path of rate hikes in 2016.

Corporate bond yields generally moved in tandem with sovereign bond yields, albeit at a lag. Activities in the corporate bond market were supported by ample liquidity and a stable credit environment.

On the supply front, total outstanding MYR issuances at the end of March 2016 stood at about RM1,148bil, of which approximately 46.0% was conventional and 54.0% was Islamic. The proportion of corporate sukuk in the sukuk universe was higher at about 38.1% compared to the proportion of corporate bonds in the conventional bonds universe of about 25.2%. Major primary issuances during the period included the power sector, quasi-government and government guaranteed issuances. Major issuances included a RM8.98bil issuance by Jimah East Power, RM6.6bil by Danainfra Berhad and RM5.055bil by Cagamas Berhad.

Equity

The 2Q2015 continued its positive trend as China and Hong Kong equity markets rallied on the back of the commencement of the Shanghai-Hong Kong Connect, and the People's Bank of China's move to lower the reserve requirement ratio for all banks by 100 basis points. However global markets tumbled by the end of 2Q2015 on the United States (US) growth concerns, amid concerns over a possible "Grexit". Domestically, the FTSE Bursa Malaysia KLCI (FBMKLCI) corrected below the 1,700 points psychological support temporarily on the back of weak corporate results, heightened political concerns, the fear of a Fitch Ratings downgrade, and the weak MYR. Big cap utility company, Tenaga Berhad was under selling pressure during the quarter, on speculation of Tenaga taking over 1Malaysia Development Berhad's (1MDB) power assets. However, 2Q2015 closed with some unexpected good news as Fitch Ratings affirmed Malaysia's long-term foreign currency Issuer Default Rating at "A-" but upgraded the outlook to "Stable" from "Negative".

The 3Q2015 started off on fairly firm footing following a resolution to the Greek crisis. However global equity markets corrected sharply mid-3Q2015 amid concerns over China's weak economic growth, the Renminbi (RMB) devaluation, tepid global growth,

weak commodity prices, and fears of a US Federal interest rate lift-off. Emerging market currencies were much weaker during the quarter, and were further exacerbated by the surprising RMB devaluation in August. Some stability returned to global equity markets by the end of the quarter after the US decided to hold rates steady. The FBMKLCI corrected sharply during the quarter as investors reacted to a confluence of negative factors such as the continued international media reports on 1MDB, increased political uncertainty, weak crude oil prices, weak corporate earnings reporting, threat of US rate hikes, the sudden RMB devaluation, and the sharply lower MYR. The MYR depreciated by 16.5% quarter-on-quarter (q-o-q) against the USD to end the 3Q2015 at RM4.395/USD, levels not seen in more than 17 years since the Asian Financial Crisis of 1998. Towards the end of 3Q2015, the FBMKLCI rebounded on the announcement of economic measures by the government which included aims to shore up domestic investments by encouraging government linked companies to repatriate their overseas investments and re-invest locally, and the reactivation of the government equity investment firm ValueCap with an injection of RM20bil, to boost the stock market.

The 4Q2015 started off on a positive note with global equities rallying on signs of China's economy stabilising, better US corporates' earnings results and resilient economic data from the Eurozone. The International Monetary Fund's (IMF) board announced that the RMB has been officially approved for inclusion in the Special Drawing Rights (SDR) effective 1 October 2016. Post the last meeting for the year, the US Federal Open Market Committee (FOMC) announced the long awaited lift-off, with the FOMC unanimously voting to increase the target range for the Fed Funds rate by 25bps (to 0.25%-0.5%). In Malaysia the 2016 budgeted fiscal deficit was revised to 3.1%, only slightly lower than 2015 fiscal deficit of 3.2%, on the back of better than expected GST revenue collection amid declining investment income from Petronas. Investor sentiment improved with the announcement that 1MDB would sell its power assets under Edra Global Energy Bhd to unlisted China General Nuclear Power Corporation (CGN) for RM9.83bil. However, towards the end of the quarter, the Malaysian equity market corrected amid concerns of the sharply lower crude oil prices and the weaker China economy.

The start of 1Q2016 was a very volatile period for global equity markets as investors fretted over the state of the US economy, weak oil prices with seemingly little impact on oil production, and continued concerns over China's stock market rout. China lifted the ruling that regulators put in place in 2015 to now allow shareholders with holdings exceeding 5% and insiders to sell their stakes. China's Securities Regulatory Commission (CSRC) introduced the use of circuit breakers in an attempt to tame the wild gyrations of the market, but had the opposite reaction, resulting in increased selling pressure triggering the circuit breaker many times in the first week of trading, until the CSRC abandoned it four days later. This was further complicated by weakness in the US Dollar as expectations

for the US Federal Reserve to continue their hawkish stance diminished significantly early February due to the tighter financial conditions. Given the sharply lower oil prices, the Malaysian government announced a recalibrated Budget 2016 in an effort to maintain fiscal discipline. The 4Q2015 results reporting season ended with consensus adjusting down 2015 earnings to a contraction of 2%-3%, and 2016 EPS is now expected to grow by 5%-6% year-on-year (y-o-y), down from 7%-8% at the beginning of 2016. The MYR strengthened from RM4.29/USD at the end of 4Q2015 to RM3.90/USD by end of 1Q2016. Foreign institutional investors were net buy Malaysian equities for the 1Q2016 of RM5.7bil, after six consecutive quarters of net foreign outflow. Crude oil prices also rebounded from the low of USD27.10/bbl in January 2016, to end the quarter at USD38.34/bbl as production from shale oil production in the US started showing signs of declining.

The FBM KLCI closed the year under review at 1,717.58 points, down 6.18%. The broader FBM Emas (FBMS) Index closed the period under review lower by -5.11%. The MSCI Asia Pacific ex-Japan Index declined by 14.12% in USD terms.¹

REBATES AND SOFT COMMISSIONS

During the period under review, the Manager and its delegates (if any) received 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.

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.

¹ **Source:** Bloomberg; World Indices

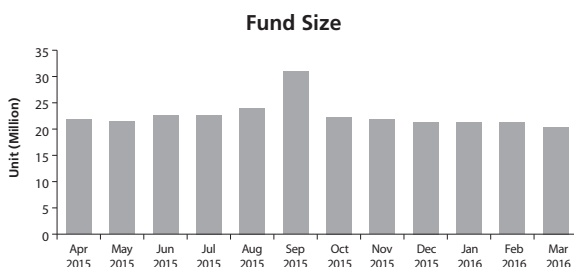
FUND INFORMATION

Name of Fund	Eastspring Investments Dana Wafi ("the Fund")
Fund Category/ Type	Sukuk/income
Fund Objective	<p>The Fund seeks to generate stable income* by investing in Shariah-compliant fixed income securities.</p> <p>* Income distributed will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.</p>
Performance Benchmark	<p>Quant Shop Malaysian Government Securities Medium Index</p> <p>Source: www.quantshop.com</p> <p>Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.</p>
Fund Income Distribution Policy	At least once a year, subject to the availability of income.

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 31 March 2016, the size of Eastspring Investments Dana Wafi stood at 20.423 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	95	20.30	270	1.32
5,001 to 10,000 units	96	20.51	683	3.34
10,001 to 50,000 units	209	44.66	4,640	22.72
50,001 to 500,000 units	64	13.68	7,724	37.82
500,001 units and above	4	0.85	7,105	34.80
Total	468	100.00	20,422	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	31.3.2016	31.3.2015	31.3.2014
	(%)	(%)	(%)
Sukuk	99.81	98.46	93.93
Cash and other assets	0.19	1.54	6.07
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	11,409	12,592	13,492
Units In Circulation (Units '000)	20,423	23,319	26,070
Net Asset Value Per Unit (RM)	0.5587	0.5400	0.5175
Highest Net Asset Value Per Unit (RM) [#]	0.5587	0.5400	0.5175
Lowest Net Asset Value Per Unit (RM) [#]	0.5401	0.5176	0.5173
Total Return (%)			
- Capital Growth	3.46	4.35	(7.02)
- Income Distribution	-	-	9.07
Total Return (%)	3.46	4.35	1.41
Gross Distribution Per Unit (RM)	-	-	0.0466
Net Distribution Per Unit (RM)	-	-	0.0466
Management Expense Ratio (MER) (%) [*]	1.44	1.37	1.23
Portfolio Turnover Ratio (PTR) (times) [^]	0.46	0.65	0.80

[#] Figures shown as ex-distribution.

^{*} There were no significant changes to the MER during the period under review.

[^] The PTR was lower during the period under review due to fewer attractive trading opportunities during the period.

KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.4.2015 to 31.3.2016	3 years 1.4.2013 to 31.3.2016	5 years 1.4.2011 to 31.3.2016
	(%)	(%)	(%)
Average total return	3.46	3.06	3.44

Year ended	1.4.2015 to 31.3.2016	1.4.2014 to 31.3.2015	1.4.2013 to 31.3.2014	1.4.2012 to 31.3.2013	1.4.2011 to 31.3.2012
	(%)	(%)	(%)	(%)	(%)
Annual total return	3.46	4.35	1.41	3.81	4.19

Source: Lipper for Investment Management, as at 31 March 2016.

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

$$\text{Performance annualised} = (1 + \text{Percentage Growth})^{1/n} - 1$$

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

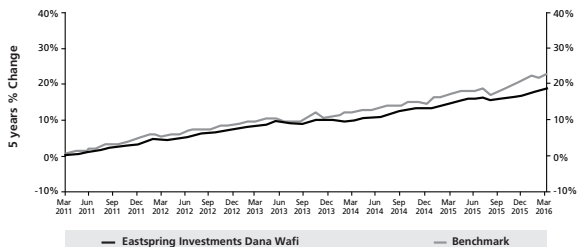
Over the 5-year period, the Fund recorded a return of 18.42%, underperforming the benchmark return of 22.68% by 4.26%.

For the period under review, the Fund registered a return of 3.46%, underperforming the benchmark return of 4.93% by 1.47%.

The Fund's underperformance was partly attributable to the Fund's underweight duration position relative to that of the government bond benchmark.

While the Fund met the investment objective, the quantum achieved was not sufficient to meet the benchmark.

**Eastspring Investments Dana Wafi -
5 Years Return Vs Benchmark**



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

Benchmark: Quant Shop Malaysian Government Securities Medium Index

Source: Lipper for Investment Management and www.quantshop.com, as at 31 March 2016.

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

MANAGER'S REPORT (CONTINUED)

Analysis of Fund Performance

For the financial year ended 31 March 2016:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
0.00	3.46	3.46	4.93

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

1. Sukuk
2. Cash and other assets

Distribution/ Unit Split

No distribution or unit split were declared for the financial year ended 31 March 2016.

Investment Strategy During Period Under Review

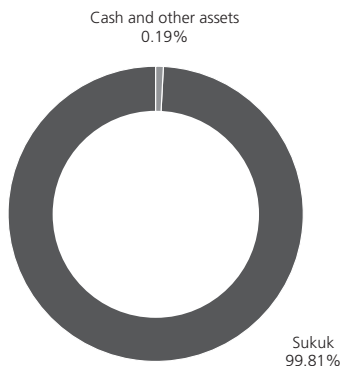
The Fund participated in selective quality issuances for yield pick-up, and traded on market volatility, subject to liquidity constraints.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	31-Mar 2016 (%)	31-Mar 2015 (%)	Changes (%)
Sukuk	99.81	98.46	1.35
Cash and other assets	0.19	1.54	(1.35)

Asset Allocation as at 31 March 2016



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.

Cross-Trade Transaction

During the year under review, there were cross-trades executed through a dealer or a financial institution on an arm's length and fair value basis and in the best interest of the unit holders.

MARKET REVIEW

Bank Negara Malaysia (BNM) kept the Overnight Policy Rate (OPR) steady at 3.25% throughout the period under review. At the Monetary Policy Committee (MPC) meeting on 9 July 2015, BNM stated that growth in private consumption was expected to slow after the frontloading of consumption activity prior to the implementation of the GST on 1 April 2015. However, overall spending should be supported by wage growth and stable labour market conditions. The 11 September 2015 MPC meeting was held with the backdrop of a sharp depreciation of the ringgit (MYR) in August 2015 and September 2015. The MPC stated that the MYR was affected by global factors including weaker commodity prices and the strength of the US Dollar (USD) and expected the MYR to reflect underlying economic fundamentals when external and domestic uncertainties receded.

The MPC meeting on 21 January 2016 took place amidst a continuing fall in crude oil prices which increased worries over Malaysia's government revenue. BNM stated that despite the more difficult environment, the Malaysian economy would benefit from having diversified sources of growth, low unemployment, manageable external debt, a well capitalised banking system and developed capital markets. BNM announced a cut to the Statutory Reserve Requirement (SRR) from 4.00% to 3.50% effective 1 February 2016 to ensure sufficient liquidity in the financial system. At the MPC meeting on 9 March 2016, BNM stated that the Malaysian economy was expected to moderate in 2016 after growing 5% in 2015. Domestic demand would continue to support growth. Private consumption was expected to moderate but household spending was to be supported from additional disposable income from measures announced in the 2016 Budget.

Headline inflation jumped from 0.9% year-on-year (y-o-y) in March 2015 to 4.2% y-o-y in February 2016. The spike was attributable to the jump in non-food inflation, which climbed from 0.3% y-o-y in March 2015 to 3.9% y-o-y in February 2016 on transport inflation, which rose from -4.9% y-o-y in March 2015 to 3.6% y-o-y in February 2016. The MPC said in its March 2016 statement that 2016 headline inflation was expected to be higher than in 2015 on adjustments in administered prices and the weaker MYR. However, inflation was likely to be mitigated by low energy and commodity prices and subdued global inflation. The MPC stated that the current OPR level was appropriate but that it would continue to monitor risks in the global economic and financial environment and ensure that the stance of monetary policy was consistent with the sustainable growth of the Malaysian economy.

For the period under review, the 3-year, 5-year and 10-year sovereign bond yields eased by 10bps, 18bps and 9bps to close at 3.22%, 3.40% and 3.78% respectively. Malaysian Government Securities (MGS) yields rose sharply in August 2015 on the sudden depreciation of the MYR, which slumped from RM3.825 to the USD at 31 July 2015 to

RM4.1950 by end August 2015. Subsequently, MGS yields moderated before rallying in 1Q2016 on the Statutory Reserve Requirement (SRR) cut by BNM which was announced on 21 January followed by the Federal Open Market Committee's (FOMC) dovish statement on 16 March 2016 which signaled a very gradual path of rate hikes in 2016.

Corporate bond yields generally moved in tandem with sovereign bond yields, albeit at a lag. Activities in the corporate bond market were supported by ample liquidity and a stable credit environment.

On the supply front, total outstanding MYR issuances at the end of March 2016 stood at about RM1,148bil, of which approximately 46.0% was conventional and 54.0% was Islamic¹. The proportion of corporate sukuk in the sukuk universe was higher at about 38.1% compared to the proportion of corporate bonds in the conventional bonds universe of about 25.2%. Major primary issuances during the period included the power sector, quasi-government and government guaranteed issuances. Major issuances included a RM8.98bil issuance by Jimah East Power, RM6.6bil by Danainfra Berhad and RM5.055bil by Cagamas Berhad.

REBATES AND SOFT COMMISSIONS

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

¹ **Source:** Bond Pricing Agency Malaysia

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EASTSPRING INVESTMENTS DANA AL-ILHAM

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ILHAM

We have acted as Trustee for Eastspring Investments Dana al-Ilham (the "Fund") for financial year ended 31 March 2016. To the best of our knowledge, for the year under review, Eastspring Investments Berhad (the "Manager") has operated and managed the Fund in accordance with the following:

- a. limitations imposed on the investment powers of the Manager and Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b. the valuation/pricing for the Fund has been carried out in accordance with the Deed of the Fund and applicable regulatory requirements; and
- c. creation and cancellation of units for the Fund have been carried out in accordance with the Deed of the Fund and applicable regulatory requirements.

We are of the view that the distribution made during this financial year ended 31 March 2016 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Wong Mun Loong
Manager, Trustee Operations

Soon Lai Ching
Manager, Trustee Operations

Kuala Lumpur
Date: 13 May 2016

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ILHAM

We have acted as the Shariah Adviser of Eastspring Investments Dana al-Ilham. Our responsibility is to ensure that the procedures and processes employed by Eastspring Investments Berhad are in accordance with Shariah principles.

In our opinion, Eastspring Investments Berhad has managed and administered Eastspring Investments Dana al-Ilham in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 31 March 2016.

In addition, we also confirm that the investment portfolio of Eastspring Investments Dana al-Ilham comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC"). As for the securities which are not certified by the SACSC, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser

IBFIM

AHMAD ZAKIRULLAH BIN MOHAMED SHAARANI

Shariah Advisor/Designated Person Responsible for Shariah Advisory

Kuala Lumpur

Date: 13 May 2016

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ILHAM

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastspring Investments Dana al-Ilham (the "Fund") on pages 40 to 80, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 16 to the financial statements.

Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Chartered Accountants

Kuala Lumpur

Date: 13 May 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 RM	2015 RM
INVESTMENT INCOME			
Gross dividend income		10,048,906	8,022,417
Profit income from Islamic deposits with licensed financial institutions		2,564,521	1,785,640
Net (loss)/gain on financial assets at fair value through profit or loss	7	(1,086,530)	18,505,773
		<u>11,526,897</u>	<u>28,313,830</u>
EXPENSES			
Management fee	3	(5,863,782)	(4,816,709)
Trustee fee	4	(273,643)	(224,780)
Audit fee		(7,000)	(6,192)
Tax agent fee		(3,400)	(5,500)
Other expenses		(42,364)	(57,803)
GST charges		(369,768)	-
Transaction costs		(1,257,287)	(1,540,587)
		<u>(7,817,244)</u>	<u>(6,651,571)</u>
PROFIT BEFORE TAXATION		3,709,653	21,662,259
TAXATION	5	<u>(3,696)</u>	<u>1,999</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>3,705,957</u>	<u>21,664,258</u>
Profit after taxation is made up of the following:			
Realised amount		23,701,312	3,158,485
Unrealised amount		(19,995,355)	18,505,773
		<u>3,705,957</u>	<u>21,664,258</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016	2015
		RM	RM
ASSETS			
Financial assets at fair value through profit or loss	7	338,383,027	333,307,211
Cash and cash equivalents	8	68,695,893	71,449,578
Amount due from brokers		4,640,008	-
Amount due from Manager		6,401,495	53,876,903
Tax recoverable		28,879	28,879
Dividends receivable		567,430	490,255
TOTAL ASSETS		418,716,732	459,152,826
LIABILITIES			
Amount due to brokers		1,034,186	20,983,127
Amount due to Manager		335,550	2,795,205
Accrued management fee		511,241	503,472
Amount due to Trustee		23,858	23,495
Distribution payable		53,625	69,116
Other payables and accruals		27,055	34,959
GST charges payable		32,105	-
TOTAL LIABILITIES		2,017,620	24,409,374
NET ASSET VALUE OF THE FUND		416,699,112	434,743,452
EQUITY			
Unit holders' capital		377,233,246	379,005,645
Retained earnings		39,465,866	55,737,807
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		416,699,112	434,743,452
NUMBER OF UNITS IN CIRCULATION	10	585,572,625	586,385,059
NET ASSET VALUE PER UNIT (RM) (EX-DISTRIBUTION)		0.7116	0.7414

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
Balance as at 1 April 2015		379,005,645	55,737,807	434,743,452
Movement in unit holders' contribution:				
Creation of units from applications		193,519,819	-	193,519,819
Creation of units from distribution		19,924,273	-	19,924,273
Cancellation of units		(215,216,491)	-	(215,216,491)
Total comprehensive income for the financial year		-	3,705,957	3,705,957
Distribution (Gross: 3.64 sen per unit/ Net: 3.62 sen per unit)	6	-	(19,977,898)	(19,977,898)
Balance as at 31 March 2016		<u>377,233,246</u>	<u>39,465,866</u>	<u>416,699,112</u>
Balance as at 1 April 2014		82,033,154	56,815,660	138,848,814
Movement in unit holders' contribution:				
Creation of units from applications		445,166,289	-	445,166,289
Creation of units from distribution		22,672,996	-	22,672,996
Cancellation of units		(170,866,794)	-	(170,866,794)
Total comprehensive income for the financial year		-	21,664,258	21,664,258
Distribution (Gross: 4.18 sen per unit/ Net: 4.16 sen per unit)	6	-	(22,742,111)	(22,742,111)
Balance as at 31 March 2015		<u>379,005,645</u>	<u>55,737,807</u>	<u>434,743,452</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016	2015
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		183,062,522	164,044,031
Purchase of Shariah-compliant investments		(215,071,105)	(339,535,322)
Dividends received		9,968,035	7,644,712
Profit income received from Islamic deposits with licensed financial institutions		2,564,521	1,785,640
Management fee paid		(5,856,013)	(4,467,075)
Trustee fee paid		(273,280)	(208,464)
Payment for other fees and expenses		(398,330)	(65,706)
Net cash used in operating activities		<u>(26,003,650)</u>	<u>(170,802,184)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		240,995,227	400,920,906
Payments for cancellation of units		(217,676,146)	(168,206,867)
Distribution paid		(69,116)	(28,956)
Net cash generated from financing activities		<u>23,249,965</u>	<u>232,685,083</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,753,685)	61,882,899
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>71,449,578</u>	<u>9,566,679</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	<u>68,695,893</u>	<u>71,449,578</u>

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 under the historical cost convention in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note K.

- a. Standards, amendments to published standards and interpretations that are effective.

The following amendment has been adopted by the Fund for the first time for the financial year beginning on or after 1 April 2015.

- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of these amendments did not have any impact on the current or any prior year and are not likely to affect future periods.

- b. The new standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

i. Financial year beginning on/after 1 April 2018

- MFRS 15 “Revenue from contracts with customers” (effective from 1 January 2018) replaces MFRS 118 “Revenue” and MFRS 111 “Construction contracts” and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund’s financial statements.

- MFRS 9 “Financial Instruments” (effective from 1 January 2018) will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments¹ are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instruments² is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest³.

¹ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

² For the purposes of the investments made by the Fund, debt instruments refers to sukuk.

³ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives¹. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

B. INCOME RECOGNITION

Profit income earned from Islamic deposits is recognised on the accrual basis, using the effective profit method.

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 Shariah-compliant securities are accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant securities, which is determined on a weighted average cost basis.

¹ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

C. TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable income earned during the financial year.

D. PRESENTATION AND FUNCTIONAL CURRENCY

Items included in the financial statements of the Fund are measured using the currency as 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 presentation and functional currency.

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

The Fund designates its Shariah-compliant investments in quoted Shariah-compliant securities as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets.

The Fund’s receivables comprise cash and cash equivalents, amount due from brokers, amount due from Manager and dividends receivable which are all due within 12 months.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund’s financial liabilities which include amount due to brokers, amount due to Manager, accrued management fee, amount due to Trustee, distribution payable, other payables and accruals and GST charges payable.

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. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

Financial liabilities, within the scope of MFRS 139, 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 liability is derecognised when the obligation under the liability is extinguished; i.e when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised 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 and loss” in the period in which they arise. Any unrealised gains however are not distributable.

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.

Quoted Shariah-compliant securities in Malaysia are valued at the last done market price quoted on 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 Shariah-compliant securities, for example during abnormal market conditions or no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Islamic deposits with licensed financial institutions are stated at cost plus accrued profit calculated on the effective profit method over the period from the date of placement to the date of maturity of the respective Islamic deposits.

Receivables and other financial liabilities are subsequently carried at amortised cost using the effective profit method.

iii. Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in statement of comprehensive income. If "receivables" or a "held-to-maturity investment" have a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

F. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balance and Islamic deposits with licensed financial institutions 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 assets value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

H. AMOUNT DUE FROM/ (TO) BROKERS

Amounts due from and to brokers represent receivables for Shariah-compliant securities sold and payables for Shariah-compliant securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amounts due from brokers. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Fund will not be able to

collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective profit method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the profit income or profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective profit rate, the Fund estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective profit rate, transaction costs and all other premiums or discounts.

I. DISTRIBUTION

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved.

J. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Fund's Manager that undertakes strategic decisions for the Fund.

K. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS 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 content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and the Trustee and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

1. INFORMATION ON THE FUND

Eastspring Investments Dana al-Ilham (the "Fund") was constituted pursuant to the execution of a Master Deed dated 25 July 2002 as amended by a Supplemental Master Deed dated 22 June 2004 and a Second Supplemental Master Deed dated 25 January 2005, followed by 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 the Manager and the Trustee on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by a Second Supplemental Master Deed dated 28 January 2011, a Third Supplemental Master Deed dated 9 March 2011, a Fourth Supplemental Master Deed dated 20 January 2012, a Fifth Supplemental Master Deed dated 26 March 2014 and a Sixth Supplemental Master Deed dated 2 January 2015 (collectively referred to as the "Deed").

The Fund was launched on 14 August 2002 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund invests principally in a portfolio of undervalued Shariah-compliant equities and equity-related securities with good growth potential. All Shariah-compliant investments will be subjected to the SC Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The Fund seeks to provide investors with high capital appreciation from Shariah-compliant investments which have the potential of substantial value appreciation.

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 exposure to interest rate risk), liquidity risk, stock/issuer risk, fund management risk, reclassification of Shariah status 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 Deed.

Financial instruments of the Fund are as follows:

	Note	Receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
2016				
Quoted Shariah-compliant securities	7	-	338,383,027	338,383,027
Cash and cash equivalents	8	68,695,893	-	68,695,893
Amount due from brokers		4,640,008	-	4,640,008
Amount due from Manager		6,401,495	-	6,401,495
Dividends receivable		567,430	-	567,430
		<u>80,304,826</u>	<u>338,383,027</u>	<u>418,687,853</u>
2015				
Quoted Shariah-compliant securities	7	-	333,307,211	333,307,211
Cash and cash equivalents	8	71,449,578	-	71,449,578
Amount due from Manager		53,876,903	-	53,876,903
Dividends receivable		490,255	-	490,255
		<u>125,816,736</u>	<u>333,307,211</u>	<u>459,123,947</u>

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

Market risk

i. Price risk

This risk refers to changes and developments in regulations, politics and the economy of the country. The very nature of a Shariah-compliant Unit Trust Fund, however, helps mitigate this risk because a Fund would generally hold a well-diversified portfolio of Shariah-compliant securities from different market sectors so that the collapse of any one of the Shariah-compliant security or any one market sector would not impact too greatly on the value of the Fund.

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

	2016	2015
	RM	RM
Quoted Shariah-compliant securities designated at fair value through profit or loss	338,383,027	333,307,211

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

% Change in price of financial assets at fair value through profit or loss	Market value	Increase/(decrease) in profit after tax and net asset value
	RM	RM
<u>2016</u>		
+5%	355,302,178	16,919,151
-5%	321,463,876	(16,919,151)
<u>2015</u>		
+5%	349,972,572	16,665,361
-5%	316,641,850	(16,665,361)

ii. Exposure to 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.

Interest rate risk refers to interest rate movements, which will affect the returns on the Shariah-compliant investments held by the Fund.

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is a Shariah-compliant Unit Trust Fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments are carried out for the Fund are in accordance with Shariah requirements.

As at the date of the statement of financial position, all the financial assets and financial liabilities no exposure to interest rate movement except for Islamic deposits with licensed financial institutions of RM68,676,346 (2015: RM71,431,371) which have maturities of less than one year.

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

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 Fund 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 Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise cash, Islamic deposits with licensed financial institutions and other Shariah-compliant 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
2016			
Amount due to brokers	1,034,186	-	1,034,186
Amount due to Manager	335,550	-	335,550
Accrued management fee	511,241	-	511,241
Amount due to Trustee	23,858	-	23,858
Distribution payable	53,625	-	53,625
GST charges payable	32,105	-	32,105
Other payables and accruals	-	27,055	27,055
Contractual cash outflows	1,990,565	27,055	2,017,620
2015			
Amount due to brokers	20,983,127	-	20,983,127
Amount due to Manager	2,795,205	-	2,795,205
Accrued management fee	503,472	-	503,472
Amount due to Trustee	23,495	-	23,495
Distribution payable	69,116	-	69,116
Other payables and accruals	-	34,959	34,959
Contractual cash outflows	24,374,415	34,959	24,409,374

Stock/Issuer risk

The Fund is restricted to investment in Shariah-compliant securities issued by and Shariah-compliant securities relating to any issuer of not more than fifteen percent (15%) of its net asset value. Furthermore, the Fund is restricted to invest in Shariah-compliant securities issued by and Shariah-compliant securities relating to any group of companies of not more than twenty percent (20%) of its net asset value. Under such restrictions, the exposure risk to the Shariah-compliant securities of any single issuer or any one group of companies is minimised.

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Fund. 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 have an oversight function over management of the Fund by the management company to safeguard the interests of unit holder.

Reclassification of Shariah status risk

The risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. If this occurs, the value of the fund may be adversely affected where the Manager will take the necessary steps to dispose of such securities.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. 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 Shariah-compliant 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 profit, principals and proceeds from realisation of Shariah-compliant investments.

The credit risk arising from placements of Islamic deposits with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits with reputable licensed financial institutions. For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Securities. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission's Guidelines on Unit Trust Funds.

The credit/default risk is minimal as all transactions in quoted Shariah-compliant securities are settled/paid upon delivery using approved brokers.

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

	Cash and cash equivalents	Amount due from brokers	Amount due from Manager	Dividends receivable	Total
	RM	RM	RM	RM	RM
<u>2016</u>					
Conglomerate					
- NR	-	-	-	57,795	57,795
Construction					
- NR	-	-	-	9,891	9,891
Finance					
- AA1	19,547	-	-	-	19,547
- AAA	68,676,346	-	-	-	68,676,346
Health Care					
- NR	-	-	-	48,960	48,960
Manufacturing					
- NR	-	-	-	14,958	14,958
Plantation					
- NR	-	4,640,008	-	-	4,640,008
Properties					
- NR	-	-	-	189,586	189,586
Technology					
- NR	-	-	-	144,966	144,966
Trading/Services					
- NR	-	-	-	101,274	101,274
Other					
- NR	-	-	6,401,495	-	6,401,495
	<u>68,695,893</u>	<u>4,640,008</u>	<u>6,401,495</u>	<u>567,430</u>	<u>80,304,826</u>

	Cash and cash equivalents	Amount due from brokers	Amount due from Manager	Dividends receivable	Total
	RM	RM	RM	RM	RM
<u>2015</u>					
Finance					
- AA1	18,207	-	-	-	18,207
- AAA	43,403,953	-	-	-	43,403,953
- AA2	5,008,548	-	-	-	5,008,548
- AA3	23,018,870	-	-	-	23,018,870
Plantation					
- NR	-	-	-	66,800	66,800
Properties					
- NR	-	-	-	345,150	345,150
Technology					
- NR	-	-	-	14,280	14,280
Trading/Services					
- NR	-	-	-	64,025	64,025
Other					
- NR	-	-	53,876,903	-	53,876,903
	<u>71,449,578</u>	<u>-</u>	<u>53,876,903</u>	<u>490,255</u>	<u>125,816,736</u>

None of these 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 publicly traded Shariah-compliant derivatives and trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund Manager will determine the point within the bid-ask spread that is representative of the fair value.

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

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

Fair value hierarchy

- i. The table below 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 judgment, 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 that 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 the Fund’s financial assets (by class) measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	338,383,027	-	-	338,383,027
<u>2015</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	333,307,211	-	-	333,307,211

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active quoted Shariah-compliance securities. 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.

- ii. The carrying value of cash and cash equivalents, amount due from brokers, amount due from Manager, dividends receivable and all current 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 on the net asset value of the Fund calculated on daily basis.

For the financial year ended 31 March 2016, the management fee is recognised at a rate of 1.50% (2015: 1.50%) 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, inclusive of custodian fee, at a rate not exceeding 0.20% per annum on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum.

For the financial year ended 31 March 2016, the Trustee fee is recognised at a rate of 0.07% (2015: 0.07%) 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

	2016	2015
	RM	RM
Tax charged for the financial year:		
Current taxation - local	3,696	3,856
Over provision in prior financial year	-	(5,855)
	<u>3,696</u>	<u>(1,999)</u>

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

	2016	2015
	RM	RM
Profit before taxation	<u>3,709,653</u>	<u>21,662,259</u>
Tax at Malaysian statutory rate of 24% (2015: 25%)	890,317	5,415,565
Tax effects of:		
Investment income exempt from tax	(2,757,586)	(7,068,817)
Expenses not deductible for tax purposes	382,712	445,496
Restriction on the tax deductible expenses for unit trust funds	1,493,426	1,217,396
Income subject to different tax rate	(5,173)	(5,784)
Over provision in prior financial year	-	(5,855)
Taxation	<u>3,696</u>	<u>(1,999)</u>

6. DISTRIBUTION

	2016	2015
	RM	RM
Distribution to unit holders is from the following sources:		
Prior year's income:		
Dividend income	3,004,946	2,659,105
Profit income earned from Islamic deposits	564,892	383,651
Net realised gain on sale of Shariah-compliant investments	6,452,319	7,227,991
Distribution equalisation (Memorandum account)	11,926,512	14,224,437
Gross realised income	21,948,669	24,495,184
Less: Expenses	(1,882,957)	(1,621,769)
Less: Taxation	(87,814)	(131,304)
	<u>19,977,898</u>	<u>22,742,111</u>
Gross distribution per unit (RM)	<u>0.0364</u>	<u>0.0418</u>
Net distribution per unit (RM)	<u>0.0362</u>	<u>0.0416</u>
Ex-date	<u>24 March 2016</u>	<u>27 March 2015</u>

Gross distribution is derived using total income less total expenses. The distribution is made from prior year's realised income.

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purposes of determining amount available for distribution, distribution equalisation is included in the computation of realised gain or income available for distribution.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	RM	RM
Designated at fair value through profit or loss:		
Quoted Shariah-compliant securities	338,383,027	333,307,211
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised gain/(loss) on disposals	18,908,825	(383,696)
Change in unrealised fair value (loss)/gain	(19,995,355)	18,889,469
	(1,086,530)	18,505,773

Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2016	of net asset value of the Fund
	Units	RM	RM	%
<u>Conglomerate</u>				
Taliworks Corporation Berhad	2,889,750	3,698,880	3,785,572	0.91
Taliworks Corporation Berhad-Warrant	577,950	-	179,165	0.04
	<u>3,467,700</u>	<u>3,698,880</u>	<u>3,964,737</u>	<u>0.95</u>
<u>Construction</u>				
Gamuda Bhd	2,546,787	11,868,328	12,530,192	3.01
Gamuda Bhd-Warrant	424,464	106,116	466,910	0.11
IJM Corporation Berhad	2,905,800	9,476,461	10,257,474	2.46
Ikhmas Jaya Group Berhad	4,157,200	2,369,604	2,951,612	0.71
Malaysian Resources Corporation Berhad	7,916,900	11,117,424	9,896,125	2.37
Mitrajaya Holdings Berhad	3,262,200	3,963,858	4,012,506	0.96
Mitrajaya Holdings Berhad -Warrant	434,960	-	219,655	0.05
Pintaras Jaya Berhad	1,187,800	4,696,547	4,371,104	1.05

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u> (continued)				
Sunway Construction Group Berhad	247,270	-	400,577	0.10
	23,083,381	43,598,338	45,106,155	10.82
<u>Finance</u>				
BIMB Holdings Berhad	1,227,000	4,927,725	4,723,950	1.13
BIMB Holdings Berhad -Warrant	313,400	-	104,989	0.03
Syarikat Takaful Malaysia Berhad	2,790,800	6,711,900	11,330,648	2.72
	4,331,200	11,639,625	16,159,587	3.88
<u>Health Care</u>				
IHH Healthcare Berhad	3,421,600	19,225,350	22,445,696	5.39
Kossan Rubber Industries Berhad	72,000	431,007	435,600	0.10
KPJ Healthcare Berhad	2,797,700	9,860,461	11,946,179	2.87
Top Glove Corporation Berhad	2,619,000	9,255,569	13,147,380	3.16
	8,910,300	38,772,387	47,974,855	11.52
<u>Industrial Product</u>				
CB Industrial Product Holding Berhad	1,543,900	3,566,847	3,504,653	0.84
CB Industrial Product Holding Berhad-Warrant	330,733	-	162,059	0.04
Coastal Contracts Bhd	681,300	2,867,355	1,117,332	0.27
KNM Group Berhad	4,518,000	2,259,000	2,191,230	0.53
Petronas Gas Berhad	541,200	11,807,199	11,906,400	2.86
	7,615,133	20,500,401	18,881,674	4.54

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
			31.3.2016	value of the Fund
	Units	RM	RM	%
<u>Infrastructure Project Company</u>				
Digi.Com Berhad	2,082,900	10,314,258	10,289,526	2.47
<u>Manufacturing</u>				
Evergreen Fibreboards Berhad	1,495,800	2,044,260	1,510,758	0.36
Pecca Group Berhad	728,300	1,034,186	1,034,186	0.25
	2,224,100	3,078,446	2,544,944	0.61
<u>Plantation</u>				
Batu Kawan Berhad	38,800	358,224	710,040	0.17
Kuala Lumpur Kepong Berhad	357,900	7,729,288	8,589,600	2.06
TSH Resources Berhad	3,137,550	6,976,034	6,714,357	1.61
United Plantation Berhad	56,500	638,994	1,523,240	0.37
	3,590,750	15,702,540	17,537,237	4.21
<u>Power/Utilities</u>				
Malakoff Corporation Berhad	5,826,700	10,463,702	9,322,720	2.24
<u>Properties</u>				
IOI Properties Group Berhad	2,740,150	7,217,069	6,329,746	1.52
KSL Holdings Bhd	1,620,028	2,816,853	2,138,437	0.51
Matrix Concepts Holdings Berhad	4,438,983	9,301,671	11,008,678	2.64
Matrix Concepts Holdings Berhad-Warrant	504,583	-	219,494	0.05
Sunway Berhad	385,400	1,217,213	1,210,156	0.29
	9,689,144	20,552,806	20,906,511	5.01

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>i-REITS</u>				
Axis Real Estate Investment Trust	460,783	700,152	741,861	0.18
<u>Technology</u>				
Globetronics Technology Berhad	2,583,300	11,580,900	13,975,653	3.35
Inari Amertron Berhad	6,040,250	10,716,261	19,449,605	4.67
Inari Amertron Berhad -Warrant	529,500	-	873,675	0.21
	9,153,050	22,297,161	34,298,933	8.23
<u>Trading / Services</u>				
Alam Maritim Resources Berhad	4,354,600	2,959,426	1,589,429	0.38
Axiata Group Berhad	926,105	6,016,692	5,454,758	1.31
Berjaya Auto Berhad	4,710,440	6,825,516	10,221,655	2.45
Bumi Armada Berhad	4,186,600	4,997,660	3,307,414	0.79
Malaysia Marine and Heavy Engineering Holdings Berhad	350,000	411,530	367,500	0.09
Maxis Berhad	1,122,700	7,851,196	7,129,145	1.71
Petra Energy Berhad	888,900	1,134,548	1,120,014	0.27
Sime Darby Berhad	2,714,478	23,848,883	21,580,100	5.18
Telekom Malaysia Berhad	2,466,853	16,193,105	16,281,230	3.91
Tenaga Nasional Bhd	2,500,000	33,290,175	34,850,000	8.36
Uzma Berhad	670,500	1,626,281	1,193,490	0.29
Westports Holdings Berhad	1,830,400	6,698,938	7,559,552	1.81
	26,721,576	111,853,950	110,654,287	26.55

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
TOTAL QUOTED SHARIAH - COMPLIANT SECURITIES	<u>107,156,717</u>	<u>313,172,646</u>	<u>338,383,027</u>	<u>81.21</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>25,210,381</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>338,383,027</u>		

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Bhd	1,798,487	8,403,400	9,172,284	2.11
IJM Corporation Berhad	1,185,000	7,670,574	8,532,000	1.96
Malaysian Resources Corporation Berhad	6,865,500	9,856,165	8,581,875	1.97
Pintaras Jaya Berhad	1,214,800	4,803,305	4,895,644	1.13
WCT Holdings Berhad	2,625,400	4,181,785	4,043,116	0.93
	<u>13,689,187</u>	<u>34,915,229</u>	<u>35,224,919</u>	<u>8.10</u>
<u>Consumer Product</u>				
UMW Holdings Berhad	789,500	8,654,451	8,558,180	1.97
<u>Finance</u>				
BIMB Holdings Berhad	2,632,300	10,630,994	10,792,430	2.48
BIMB Holdings Berhad -Warrant	313,400	-	130,061	0.03
Syarikat Takaful Malaysia Berhad	619,500	6,545,080	8,028,720	1.85
	<u>3,565,200</u>	<u>17,176,074</u>	<u>18,951,211</u>	<u>4.36</u>
<u>Industrial Product</u>				
CB Industrial Product Holding Berhad	1,543,900	3,566,847	3,149,556	0.72
CB Industrial Product Holding Berhad-Warrant	330,733	-	158,752	0.04
Coastal Contracts Bhd	894,900	3,766,323	2,595,210	0.60
Petronas Chemicals Group Berhad	1,055,700	6,406,222	5,954,148	1.37
Petronas Gas Bhd	348,500	7,643,279	8,022,470	1.85
	<u>4,173,733</u>	<u>21,382,671</u>	<u>19,880,136</u>	<u>4.58</u>

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Infrastructure Project Company</u>				
Digi.Com Berhad	3,449,500	16,444,043	21,731,850	5.00
<u>Plantation</u>				
Batu Kawan Berhad	38,800	358,224	707,712	0.16
Kuala Lumpur Kepong Berhad	244,000	5,259,230	5,558,320	1.28
Kulim (Malaysia) Berhad	840,000	2,816,432	2,301,600	0.53
TSH Resources Berhad	3,137,550	6,976,034	7,122,238	1.64
United Plantations Berhad	56,500	638,994	1,469,000	0.34
	4,316,850	16,048,914	17,158,870	3.95
<u>Properties</u>				
IOI Properties Group Berhad	2,740,150	7,217,069	5,973,527	1.37
Matrix Concepts Holdings Berhad	3,027,500	7,335,059	8,477,000	1.95
Sunway Berhad	2,472,700	7,809,558	9,025,355	2.08
	8,240,350	22,361,686	23,475,882	5.40
<u>i-REITS</u>				
Axis Real Estate Investment Trust	229,095	696,029	808,705	0.19
<u>Special Purpose Acquisition Company</u>				
Sona Petroleum Berhad	2,180,300	1,037,781	926,628	0.21

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
<u>Technology</u>				
Globetronics Technology Berhad	2,017,600	8,407,493	10,612,576	2.44
Inari Amertron Berhad	4,045,600	8,461,315	13,390,936	3.08
Inari Amertron Berhad -Warrant	423,600	-	618,456	0.14
K-One Technology Berhad	2,856,100	1,472,903	1,428,050	0.33
Malaysian Pacific Industries Berhad	594,200	3,031,058	4,159,400	0.96
Vitrox Corporation Berhad	172,800	562,553	566,784	0.13
	10,109,900	21,935,322	30,776,202	7.08
<u>Trading/Services</u>				
Axiata Group Berhad	1,813,000	11,821,354	12,836,040	2.95
Berjaya Auto Berhad	3,759,800	7,627,229	14,212,044	3.27
IHH Healthcare Berhad	2,966,100	13,129,905	17,826,261	4.10
KPJ Healthcare Berhad	2,462,500	8,452,554	10,490,250	2.41
Maxis Berhad	1,500,000	10,489,708	10,785,000	2.48
MISC Berhad	1,275,600	10,684,281	10,829,844	2.49
MY E.G. Services Berhad	2,925,200	4,664,354	8,161,308	1.88
Pestech International Berhad	1,677,300	8,308,014	8,218,770	1.89
Sime Darby Berhad	923,060	8,561,961	8,556,766	1.97
Telekom Malaysia Berhad	1,826,037	11,649,136	13,275,289	3.05
Tenaga Nasional Bhd	2,344,600	25,899,312	33,668,456	7.74
Westports Holdings Berhad	1,730,000	6,161,467	6,954,600	1.60
	25,203,197	127,449,275	155,814,628	35.83

Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
TOTAL QUOTED SHARIAH - COMPLIANT SECURITIES	<u>75,946,812</u>	288,101,475	<u>333,307,211</u>	76.67
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>45,205,736</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>333,307,211</u>		

8. CASH AND CASH EQUIVALENTS

	2016	2015
	RM	RM
Bank balance with a licensed bank	19,547	18,207
Islamic deposits with licensed financial institutions	68,676,346	71,431,371
	<u>68,695,893</u>	<u>71,449,578</u>

The effective weighted average rate of return of Islamic deposits with licensed financial institutions per annum as at the date of the statement of financial position are as follows:

	2016	2015
	%	%
Islamic deposits with licensed financial institutions	<u>3.67</u>	<u>3.67</u>

The Islamic deposits have an average maturity of 13 days (2015: 24 day).

9. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

- i. Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission;
- ii. Investment in collective investment scheme was verified as Shariah-compliant by the Shariah; and
- iii. Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

10. UNITS IN CIRCULATION

	2016	2015
	No. of units	No. of units
At the beginning of the financial year	586,385,059	96,034,576
Creation of units during the financial year:		
Arising from applications	263,298,660	680,814,674
Arising from distribution	28,109,866	30,772,252
Cancellation of units during the financial year	<u>(292,220,960)</u>	<u>(221,236,443)</u>
At the end of the financial year	<u>585,572,625</u>	<u>586,385,059</u>

11. TRANSACTIONS WITH BROKERS

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

Name of Brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2016</u>				
RHB Investment Bank Berhad	61,757,686	16.14	177,612	14.13
CIMB Investment Bank Berhad	48,411,579	12.65	169,799	13.51
Nomura Securities Malaysia Sdn Bhd	38,948,578	10.18	110,688	8.80
Maybank Investment Bank Berhad	36,523,947	9.55	108,253	8.61
Credit Suisse Securities (Malaysia) Sdn Bhd	35,660,789	9.32	101,816	8.10
KAF Seagroatt & Campbell Securities Sdn Bhd	33,669,648	8.80	98,593	7.84
Affin Hwang Investment Bank Berhad	22,355,623	5.84	64,108	5.10
AmlInvestment Bank Berhad	21,551,429	5.63	68,582	5.45
J.P. Morgan Securities (Malaysia) Sdn Bhd	18,596,085	4.86	153,406	12.20
Kenanga Investment Bank Berhad	17,521,918	4.58	70,892	5.64
Others	47,567,773	12.45	133,538	10.62
	382,565,055	100.00	1,257,287	100.00

Details of transactions with the top 10 brokers are as follows (continued):

Name of Brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2015</u>				
Maybank Investment Bank Berhad	81,248,553	15.56	230,836	14.98
CIMB Investment Bank Berhad	63,170,570	12.10	193,970	12.59
Affin Hwang Investment Bank Berhad	50,064,297	9.59	147,530	9.58
Kenanga Investment Bank Berhad	44,652,693	8.55	120,544	7.82
KAF Seagroatt & Campbell Securities Sdn Bhd	40,695,160	7.80	121,968	7.92
Credit Suisse Securities (Malaysia) Sdn Bhd	39,928,264	7.65	118,058	7.66
RHB Investment Bank Berhad	32,376,067	6.20	98,083	6.38
Macquarie Capital Securities (Malaysia) Sdn Bhd	31,429,230	6.02	93,427	6.06
Hong Leong Investment Bank Berhad	29,540,607	5.66	86,195	5.59
J.P. Morgan Securities (Malaysia) Sdn Bhd	28,567,600	5.47	92,327	5.99
Others	80,374,326	15.40	237,649	15.43
	<u>522,047,367</u>	<u>100.00</u>	<u>1,540,587</u>	<u>100.00</u>

All brokers highlighted above are not related to the Manager.

12. MANAGEMENT EXPENSE RATIO ("MER")

	2016	2015
	%	%
MER	1.68	1.59

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (including GST charges)

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM390,544,854 (2015: RM321,100,727).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2016	2015
PTR (times)	0.49	0.82

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM194,416,759 (2015: RM359,454,556)

total disposals for the financial year = RM187,702,530 (2015: RM165,660,641)

14. UNITS HELD BY THE MANAGER

The related party of and its relationship with the Fund is as follows:

Related party	Relationship			
Eastspring Investments Berhad	The Manager			
	2016		2015	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	2,625	1,868	2,497	1,851

The above units were transacted at the prevailing market price.

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

15. SEGMENTAL INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The CEO, who is the chief operating decision-maker, is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segments derive their income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of profit income, dividend income and gains on the appreciation in the value of Shariah-compliant investments.

There were no changes in the reportable operating segments during the financial year.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 13 May 2016.

EASTSPRING INVESTMENTS DANA AL-ISLAH

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ISLAH

We have acted as Trustee for Eastspring Investments Dana al-Islah (the "Fund") for financial year ended 31 March 2016. To the best of our knowledge, for the year under review, Eastspring Investments Berhad (the "Manager") has operated and managed the Fund in accordance with the following:

- a. limitations imposed on the investment powers of the Manager and Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b. the valuation/pricing for the Fund has been carried out in accordance with the Deed of the Fund and applicable regulatory requirements; and
- c. creation and cancellation of units for the Fund have been carried out in accordance with the Deed of the Fund and applicable regulatory requirements.

We are of the view that the distribution made during this financial year ended 31 March 2016 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Wong Mun Loong
Manager, Trustee Operations

Soon Lai Ching
Manager, Trustee Operations

Kuala Lumpur
Date: 13 May 2016

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ISLAH

We have acted as the Shariah Adviser of Eastspring Investments Dana al-Islah. Our responsibility is to ensure that the procedures and processes employed by Eastspring Investments Berhad are in accordance with Shariah principles.

In our opinion, Eastspring Investments Berhad has managed and administered Eastspring Investments Dana al-Islah in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 31 March 2016.

In addition, we also confirm that the investment portfolio of Eastspring Investments Dana al-Islah comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC"). As for the securities which are not certified by the SACSC, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser

IBFIM

AHMAD ZAKIRULLAH BIN MOHAMED SHAARANI

Shariah Advisor/Designated Person Responsible for Shariah Advisory

Kuala Lumpur

Date: 13 May 2016

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA AL-ISLAH

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastspring Investments Dana al-Islah (the "Fund") on pages 86 to 128, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 16 to the financial statements.

Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Chartered Accountants

Kuala Lumpur

Date: 13 May 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016	2015
		RM	RM
INVESTMENT INCOME			
Gross dividend income		164,724	154,520
Profit income from Islamic deposits with licensed financial institutions		72,552	82,597
Profit income from sukuk		874,780	754,403
Net (loss)/gain on financial assets at fair value through profit or loss	7	(151,035)	374,616
		<u>961,021</u>	<u>1,366,136</u>
EXPENSES			
Management fee	3	(320,749)	(385,500)
Trustee fee	4	(20,062)	(19,064)
Audit fee		(6,500)	(5,897)
Tax agent fee		(3,400)	(5,200)
Other expenses		(20,284)	(36,931)
GST charges		(21,704)	-
Transaction costs		(57,144)	(27,996)
		<u>(449,843)</u>	<u>(480,588)</u>
PROFIT BEFORE TAXATION		511,178	885,548
TAXATION	5	(896)	(395)
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>510,282</u>	<u>885,153</u>
Profit after taxation is made up of the following:			
Realised amount		1,333,830	1,079,534
Unrealised amount		(823,548)	(194,381)
		<u>510,282</u>	<u>885,153</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016	2015
		RM	RM
ASSETS			
Financial assets at fair value through profit or loss	7	14,665,350	29,443,242
Cash and cash equivalents	8	3,998,581	1,735,587
Amount due from Manager		36,799	71,709
Dividends receivable		604	5,694
Tax recoverable		883	3,286
Redemption receivable		18,966	18,966
TOTAL ASSETS		18,721,183	31,278,484
LIABILITIES			
Amount due to Manager		2,880	21,109
Accrued management fee		19,929	39,483
Amount due to Trustee		1,525	1,842
Distribution payable		4,171	4,870
Other payables and accruals		30,873	31,049
GST charges payable		1,287	-
TOTAL LIABILITIES		60,665	98,353
NET ASSET VALUE OF THE FUND		18,660,518	31,180,131
EQUITY			
Unit holders' capital		12,812,972	25,113,935
Retained earnings		5,847,546	6,066,196
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		18,660,518	31,180,131
NUMBER OF UNITS IN CIRCULATION	10	25,904,326	42,503,875
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		0.7204	0.7336

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
Balance as at 1 April 2015		25,113,935	6,066,196	31,180,131
Movement in unit holders' contribution:				
Creation of units from applications		5,028,906	-	5,028,906
Creation of units from distribution		724,761	-	724,761
Cancellation of units		(18,054,630)	-	(18,054,630)
Distribution (Gross: 2.96 sen per unit/ Net: 2.92 sen per unit)	6	-	(728,932)	(728,932)
Total comprehensive income for the financial year		-	510,282	510,282
Balance as at 31 March 2016		12,812,972	5,847,546	18,660,518
Balance as at 1 April 2014		18,697,864	6,402,519	25,100,383
Movement in unit holders' contribution:				
Creation of units from applications		25,005,730	-	25,005,730
Creation of units from distribution		1,216,606	-	1,216,606
Cancellation of units		(19,806,265)	-	(19,806,265)
Distribution (Gross: 3.02 sen per unit/ Net: 2.99 sen per unit)	6	-	(1,221,476)	(1,221,476)
Total comprehensive income for the financial year		-	885,153	885,153
Balance as at 31 March 2015		25,113,935	6,066,196	31,180,131

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016	2015
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of Shariah-compliant investments		20,229,526	14,343,802
Purchase of Shariah-compliant investments		(5,893,139)	(24,250,934)
Dividends received		168,918	154,202
Profit income received from Islamic deposits		72,552	82,597
Profit income received from sukuk		1,108,106	738,276
Management fee paid		(340,303)	(378,074)
Trustee fee paid		(20,379)	(18,753)
Payment for other fees and expenses		(50,777)	(38,772)
Tax refund		2,403	-
Net cash generated from/(used in) operating activities		15,276,907	(9,367,656)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		5,063,816	25,230,606
Payments for cancellation of units		(18,072,859)	(19,853,550)
Distributions paid		(4,870)	(7,930)
Net cash (used in)/generated from financing activities		(13,013,913)	5,369,126
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,262,994	(3,998,530)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		1,735,587	5,734,117
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	8	3,998,581	1,735,587

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 under the historical cost convention in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"), as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund's accounting policies. Although these estimates and judgment are based on the Manager's best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note J.

- a. Standards, amendments to published standards and interpretations that are effective.

The following amendment has been adopted by the Fund for the first time for the financial year beginning on or after 1 April 2015.

- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of these amendments did not have any impact on the current or any prior year and are not likely to affect future periods.

- b. The new standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

- i. Financial year beginning on/after 1 April 2018
- MFRS 15 “Revenue from contracts with customers” (effective from 1 January 2018) replaces MFRS 118 “Revenue” and MFRS 111 “Construction contracts” and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund’s financial statements.

- MFRS 9 “Financial Instruments” (effective from 1 January 2018) will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments¹ are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument² is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest³.

¹ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

² For the purposes of the investments made by the Fund, debt instruments refers to sukuk.

³ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives¹. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

B. INCOME RECOGNITION

Profit income earned from Islamic deposits with licensed financial institutions and sukuk are recognised on an accrual basis, using the effective profit method.

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 Shariah-compliant investments are accounted for as the difference between the net disposal proceeds and the carrying amount of Shariah-compliant securities, which is determined on a weighted average cost basis and on cost adjusted for accretion of discount and amortisation of premium on investments for sukuk.

¹ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

C. TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year.

D. PRESENTATION AND FUNCTIONAL CURRENCY

Items included in the financial statements of the Fund are measured using the currency as 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 presentation and functional currency.

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

The Fund designates its Shariah-compliant investment in quoted Shariah-compliant securities and sukuk as financial assets at fair value through profit or loss at inception.

Financial assets are designated at fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets.

The Fund’s receivables comprise cash and cash equivalents, amount due from Manager, redemption receivable and dividends receivable which are all due within 12 months.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund’s financial liabilities which include distribution payable, amount due to Manager, accrued management fee, amount due to Trustee, other payables and accruals and GST charges payable.

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. Shariah-compliant investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

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

Financial liabilities, within the scope of MFRS 139, 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 liability is derecognised when the obligation under the liability is extinguished; i.e when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised 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 and loss” in the period in which they arise. Any unrealised gains however are not distributable.

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.

Quoted Shariah-compliant 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 Shariah-compliant securities, for example during abnormal market conditions or no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Islamic deposits with licensed financial institutions are stated at cost plus accrued profit calculated on the effective profit rate method over the period from the date of placement to the date of maturity of the respective Islamic deposits.

Sukuk 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. 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 sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- Records its basis for using non-BPA price;
- Obtains necessary internal approvals to use the non-BPA price; and
- Keeps an audit trail of all decisions and basis for adopting the market yield.

Receivables and other financial liabilities are subsequently carried at amortised cost using the effective profit rate method.

iii. Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective profit rate. The asset’s carrying amount of the asset is reduced and the amount of the loss is recognised in statement of comprehensive income. If “receivables” or a “held-to-maturity investment” have a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

F. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balance and Islamic deposits with licensed financial institutions 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 assets value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

H. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Fund's Manager that undertakes strategic decisions for the Fund.

I. DISTRIBUTION

A distribution to the Fund's unit holders is accounted for a deduction from realised reserves. A proposed distribution is recognised as a liability in the period in which it is approved.

J. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS 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 content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and the Trustee and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Estimate of fair value of sukuk

The Fund uses significant judgment in determining whether an investment is impaired. The Fund evaluates, among other factors, the duration and extent to which the fair value of the investment is less than cost, and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, macroeconomic factors and speculation.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission valuation guidelines.

Sukuk are valued using fair value prices quoted by a bond pricing agency (BPA). Where the Manager is of the view that the price quoted by BPA for a specific sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price. This is allowed for under the Securities Commission ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

1. INFORMATION ON THE FUND

Eastspring Investments Dana al-Islah (the “Fund”) was constituted pursuant to the execution of a Master Deed dated 25 July 2002 as amended by a Supplemental Master Deed dated 22 June 2004 and a Second Supplemental Master Deed dated 25 January 2005, followed by Master Supplemental Deed dated 12 July 2007 and a 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 the Manager and the Trustee on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by a Second Supplemental Master Deed dated 28 January 2011, a Third Supplemental Master Deed dated 9 March 2011, a Fourth Supplemental Master Deed dated 20 January 2012, a Fifth Supplemental Master Deed dated 26 March 2014 and a Sixth Supplemental Master Deed dated 2 January 2015 (collectively referred to as the “Deed”).

The Fund was launched on 14 August 2002 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund invests in a portfolio comprising primarily Sukuk and partially Shariah-compliant equities and equity-related securities. All Shariah-compliant investments will be subjected to the SC Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

The Fund seeks to provide investors with a stable income stream, and an opportunity for capital appreciation from Shariah-compliant fixed income and equity securities.

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 price risk and exposure to interest rate risk), stock/issuer risk, liquidity risk, credit/default risk, fund management risk, non-compliance risk, capital risk and reclassification of Shariah status 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 Deed.

Financial instruments of the Fund are as follows:

	Note	Receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Quoted Shariah-compliant securities	7	-	5,049,724	5,049,724
Sukuk	7	-	9,615,626	9,615,626
Cash and cash equivalents	8	3,998,581	-	3,998,581
Amount due from Manager		36,799	-	36,799
Dividends receivable		604	-	604
Redemption receivable		18,966	-	18,966
		<u>4,054,950</u>	<u>14,665,350</u>	<u>18,720,300</u>
<u>2015</u>				
Quoted Shariah-compliant securities	7	-	8,163,806	8,163,806
Sukuk	7	-	21,279,436	21,279,436
Cash and cash equivalents	8	1,735,587	-	1,735,587
Amount due from Manager		71,709	-	71,709
Dividends receivable		5,694	-	5,694
Redemption receivable		18,966	-	18,966
		<u>1,831,956</u>	<u>29,443,242</u>	<u>31,275,198</u>

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

Market risk

i. Price risk

This risk refers to changes and developments in regulations, politics and the economy of the country. The very nature of a Shariah-compliant Unit Trust Fund, however, helps mitigate this risk because a Fund would generally hold a well-diversified portfolio of Shariah-compliant securities from different market sectors so that the collapse of any one of the Shariah-compliant security or any one market sector would not impact too greatly on the value of the Fund.

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

	2016	2015
	RM	RM
Quoted Shariah-compliant securities designated at fair value through profit or loss	5,049,724	8,163,806
Sukuk designated at fair value through profit or loss	9,615,626	21,279,436

Includes profit receivables of RM124,820 (2015: RM264,282).

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

% Change in price of financial assets at fair value through profit or loss	Market value	Increase/(decrease) in profit after tax and net asset value
	RM	RM
2016		
+5%	15,267,557	727,027
-5%	13,813,504	(727,027)
2015		
+5%	30,915,404	1,472,162
-5%	27,971,080	(1,472,162)

ii. Exposure to interest rate risk

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

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

The Fund is exposed to interest rate risk. Changes in interest rates will affect the value of the investments and its returns. To manage the risk, Shariah-compliant investments will be concentrated in investment grade issues by financial institutions and companies determined by the Manager.

This risk is crucial in a sukuk fund since sukuk portfolio management depends on forecasting interest rate movements valuation for sukuk move inversely to interest rate movements, therefore as interest rates rise, the valuation for sukuk decrease and vice versa. Furthermore, sukuk with longer maturity and lower profit rates are more susceptible to interest rate movements.

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

The above interest rate is a general economic indicator that will have an impact on the management of the fund regardless whether it is a Shariah-compliant unit trust fund or otherwise. It does not in any way suggest that the fund will invest in conventional financial instruments. All the investments carried out for the fund are in accordance with Shariah requirements. The Fund also holds a limited amount of cash and cash equivalents that expose the Fund to cash flow interest rate risk.

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to movements in interest rate for investments at the end of each reporting year as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2015: 5%) 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.

% Movement in interest rate	2016	2015
	RM	RM
+1% / +5%	(16,509)	(177,381)
-1% / -5%	16,549	179,629

Stock/Issuer risk

The Fund is restricted to investment in Shariah-compliant investments issued by and Shariah-compliant investments relating to any issuer of not more than tenth percent (10%) of its net asset value. Furthermore, the Fund is restricted to invest in Shariah-compliant investments issued by and Shariah-compliant investments relating to any group of companies of not more than twenty percent (20%) of its net asset value. Under such restrictions, the exposure risk to the Shariah-compliant investments of any single issuer or any one group of companies is minimised.

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 Fund 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 Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise cash, Islamic deposits with licensed financial institutions and other Shariah-compliant 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
2016			
Amount due to Manager	2,880	-	2,880
Accrued management fee	19,929	-	19,929
Amount due to Trustee	1,525	-	1,525
Distribution payable	4,171	-	4,171
GST charges payables	1,287	-	1,287
Other payables and accruals	-	30,873	30,873
Contractual cash outflows	<u>29,792</u>	<u>30,873</u>	<u>60,665</u>
2015			
Amount due to Manager	21,109	-	21,109
Accrued management fee	39,483	-	39,483
Amount due to Trustee	1,842	-	1,842
Distribution payable	4,870	-	4,870
Other payables and accruals	-	31,049	31,049
Contractual cash outflows	<u>67,304</u>	<u>31,049</u>	<u>98,353</u>

Credit/default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit income, principals and proceeds from realisation of Shariah-compliant investments. In the case of the Fund, both the Manager and the External Fund 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 Deed.

The credit risk arising from placements of Islamic deposits with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission's Guidelines on Unit Trust Funds.

The credit/default risk is minimal as all transactions in quoted Shariah-compliant securities are settled/paid upon delivery using approved brokers.

The following table sets out the credit risk concentration and counterparties of the Fund:

	Sukuk	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Redemption receivable	Total
	RM	RM	RM	RM	RM	RM
2016						
Finance						
- AAA	-	1,450,127	-	-	-	1,450,127
- AA1	-	37,851	-	-	-	37,851
- NR	-	2,510,603	-	-	-	2,510,603
Sukuk						
- AA3	9,506,906	-	-	-	-	9,506,906
- B-	108,720	-	-	-	-	108,720
Health Care						
- NR	-	-	604	-	-	604
Other						
- NR	-	-	-	36,799	18,966	55,765
	9,615,626	3,998,581	604	36,799	18,966	13,670,576

	Sukuk		Cash and cash equivalents		Dividends receivable		Amount due from Manager		Redemption receivable		Total	
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2015												
Finance												
- AAA	-	1,700,149	-	-	-	-	-	-	-	-	-	1,700,149
- AA1	-	35,438	-	-	-	-	-	-	-	-	-	35,438
Sukuk												
- AA2	3,186,555	-	-	-	-	-	-	-	-	-	-	3,186,555
- AA3	13,904,914	-	-	-	-	-	-	-	-	-	-	13,904,914
- AA+	1,002,925	-	-	-	-	-	-	-	-	-	-	1,002,925
- AA-	3,084,502	-	-	-	-	-	-	-	-	-	-	3,084,502
- B-	100,540	-	-	-	-	-	-	-	-	-	-	100,540
Trading/Services												
- NR	-	-	-	-	3,720	-	-	-	-	-	-	3,720
Property												
- NR	-	-	-	-	1,974	-	-	-	-	-	-	1,974
Other												
- NR	-	-	-	-	-	-	71,709	-	18,966	-	-	90,675
	<u>21,279,436</u>	<u>1,735,587</u>			<u>5,694</u>		<u>71,709</u>		<u>18,966</u>			<u>23,111,392</u>

None of these assets are past due or impaired.

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Fund. 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 have an oversight function over management of the Fund by the management company to safeguard the interests of unit holder.

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 law that governs the Fund or applicable internal control procedures, or act fraudulently or dishonestly.

The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. 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 Shariah-compliant investment activities of the Fund.

Reclassification of Shariah Status Risk

The risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant Funds may be reclassified to be Shariah non-compliant upon review of the securities by the Shariah Advisory Council of the Securities Commission performed twice yearly. If this occurs, the Manager will take the necessary steps to dispose of such securities.

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 publicly traded Shariah-compliant derivatives and trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund 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.

Fair value hierarchy

- i. The table below 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 judgment, 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 that 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 the Fund’s financial assets (by class) measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	5,049,724	-	-	5,049,724
Sukuk	-	9,615,626	-	9,615,626
				<hr/>
<u>2015</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	8,163,806	-	-	8,163,806
Sukuk	-	21,279,436	-	21,279,436
				<hr/>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed Shariah-compliant securities. 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 sukuk. 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, dividends receivable, redemption receivable and all current 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 on the net asset value of the Fund calculated on daily basis.

For the financial year ended 31 March 2016, the management fee is recognised at a rate of 1.25% (2015: 1.50%) 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 trustee fee at a rate not exceeding 0.20% per annum, inclusive of custodian fee, on the net asset value of the Fund, calculated on daily basis subject to a minimum fee of RM18,000 per annum.

For the financial year ended 31 March 2016, the Trustee fee is recognised at a rate of 0.07% (2015: 0.07%) 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

	2016	2015
	RM	RM
Tax charged for the financial year:		
Current taxation – local	896	453
Over provision of taxation in previous years	-	(58)
	<u>896</u>	<u>395</u>

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

	2016	2015
	RM	RM
Profit before taxation	<u>511,178</u>	<u>885,548</u>
Tax at Malaysian statutory rate of 24% (2015: 25%)	122,683	221,387
Tax effects of:		
Investment income exempt from tax	(228,495)	(470,940)
Expenses not deductible for tax purposes	24,591	147,070
Restriction on tax deductible expenses for unit trust funds	83,371	103,615
Income subject to different tax rate	(1,254)	(679)
Over provision of taxation in previous years	-	(58)
Taxation	<u>896</u>	<u>395</u>

6. DISTRIBUTION

	2016	2015
	RM	RM
Distribution to unit holders are from the following sources:		
Prior year's income:		
Dividend income	156,839	181,722
Profit income earned from Shariah-compliant investments	756,391	839,589
Net (amortisation of premiums)/accretion of discounts on sukuk	(3,225)	7,979
Net realised gain on sale of Shariah-compliant investments	700,770	824,119
Distribution equalisation (Memorandum account)	(465,869)	(147,340)
Gross realised income	1,144,906	1,706,069
Less: Expenses	(407,098)	(472,656)
Less: Taxation	(8,876)	(11,937)
	<u>728,932</u>	<u>1,221,476</u>
Gross distribution per unit (RM)	<u>0.0296</u>	<u>0.0302</u>
Net distribution per unit (RM)	<u>0.0292</u>	<u>0.0299</u>
Ex-date	<u>24 March 2016</u>	<u>27 March 2015</u>

Gross distribution is derived using total income less total expenses. The distribution is made from prior year's realised income.

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purposes of determining amount available for distribution, distribution equalisation is included in the computation of realised gain or income available for distribution.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	RM	RM
Designated at fair value through profit or loss:		
Quoted Shariah-compliant securities (Note 7(i))	5,049,724	8,163,806
Sukuk (Note 7 (ii))	9,615,626	21,279,436
	<u>14,665,350</u>	<u>29,443,242</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	672,513	568,997
Change in unrealised fair value loss	(823,548)	(194,381)
	<u>(151,035)</u>	<u>374,616</u>

i. Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2016	of net asset value of the Fund
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Bhd	30,000	136,192	147,600	0.79
Gamuda Bhd-Warrant	5,000	1,250	5,500	0.03
IJM Corporation Berhad	43,000	148,251	151,790	0.82
Pintaras Jaya Bhd	20,900	83,347	76,912	0.41
	<u>98,900</u>	<u>369,040</u>	<u>381,802</u>	<u>2.05</u>
<u>Consumer Product</u>				
Nestle (Malaysia) Berhad	3,100	216,536	238,390	1.28
PPB Group Berhad	8,000	132,556	133,600	0.72
	<u>11,100</u>	<u>349,092</u>	<u>371,990</u>	<u>2.00</u>

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2016	of net asset value of the Fund
	Units	RM	RM	%
<u>Health Care</u>				
Hartalega Holdings Berhad	10,400	38,283	50,440	0.27
IHH Healthcare Berhad	39,600	185,287	259,776	1.39
KPJ Healthcare Berhad	34,526	130,843	147,426	0.79
	84,526	354,413	457,642	2.45
<u>Industrial Product</u>				
Petronas Chemicals Group Berhad	41,000	284,540	275,110	1.47
Petronas Gas Berhad	11,500	251,850	253,000	1.36
	52,500	536,390	528,110	2.83
<u>Infrastructure Project Company</u>				
Digi.Com Berhad	53,000	270,300	261,820	1.40
<u>Plantation</u>				
IOI Corporation Berhad	51,000	237,013	233,070	1.25
Kuala Lumpur Kepong Berhad	7,500	177,900	180,000	0.96
	58,500	414,913	413,070	2.21
<u>Properties</u>				
Eastern & Oriental Berhad -Warrant	18,420	-	3,776	0.02

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>Trading/Services</u>				
Axiata Group Berhad	64,000	390,400	376,960	2.02
Maxis Berhad	37,000	244,200	234,950	1.26
MISC Berhad	20,800	180,328	185,120	0.99
MY E.G. Services Berhad	163,600	146,414	350,104	1.88
Petronas Dagangan Bhd	4,200	105,627	101,220	0.54
Sapurakencana Petroleum Berhad	54,000	96,061	100,440	0.54
Sime Darby Berhad	46,000	331,112	365,700	1.96
Telekom Malaysia Berhad	32,069	208,020	211,656	1.13
Tenaga Nasional Bhd	50,600	616,291	705,364	3.78
	<u>472,269</u>	<u>2,318,453</u>	<u>2,631,514</u>	<u>14.10</u>
TOTAL QUOTED SHARIAH -COMPLIANT SECURITIES	<u>849,215</u>	<u>4,612,601</u>	<u>5,049,724</u>	<u>27.06</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>437,123</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>5,049,724</u>	

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
			31.3.2015	
	Units	RM	RM	%
<u>Construction</u>				
Gamuda Berhad	62,800	314,241	320,280	1.03
Pintaras Jaya Berhad	50,800	202,585	204,724	0.66
Protasco Berhad	70,900	123,558	113,440	0.36
	184,500	640,384	638,444	2.05
<u>Consumer Product</u>				
Nestle (Malaysia) Berhad	4,500	314,327	331,650	1.06
NTPM Holdings Berhad	62,100	50,798	46,265	0.15
QL Resources Berhad	72,880	210,994	285,690	0.92
	139,480	576,119	663,605	2.13
<u>Finance</u>				
BIMB Holdings Berhad	60,400	236,819	247,640	0.79
Syarikat Takaful Malaysia Berhad	19,700	128,683	255,312	0.82
	80,100	365,502	502,952	1.61
<u>Industrial Product</u>				
Hartalega Holdings Berhad	34,700	255,464	300,849	0.96
Petronas Gas Berhad	14,300	225,364	329,186	1.06
Ta Ann Holdings Berhad	27,800	115,147	108,420	0.35
	76,800	595,975	738,455	2.37
<u>Infrastructure Project Company</u>				
Digi.Com Berhad	70,400	278,099	443,520	1.42
Lingkar Trans Kota Holdings Berhad	42,900	111,579	160,446	0.51
	113,300	389,678	603,966	1.93

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
<u>i-REITS</u>				
Axis Real Estate Investment Trust	72,183	256,798	254,806	0.82
<u>Plantation</u>				
Sarawak Oil Palms Berhad	26,400	173,369	134,376	0.43
TSH Resources Berhad	85,200	171,121	193,404	0.62
	111,600	344,490	327,780	1.05
<u>Properties</u>				
Eastern & Oriental Berhad	101,310	183,701	202,620	0.65
Eastern & Oriental Berhad -Warrant	18,420	-	7,829	0.03
Hunza Properties Berhad	79,902	142,484	188,569	0.60
Sunway Berhad	32,900	100,824	120,085	0.39
	232,532	427,009	519,103	1.67
<u>Technology</u>				
Unisem (M) Berhad	129,100	262,696	281,438	0.90

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at	Percentage of net asset value of the Fund
			31.3.2015	
	Units	RM	RM	%
Trading/Services				
Axiata Group Berhad	44,300	259,609	313,644	1.01
Berjaya Auto Berhad	15,100	10,570	57,078	0.18
Dayang Enterprise Holdings Berhad	44,900	78,643	104,617	0.34
Dialog Group Berhad	29,634	49,980	46,822	0.15
IHH Healthcare Berhad	91,100	426,253	547,511	1.76
KPJ Healthcare Berhad	82,626	313,128	351,987	1.13
Maxis Berhad	49,000	353,765	352,310	1.13
My E.G. Services Berhad	143,800	257,388	401,202	1.29
Sime Darby Berhad	36,965	334,619	342,666	1.10
Telekom Malaysia Berhad	50,892	277,540	369,984	1.19
Tenaga Nasional Bhd	25,400	374,291	364,743	1.17
UMW Oil & Gas Corporation Berhad	92,900	257,467	213,670	0.69
Uzma Berhad	80,300	170,932	167,023	0.54
	<u>786,917</u>	<u>3,164,185</u>	<u>3,633,257</u>	<u>11.68</u>
TOTAL QUOTED SHARIAH-COMPLIANT SECURITIES	<u>1,926,512</u>	<u>7,022,836</u>	<u>8,163,806</u>	<u>26.21</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,140,970</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>8,163,806</u>	

ii. Sukuk

Name of counter	Quantity	Carrying cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
				%
	Units	RM	RM	
4.40% AmBank Islamic Berhad (fka Amlslamic Bank Berhad) 30.09.2016 (AA3)	1,500,000	1,501,275	1,503,497	8.06
6.00% Talam Transform Berhad (fka Trinity Corporation Berhad) 28.06.2019 (B- id)	125,851	90,079	108,720	0.58
5.02% Tanjung Bin Energy Issuer Berhad 15.09.2020 (AA3)	2,500,000	2,520,550	2,534,851	13.58
5.25% BGSM Management Sdn Berhad 24.12.2020 (AA3)	2,500,000	2,581,160	2,580,161	13.83
9.30% Jimah Energy Ventures Sdn Berhad 12.11.2021 (AA3)	2,300,000	2,854,978	2,888,397	15.48
TOTAL SUKUK	<u>8,925,851</u>	<u>9,548,042</u>	<u>9,615,626</u>	<u>51.53</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>67,584</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>9,615,626</u>		

ii. Sukuk (continued)

Name of counter	Quantity	Carrying cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
4.22% Maybank Islamic Berhad 31.03.2016 (AA+is)	1,000,000	1,000,115	1,002,925	3.22
4.40% Amlslamic Bank Berhad 30.09.2016 (AA3)	2,000,000	2,004,064	2,010,062	6.45
4.35% Perbadanan Kemajuan Negeri Selangor 28.10.2016 (AA3)	2,500,000	2,551,237	2,546,713	8.17
4.45% First Resources Limited 31.07.2017 (AA2)	2,000,000	2,020,900	2,019,074	6.48
6.00% Talam Transform Berhad 28.06.2019 (B- id)	128,269	82,599	100,540	0.32
5.05% Malakoff Power Berhad 17.12.2019 (AA-is)	3,000,000	3,062,263	3,084,502	9.89
8.20% Mukah Power Generation Sdn Bhd 27.12.2019 (AA2)	1,000,000	1,055,362	1,167,481	3.74
5.02% Tanjung Bin Energy Issuer Berhad 15.09.2020 (AA3)	3,000,000	3,028,223	3,034,712	9.73
5.25% BGSM Management Sdn Bhd 24.12.2020 (AA3)	3,000,000	3,106,974	3,122,810	10.02

ii. Sukuk (continued)

Name of counter	Quantity	Carrying cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
9.30% Jimah Energy Ventures Sdn Bhd 12.11.2021 (AA3)	2,500,000	3,180,414	3,190,617	10.23
TOTAL SUKUK	<u>20,128,269</u>	21,092,151	<u>21,279,436</u>	<u>68.25</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>187,285</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>21,279,436</u>		

The effective weighted average rate of return of sukuk per annum as at the date of the statement of financial position are as follows:

	2016	2015
	%	%
Sukuk	<u>4.83</u>	<u>4.77</u>

8. CASH AND CASH EQUIVALENTS

	2016	2015
	RM	RM
Bank balance with a licensed bank	37,851	35,438
Islamic deposits with licensed financial institutions	3,960,730	1,700,149
	<u>3,998,581</u>	<u>1,735,587</u>

The effective weighted average rate of return of Islamic deposits with licensed financial institutions per annum as at the date of the statement of financial position are as follows:

	2016	2015
	%	%
Islamic deposits with licensed financial institutions	<u>3.90</u>	<u>3.20</u>

The Islamic deposits have an average maturity of 94 days (2015: 1 day).

9. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

- i. Equity investments listed in Bursa Malaysia which has been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission;
- ii. Sukuk are in order and as per the list of sukuk available at Bond Info Hub and Fully Automated System For Issuing/Tendering of Bank Negara Malaysia; and
- iii. Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

10. UNITS IN CIRCULATION

	2016	2015
	No. of units	No. of units
At the beginning of the financial year	42,503,875	33,845,950
Creation of units during the financial year:		
Arising from applications	6,872,606	33,466,649
Arising from distribution	1,007,172	1,661,804
Cancellation of units during the financial year	(24,479,327)	(26,470,528)
At the end of the financial year	<u>25,904,326</u>	<u>42,503,875</u>

11. TRANSACTIONS WITH BROKERS/DEALERS

Details of transactions with the top 10 brokers/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>2016</u>				
RHB Investment Bank Berhad	4,672,858	18.59	3,502	6.13
Hong Leong Bank Berhad	4,645,700	18.48	-	-
Maybank Investment Bank Berhad	2,749,094	10.94	10,121	17.71
CIMB Investment Bank Berhad	2,599,884	10.34	10,083	17.64
KAF Investment Bank Berhad	2,309,410	9.19	1,107	1.94
Kenanga Investment Bank Berhad	1,365,529	5.43	6,075	10.63
Citigroup Global Markets (M) Sdn Bhd	1,190,301	4.74	4,515	7.90
Public Investment Bank Berhad	1,114,285	4.43	4,457	7.80
UOB Kay Hian Securities (M) Sdn Bhd	1,048,627	4.17	3,883	6.79
Nomura Securities Malaysia Sdn Bhd	685,721	2.73	2,726	4.77
Others	2,751,811	10.96	10,677	18.69
	25,133,219	100.00	57,146	100.00

Name of brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
2015				
RHB Investment Bank Berhad	10,513,725	31.68	4,102	14.63
Bank Islam Malaysia Berhad	7,337,930	22.11	-	-
Kenanga Investment Bank Berhad	3,346,222	10.08	-	-
Malayan Banking Berhad	3,019,500	9.10	-	-
Hong Leong Investment Bank	2,534,850	7.64	-	-
Maybank Investment Bank Berhad	1,487,851	4.48	5,581	19.90
J.P. Morgan Securities (M) Sdn. Bhd	1,004,703	3.03	3,746	13.36
CLSA Securities Sdn Bhd	831,028	2.50	3,161	11.27
Inter-Pacific Securities Sdn Bhd	684,898	2.06	2,606	9.29
Nomura Securities Malaysia Sdn Bhd	642,510	1.94	2,445	8.72
Others	1,782,807	5.38	6,405	22.83
	33,186,024	100.00	28,046	100.00

All brokers and dealers highlighted above are not related to the Manager.

12. MANAGEMENT EXPENSE RATIO ("MER")

	2016	2015
	%	%
MER	1.46	1.76

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (including GST charges)

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM26,811,807 (2015: RM25,698,875).

13. PORTFOLIO TURNOVER RATIO ("PTR")

	2016	2015
PTR (times)	0.47	0.65

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM5,870,468 (2015: RM24,232,554)

total disposals for the financial year = RM19,229,526 (2015: RM8,943,802)

14. UNITS HELD BY THE MANAGER

The related party of and its relationship with the Fund is as follows:

Related party	Relationship			
Eastspring Investments Berhad	The Manager			
	2016		2015	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,233	888	1,185	869

The above units were transacted at the prevailing market price.

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

15. SEGMENTAL INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The CEO, who is the chief operating decision-maker, is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segments derive its income by seeking Shariah-compliant investments to achieve targeted returns consummate with an acceptable level of risk within each portfolio. These returns consist of profit income, dividend income and gains on the appreciation in the value of Shariah-compliant investments.

There were no changes in the reportable operating segments during the financial year.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 13 May 2016.

EASTSPRING INVESTMENTS DANA WAFI

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA WAFI

We have acted as Trustee for Eastspring Investments Dana Wafi (the "Fund") for financial year ended 31 March 2016. To the best of our knowledge, for the year under review, Eastspring Investments Berhad (the "Manager") has operated and managed the Fund in accordance with the following:

- a. limitations imposed on the investment powers of the Manager and Trustee under the Deed, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b. the valuation/pricing for the Fund has been carried out in accordance with the Deed of the Fund and applicable regulatory requirements; and
- c. creation and cancellation of units for the Fund have been carried out in accordance with the Deed of the Fund and applicable regulatory requirements.

For Deutsche Trustees Malaysia Berhad

Wong Mun Loong
Manager, Trustee Operations

Soon Lai Ching
Manager, Trustee Operations

Kuala Lumpur
Date: 13 May 2016

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA WAFI

We have acted as the Shariah Adviser of Eastspring Investments Dana Wafi. Our responsibility is to ensure that the procedures and processes employed by Eastspring Investments Berhad are in accordance with Shariah principles.

In our opinion, Eastspring Investments Berhad has managed and administered Eastspring Investments Dana Wafi in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 31 March 2016.

In addition, we also confirm that the investment portfolio of Eastspring Investments Dana Wafi comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC"). As for the securities which are not certified by the SACSC, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser

IBFIM

AHMAD ZAKIRULLAH BIN MOHAMED SHAARANI

Shariah Advisor/Designated Person Responsible for Shariah Advisory

Kuala Lumpur

Date: 13 May 2016

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS DANA WAFI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastspring Investments Dana Wafi (the "Fund") on pages 134 to 166, which comprise the statement of financial position as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Fund for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 15 to the financial statements.

Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as of 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)

Chartered Accountants

Kuala Lumpur

Date: 13 May 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016	2015
		RM	RM
INVESTMENT INCOME			
Profit income from Islamic deposits with licensed financial institutions		51,549	34,814
Profit income from sukuk		532,399	651,843
Net gain on financial assets at fair value through profit or loss	6	20,287	162,702
		<u>604,235</u>	<u>849,359</u>
EXPENSES			
Management fee	3	(126,365)	(150,173)
Trustee fee	4	(18,000)	(18,000)
Audit fee		(5,800)	(5,460)
Tax agent fee		(3,400)	(3,400)
Other expenses		(19,757)	(28,064)
GST charges		(8,952)	-
		<u>(182,274)</u>	<u>(205,097)</u>
PROFIT BEFORE TAXATION		421,961	644,262
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>421,961</u>	<u>644,262</u>
Profit after taxation is made up of the following:			
Realised amount		426,156	473,777
Unrealised amount		(4,195)	170,485
		<u>421,961</u>	<u>644,262</u>

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	2016	2015
		RM	RM
ASSETS			
Financial assets at fair value through profit or loss	6	11,387,986	12,397,759
Cash and cash equivalents	7	84,071	187,886
Amount due from Manager		600	42,042
TOTAL ASSETS		<u>11,472,657</u>	<u>12,627,687</u>
LIABILITIES			
Amount due to Manager		24,525	-
Accrued management fee		9,902	10,863
Amount due to Trustee		1,516	1,527
Other payables and accruals		26,578	23,705
GST charges payable		686	-
TOTAL LIABILITIES		<u>63,207</u>	<u>36,095</u>
NET ASSET VALUE OF THE FUND		<u>11,409,450</u>	<u>12,591,592</u>
EQUITY			
Unit holders' capital		11,337,821	12,941,924
Retained earnings/(accumulated loss)		71,629	(350,332)
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>11,409,450</u>	<u>12,591,592</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>20,422,591</u>	<u>23,318,983</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5587</u>	<u>0.5400</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Unit holders' capital	Retained earnings/ (accumulated loss)	Total
	RM	RM	RM
Balance as at 1 April 2015	12,941,924	(350,332)	12,591,592
Movement in unit holders' contribution:			
Creation of units from applications	13,140,061	-	13,140,061
Cancellation of units	(14,744,164)	-	(14,744,164)
Total comprehensive income for the financial year	-	421,961	421,961
Balance as at 31 March 2016	<u>11,337,821</u>	<u>71,629</u>	<u>11,409,450</u>
Balance as at 1 April 2014	14,486,459	(994,594)	13,491,865
Movement in unit holders' contribution:			
Creation of units from applications	16,525,723	-	16,525,723
Cancellation of units	(18,070,258)	-	(18,070,258)
Total comprehensive income for the financial year	-	644,262	644,262
Balance as at 31 March 2015	<u>12,941,924</u>	<u>(350,332)</u>	<u>12,591,592</u>

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016	2015
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of sukuk		6,239,770	9,940,095
Purchase of sukuk		(5,285,220)	(9,563,734)
Profit income received from Islamic deposits with licensed financial institutions		51,549	34,814
Profit income received from sukuk		607,910	713,300
Management fee paid		(127,326)	(150,746)
Trustee fee paid		(18,011)	(18,002)
Payment for other fees and expenses		(34,351)	(30,640)
Net cash generated from operating activities		1,434,321	925,087
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		13,181,503	16,842,247
Payments for cancellation of units		(14,719,639)	(18,117,063)
Distribution paid		-	(9,246)
Net cash used in financing activities		(1,538,136)	(1,284,062)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(103,815)	(358,975)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		187,886	546,861
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	84,071	187,886

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

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 under the historical cost convention in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”), as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise their judgment in the process of applying the Fund’s accounting policies. Although these estimates and judgment are based on the Manager’s best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note I.

- a. Standards, amendments to published standards and interpretations that are effective.

The following amendment has been adopted by the Fund for the first time for the financial year beginning on or after 1 April 2015.

- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of these amendments did not have any impact on the current or any prior year and are not likely to affect future periods.

- b. The new standards, amendments to published standards and interpretations to existing standards that are applicable to the Fund but not yet effective and have not been early adopted are as follows:

i. Financial year beginning on/after 1 April 2018

- MFRS 15 “Revenue from contracts with customers” (effective from 1 January 2018) replaces MFRS 118 “Revenue” and MFRS 111 “Construction contracts” and related interpretations. The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund’s financial statements.

- MFRS 9 “Financial Instruments” (effective from 1 January 2018) will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments¹ are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instruments² is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest³.

¹ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

² For the purposes of the investments made by the Fund, debt instruments refers to sukuk.

³ For the purposes of this Fund, interest refers to profits earned from Shariah-compliant investments.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives¹. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit losses model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit losses model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Fund will apply this standard when effective. This standard is not expected to have a significant impact on the Fund's financial statements.

B. INCOME RECOGNITION

Profit income earned from Islamic deposits with licensed financial institutions and sukuk are recognised on the accrual basis (taking into account the effective yield of the asset).

Realised gain or loss on disposal of sukuk is accounted for as the difference between the net disposal proceeds and the carrying amount of sukuk, which is determined on cost adjusted for accretion of discount and amortisation of premium on investments for sukuk.

C. TAXATION

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year.

¹ For the purposes of the investments made by the Fund, equity instruments and derivatives refers to Shariah-compliant equity instruments and Shariah-compliant derivatives.

D. PRESENTATION AND FUNCTIONAL 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 presentation and functional currency.

E. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

i. Classification

The Fund designates its Shariah-compliant investment in sukuk as financial assets at fair value through profit or loss at inception.

Financial assets are designated as fair value through profit or loss when they are managed and their performance evaluated on a fair value basis.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets.

The Fund’s receivables comprise cash and cash equivalents and amount due from Manager which are all due within 12 months.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The Fund’s financial liabilities which include amount due to Manager, accrued management fee, amount due to Trustee, other payables and accruals and GST charges payable.

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. Shariah-compliant investments are initially recognised at fair value.

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

Financial liabilities, within the scope of MFRS 139, 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 liability is derecognised when the obligation under the liability is extinguished; i.e when the obligation specified in the contract is discharged or cancelled or expired.

Unrealised 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 and loss” in the period in which they arise. Any unrealised gains however are not distributable.

Islamic deposits with licensed financial institutions are stated at cost plus accrued profit calculated on the effective profit rate method over the period from the date of placement to the date of maturity of the respective Islamic deposits.

Sukuk 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. Where such quotations are not available or where the Manager is of the view that the price quoted by the BPA for a specific sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager:

- Records its basis for using a non-BPA price;
- Obtains necessary internal approvals to use the non-BPA price; and
- Keeps an audit trail of all decisions and basis for adopting the market yield.

Receivables and other financial liabilities are subsequently carried at amortised cost using the effective profit rate method.

iii. Impairment for assets carried at amortised costs

For assets carried at amortised cost, the Fund assesses at the end of the reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective profit rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If "receivables" or a "held-to-maturity investment" have a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

As a practical expedient, the Fund may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

F. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balance and Islamic deposit with a licensed financial institution 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 assets value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over its life are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at prices based on the Fund's net asset value per unit at the time of creation or cancellation. The Fund's net asset value per unit is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

H. SEGMENTAL INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Investment Committee of the Fund's Manager that undertakes strategic decisions for the Fund.

I. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS 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 content of the estimates, certain key variables that are anticipated to have material impact to the Funds' results and financial position are tested for sensitivity to changes in the underlying parameters.

Estimates and judgments are continually evaluated by the Manager and the Trustee and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Estimate of fair value of sukuk

The Fund uses significant judgment in determining whether an investment is impaired. The Fund evaluates, among other factors, the duration and extent to which the fair value of the investment is less than cost, and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, macroeconomic factors and speculation.

In undertaking any of the Fund's investment, the Manager will ensure that all assets of the Fund under management will be valued appropriately, that is at fair value and in compliance with the Securities Commission valuation guidelines.

Sukuk are valued using fair value prices quoted by a bond pricing agency (BPA). Where the Manager is of the view that the price quoted by BPA for a specific sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price. This is allowed for under the Securities Commission ("SC") Guidelines on Unit Trust Funds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

1. INFORMATION ON THE FUND

Eastspring Investments Dana Wafi (the "Fund") was constituted pursuant to the execution of a Master Deed dated 25 July 2002 as amended by a Supplemental Master Deed dated 22 June 2004 and a Second Supplemental Master Deed dated 25 January 2005, followed by 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 the Manager and the Trustee on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by a Second Supplemental Master Deed dated 28 January 2011, a Third Supplemental Master Deed dated 9 March 2011, a Fourth Supplemental Master Deed dated 20 January 2012, a Fifth Supplemental Master Deed dated 26 March 2014 and a Sixth Supplemental Master Deed dated 2 January 2015 (collectively referred to as the "Deed").

The Fund was launched on 21 February 2005 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund seeks to achieve its objective by investing in a portfolio of sukuk. The main objective of the Fund seeks to generate stable income by investing in Shariah-compliant fixed income securities.

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

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

Financial instruments of the Fund are as follows:

	Note	Receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Sukuk	6	-	11,387,986	11,387,986
Cash and cash equivalents	7	84,071	-	84,071
Amount due from Manager		600	-	600
		<u>84,671</u>	<u>11,387,986</u>	<u>11,472,657</u>
<u>2015</u>				
Sukuk	6	-	12,397,759	12,397,759
Cash and cash equivalents	7	187,886	-	187,886
Amount due from Manager		42,042	-	42,042
		<u>229,928</u>	<u>12,397,759</u>	<u>12,627,687</u>

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

Market risk

i. Price risk

Price risk is the risk that the fair value of the Shariah-compliant investment in sukuk will fluctuate because of changes in market prices (other than those arising from interest rate risk). The value of investments may fluctuate according to the activities of individual companies, sector and overall political and economic conditions. Such fluctuation may cause the Fund's net asset value and prices of units to fall as well as rise, and income produced by the Fund may also fluctuate.

The price risk is managed through diversification and asset allocation whereby the sukuk exposure will be reduced in the event of anticipated market weakness.

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

	2016	2015
	RM	RM
Sukuk designated at fair value through profit or loss	11,387,986	12,397,759

Includes profit receivables of RM123,941 (2015: RM116,385).

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to movements in valuation of sukuk at the end of each reporting year. The analysis is based on the assumptions that the valuation of the sukuk increased and decreased by 5% with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the sukuk, having regard to the historical volatility of the prices.

% Change in price of financial assets at fair value through profit or loss	Market value	Increase/(decrease) in profit after tax and net asset value
	RM	RM
<u>2016</u>		
+5%	11,827,247	563,202
-5%	10,700,843	(563,202)
<u>2015</u>		
+5%	13,017,647	619,888
-5%	11,777,871	(619,888)

ii. Exposure to interest rate risk

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

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

The Fund is exposed to interest rate risk. Changes in interest rates will affect the performance of the Shariah-compliant investments and its returns. To manage the risk, Shariah-compliant investments will be concentrated in investment grade issues by financial institutions and companies determined by the Manager.

The risk is crucial in a sukuk fund since sukuk portfolio management depends on forecasting interest rate movements valuation for sukuk move inversely to interest rate movements, therefore as interest rates rise, the valuation for sukuk decrease and vice versa. Furthermore, sukuk will longer maturity and lower profit rates are more susceptible to interest rate movements.

Investors should note that sukuk and Islamic money market instruments are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rates which may impair the ability of the issuers to make payments of profit 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 above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is a Shariah-compliant Unit Trust Fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements. The Fund also holds a limited amount of cash and cash equivalents that expose the Fund to cash flow interest rate risk.

The table below summarises the sensitivity of the Fund's profit after tax and net asset value to movements in interest rate for investments at the end of each reporting year as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2015: 5%) 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.

	2016	2015
% Movement in interest rate	Impact on profit after tax/net asset value	
	RM	RM
<u>Sukuk</u>		
+1% / +5%	(20,617)	(111,952)
-1% / -5%	20,667	113,256

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 Fund 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 Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise cash, Islamic deposit with a licensed financial institution and other Shariah-compliant 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
2016			
Amount due to manager	24,525	-	24,525
Accrued management fee	9,902	-	9,902
Amount due to Trustee	1,516	-	1,516
GST charges payable	686	-	686
Other payables and accruals	-	26,578	26,578
Contractual cash outflows	<u>36,629</u>	<u>26,578</u>	<u>63,207</u>
2015			
Accrued management fee	10,863	-	10,863
Amount due to Trustee	1,527	-	1,527
Other payables and accruals	-	23,705	23,705
Contractual cash outflows	<u>12,390</u>	<u>23,705</u>	<u>36,095</u>

Credit/default risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of profit income, principals and proceeds from realisation of Shariah-compliant investments. In the case of the Fund, both the Manager and the External Fund 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 Deed.

The credit risk arising from placements of Islamic deposits with licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits with reputable licensed financial institutions. The settlement terms of the proceeds from the creation of units receivable from the Manager are governed by the Securities Commission's Guidelines on Unit Trust Funds.

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

	Sukuk	Cash and cash equivalents	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2016</u>				
Finance				
- AA1	-	84,071	-	84,071
Sukuk				
- AAA	1,006,636	-	-	1,006,636
- AA1	815,508	-	-	815,508
- AA2	1,939,090	-	-	1,939,090
- AA3	6,589,443	-	-	6,589,443
- AA-	1,037,309	-	-	1,037,309
Other				
- NR	-	-	600	600
	<u>11,387,986</u>	<u>84,071</u>	<u>600</u>	<u>11,472,657</u>

	Sukuk	Cash and cash equivalents	Amount due from Manager	Total
	RM	RM	RM	RM
<u>2015</u>				
Finance				
- AAA	-	170,015	-	170,015
- AA1	-	17,871	-	17,871
Sukuk				
- AA1	815,396	-	-	815,396
- AA2	3,193,091	-	-	3,193,091
- AA3	6,161,753	-	-	6,161,753
- AA-	1,023,786	-	-	1,023,786
- NR	1,203,733	-	-	1,203,733
Other				
- NR	-	-	42,042	42,042
	<u>12,397,759</u>	<u>187,886</u>	<u>42,042</u>	<u>12,627,687</u>

None of these assets are past due or impaired.

Fund management risk

There is the risk that the management company may not adhere to the investment mandate of the respective Fund. 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 have an oversight function over management of the Fund by the management company to safeguard the interests of unit holders.

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 law that governs the Fund or applicable internal control procedures, or act fraudulently or dishonestly.

The non-compliance may expose the Fund to higher risks which may result in a fall in the value of the Fund which in turn may affect its investment goals. However, the risk can be mitigated by the internal controls and compliance monitoring undertaken by the Manager.

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital and retained earnings. 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 Shariah-compliant investment activities of the Fund.

Fair value estimation

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

The fair value of financial assets traded in active market (such as publicly traded Shariah-compliant derivatives and trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the

bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund Manager will determine the point within the bid-ask spread that is representative of the fair value.

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

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

Fair value hierarchy

- i. The table below 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 judgment, 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 that 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 the Fund's financial assets (by class) measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Sukuk	-	11,387,986	-	11,387,986
<hr/>				
<u>2015</u>				
Financial assets at fair value through profit or loss:				
Sukuk	-	12,397,759	-	12,397,759
<hr/>				

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 sukuk. 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 and all current liabilities are a reasonable approximation of their fair values due to their short term nature.

3. MANAGEMENT FEE

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

For the financial year ended 31 March 2016, the management fee is recognised at a rate of 1.00% (2015: 1.00%) 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, inclusive of custodian fee, at a rate not exceeding 0.20% per annum on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum.

For the financial year ended 31 March 2016, the Trustee fee is recognised at a minimum fee of RM18,000 per annum instead of at a rate of 0.07% (2015: 0.07%) 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

	2016	2015
	RM	RM
Tax charged for the financial year:		
Current taxation - local	-	-

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

	2016	2015
	RM	RM
Profit before taxation	421,961	644,262
Tax at Malaysian statutory rate of 24% (2015: 25%)	101,271	161,066
Tax effects of:		
Investment income exempt from tax	(145,016)	(212,340)
Expenses not deductible for tax purposes	10,207	7,466
Restriction on tax deductible expenses for unit trust funds	33,538	43,808
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	RM	RM
Designated at fair value through profit or loss:		
Sukuk	11,387,986	12,397,759
Net gain on financial assets at fair value through profit or loss:		
Realised gain/(loss) on disposals	24,482	(7,783)
Change in unrealised fair value (loss)/gain	(4,195)	170,485
	20,287	162,702

Name of counter	Quantity	Carrying cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
				%
	Units	RM	RM	
5.25% Bumitama Agri Ltd 18.03.2019 (AA3)	1,600,000	1,606,719	1,634,390	14.32
5.05% AmBank Islamic Berhad (fka AmIslamic Bank Berhad) 25.03.2019 (AA3)	1,700,000	1,703,962	1,707,256	14.96
9.05% Jimah Energy Ventures Sdn Berhad 10.05.2019 (AA3)	300,000	348,315	348,986	3.06
4.75% Public Islamic Bank Berhad 10.06.2019 (AA1)	800,000	813,029	815,508	7.15
8.20% Mukah Power Generation Sdn Berhad 27.12.2019 (AA2)	1,700,000	1,932,993	1,939,090	17.00
5.02% Tanjung Bin Energy Issuer Berhad 15.09.2020 (AA3)	500,000	503,296	506,970	4.44

Name of counter	Quantity	Carrying cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
5.25% BGSM Management Sdn Berhad 24.12.2020 (AA3)	500,000	514,979	516,032	4.52
5.10% Gulf Investment Corporation G.S.C 16.03.2021 (AAA)	1,000,000	1,006,695	1,006,636	8.82
9.30% Jimah Energy Ventures Sdn Berhad 12.11.2021 (AA3)	630,000	783,151	791,170	6.93
7.10% BGSM Management Sdn Berhad 28.12.2022 (AA3)	500,000	573,799	568,790	4.99
5.22% Jimah East Power Sdn Berhad 02.06.2023 (AA-is)	1,000,000	1,017,019	1,037,309	9.09
5.40% Tanjung Bin Energy Issuer Berhad 15.03.2024 (AA3)	500,000	520,194	515,849	4.53
TOTAL SUKUK	<u>10,730,000</u>	<u>11,324,151</u>	<u>11,387,986</u>	<u>99.81</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>63,835</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>11,387,986</u>	

Name of counter	Quantity	Carrying cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
4.90% Malakoff Power Berhad 17.12.2018 (AA-is)	1,000,000	1,015,707	1,023,786	8.13
5.25% Bumitama Agri Ltd 18.03.2019 (AA3)	1,600,000	1,607,795	1,639,654	13.02
4.60% Imtiaz Sukuk II Berhad 22.03.2019 (AA2)	1,200,000	1,207,125	1,208,374	9.60
5.05% Amlslamic Bank Berhad 25.03.2019 (AA3)	1,700,000	1,704,899	1,715,875	13.63
4.95% RHB Islamic Bank Berhad 15.05.2019 (AA3)	1,700,000	1,731,283	1,749,399	13.89
4.75% Public Islamic Bank Berhad 10.06.2019 (AA1)	800,000	813,270	815,396	6.48
8.20% Mukah Power Generation Sdn Bhd 27.12.2019 (AA2)	1,700,000	1,979,445	1,984,717	15.76
4.02% Prasarana Malaysia Berhad 24.03.2020 (NR)	1,200,000	1,201,057	1,203,733	9.56
9.30% Jimah Energy Ventures Sdn Berhad 12.11.2021 (AA3)	430,000	547,031	548,786	4.36
5.40% Tanjung Bin Energy Issuer Berhad 15.03.2024 (AA3)	500,000	522,117	508,039	4.03

Name of counter	Quantity	Carrying cost	Fair value as at	Percentage of net
			31.3.2015	asset value of the Fund
	Units	RM	RM	%
TOTAL SUKUK	<u>11,830,000</u>	12,329,729	<u>12,397,759</u>	98.46
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>68,030</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>12,397,759</u>	

The effective weighted average rate of return of sukuk per annum as at the date of the statement of financial position are as follows:

	2016	2015
	%	%
Sukuk	<u>4.81</u>	<u>4.65</u>

7. CASH AND CASH EQUIVALENTS

	2016	2015
	RM	RM
Bank balance with a licensed bank	84,071	17,871
Islamic deposit with a licensed financial institution	-	170,015
	<u>84,071</u>	<u>187,886</u>

The effective weighted average rate of return of Islamic deposit with a licensed financial institution per annum as at the date of the statement of financial position are as follows:

	2016	2015
	%	%
Islamic deposit with a licensed financial institution	-	3.20

For the financial year ended 31 March 2015, the Islamic deposit had an average maturity of 1 day.

8. SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investments portfolio of the Fund is Shariah-compliant, which comprises:

- i. Sukuk are in order and as per the list of sukuk available at Bond Info Hub and Fully Automated System For Issuing/Tendering of Bank Negara Malaysia; and
- ii. Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

9. UNITS IN CIRCULATION

	2016	2015
	No. of units	No. of units
At the beginning of the financial year	23,318,983	26,070,347
Creation of units arising from applications during the financial year	24,090,343	31,288,390
Cancellation of units during the financial year	(26,986,735)	(34,039,754)
At the end of the financial year	<u>20,422,591</u>	<u>23,318,983</u>

10. TRANSACTIONS WITH DEALERS

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

Name of dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2016</u>				
RHB Investment Bank Berhad	3,168,050	27.49	-	-
Hong Leong Bank Berhad	2,787,590	24.19	-	-
Hong Leong Investment Bank Berhad	2,355,660	20.44	-	-
Malayan Banking Berhad	1,109,130	9.62	-	-
AmBank (M) Berhad	1,104,560	9.58	-	-
CIMB Bank Berhad	1,000,000	8.68	-	-
	<u>11,524,990</u>	<u>100.00</u>	-	-
<u>2015</u>				
RHB Investment Bank Berhad	8,715,274	44.68	-	-
AmBank (M) Berhad	2,290,725	11.75	-	-
Kenanga Investment Bank Berhad	2,216,880	11.37	-	-
Hong Leong Investment Bank Berhad	1,521,200	7.80	-	-
Hong Leong Bank Berhad	1,353,750	6.94	-	-
Bank Islam Malaysia Berhad	1,206,000	6.18	-	-
CIMB Bank Berhad	1,200,000	6.15	-	-
Public Investment Bank Berhad	1,000,000	5.13	-	-
	<u>19,503,829</u>	<u>100.00</u>	-	-

All dealers highlighted above are not related to the Manager. There are no brokerage fees charged by the dealers for the financial year ended 31 March 2016 and 31 March 2015.

11. MANAGEMENT EXPENSE RATIO ("MER")

	2016	2015
	%	%
MER	1.44	1.37

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (including GST charges)

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM12,630,229 (2015: RM15,016,819).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2016	2015
PTR (times)	0.46	0.65

PTR is derived from the following calculation:

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

where:

total acquisitions for the financial year = RM5,285,220 (2015: RM9,563,734)

total disposals for the financial year = RM6,239,770 (2015: RM9,940,095)

13. UNITS HELD BY THE MANAGER

The related party of and its relationship with the Fund is as follows:

Related party	Relationship			
Eastspring Investments Berhad	The Manager			
	2016		2015	
	No. of units	RM	No. of units	RM
Eastspring Investments Berhad	1,138	636	1,138	615

The above units were transacted at the prevailing market price.

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

14. SEGMENTAL INFORMATION

The internal reporting provided to the chief operating decision-maker for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of MFRS and IFRS. The CEO, who is the chief operating decision-maker, is responsible for the performance of the Fund and considers the business to have a single operating segment located in Malaysia. Asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The reportable operating segment derives its income by seeking Shariah-compliant investments to achieve targeted returns commensurate with an acceptable level of risk within the portfolio. These returns consist of profit income and gains on the appreciation in the value of Shariah-compliant investments.

There were no changes in the reportable operating segments during the financial year.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 13 May 2016.

CORPORATE DIRECTORY

THE MANAGER

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BOARD OF DIRECTORS OF THE MANAGER

Julian Christopher Vivian Pull

(Chairman, non-independent,

non-executive director)

Jackie Chew Pei Pei (Jackie Zhou PeiPei)

(Non-independent, non-executive director)

Khoo Chuan Keat

(Independent, non-executive director)

Iskander Bin Ismail Mohamed Ali

(Independent, non-executive director)

Raymond Tang Chee Kin

(Non-independent, executive director)

INVESTMENT COMMITTEE OF THE FUND

Raymond Tang Chee Kin

(Non-Independent member)

Ho Yik

(Independent member)

Robert Yap Yen Choon

(Independent member)

Abdul Khalil Bin Abdul Hamid

(Independent member)

Dato' Saiful Bahri Bin Zainuddin

(Independent member)

AUDIT AND COMPLIANCE

COMMITTEE OF THE MANAGER

Khoo Chuan Keat

(Independent)

Iskander Bin Ismail Mohamed Ali

(Independent)

Niall Dermot Grady

(Non-independent)

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REGISTRAR AND TRANSFER AGENT**

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STANDARD CHARTERED BANK
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