



A member of Prudential plc (UK) 

ANNUAL REPORT

# EASTSPRING INVESTMENTS ASIA PACIFIC EQUITY MY FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

**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](http://www.eastspringinvestments.com.my)

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

Yours sincerely,



**Raymond Tang Chee Kin**

Non-Independent, Executive Director and Chief Executive Officer

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## FUND INFORMATION

**Name of Fund**

Eastspring Investments Asia Pacific Equity MY Fund (“the Fund”)

**Fund Category/  
Type**

Equity/growth

**Fund Objective**

The Fund seeks to provide medium to long-term capital growth.

**Performance  
Benchmark**

Morgan Stanley Capital International All Country Asia Pacific ex Japan (MSCI AC APxJ) Index.

**Source:** [www.msci.com](http://www.msci.com)

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

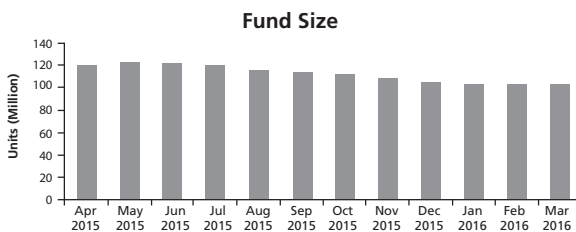
**Fund Income  
Distribution Policy**

Incidental

## FUND INFORMATION (CONTINUED)

### Breakdown of Unit Holdings by Size

As at 31 March 2016, the size of Eastspring Investments Asia Pacific Equity MY Fund stood at 103.150 million units.



### Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	337	14.79	849	0.82
5,001 to 10,000 units	231	10.14	1,778	1.72
10,001 to 50,000 units	1,449	63.58	31,266	30.31
50,001 to 500,000 units	248	10.88	26,758	25.94
500,001 units and above	14	0.61	42,498	41.21
<b>Total</b>	<b>2,279</b>	<b>100.00</b>	<b>103,149</b>	<b>100.00</b>

\* excludes units held by the Manager.

## KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	31.3.2016	31.3.2015	31.3.2014
	(%)	(%)	(%)
<b>Quoted securities</b>			
Agriculture & Fishery	-	-	0.54
Banking & Insurance	28.53	32.50	28.51
Consumer Discretionary	5.03	4.04	8.46
Consumer Good	3.43	3.25	-
Consumer Staple	1.69	1.79	3.60
Energy	6.12	8.59	14.80
Financial	4.20	1.29	-
Health Care	0.63	0.52	-
Industrial	5.73	2.87	5.90
Information Technology	10.52	10.92	14.04
Material	4.04	6.50	6.41
Media	1.25	0.97	-
Oil and Gas	2.52	1.14	-
Property	1.45	-	-
Real Estate	7.32	6.95	8.16
Services	-	2.06	-
Technology	8.99	5.46	-
Telecommunication	4.62	4.95	3.92
Trading/Services	1.15	0.82	2.04
Transportation	-	-	0.85
Utilities	1.56	1.55	1.15
	98.78	96.17	98.38
Cash and other assets	1.22	3.83	1.62
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## 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)	56,400	73,338	60,633
Units In Circulation (Units '000)	103,150	116,062	113,955
Net Asset Value Per Unit (RM)	0.5468	0.6319	0.5321
Highest Net Asset Value Per Unit (RM)	0.6673	0.6360	0.5321
Lowest Net Asset Value Per Unit (RM)	0.4959	0.5290	0.4518
Total Return (%)			
Capital Growth	(13.47)	18.76	5.93
Income Distribution	-	-	-
Total Return (%)	(13.47)	18.76	5.93
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	1.84	1.92	1.81
Portfolio Turnover Ratio (PTR) (times)^	0.37	0.53	0.62

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

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

## KEY PERFORMANCE DATA (CONTINUED)

	1 year 1.4.2015 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	(13.47)	2.87	0.68

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	(13.47)	18.76	5.93	1.78	(6.61)

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

**Bases of calculation and assumptions made in calculating returns:**

$$\begin{aligned} \text{Percentage growth} &= \frac{\text{NAV}_t}{\text{NAV}_0} - 1 \\ \text{NAV}_t &= \text{NAV at the end of the period} \\ \text{NAV}_0 &= \text{NAV at the beginning of the period} \\ \text{Performance annualised} &= (1 + \text{Percentage Growth})^{1/n} - 1 \\ n &= \text{Number of years} \end{aligned}$$

**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

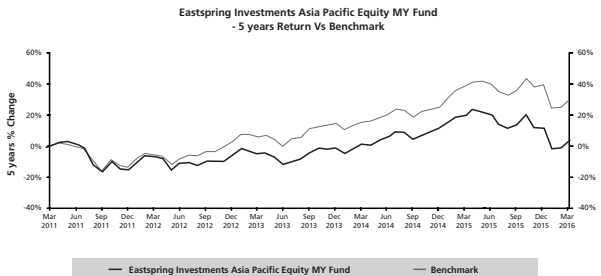
## Fund Performance

Over the 5-year period, the Fund recorded a return of 3.47%, underperforming the benchmark return of 29.72% by 26.25%.

For the period under review, the Fund registered a return of -13.47%, underperforming the benchmark return of -6.59% by 6.88%.

The underperformance was due to the market rewarding quality and growth at any price while ignoring value. This has driven growth and quality stocks to extreme prices. Consistent with our investment philosophy and belief that value outperforms in the longer term, the Target Fund has added to companies that have exhibited strong value tilts.

The Fund did not meet its investment objective of providing a medium to long-term capital growth.



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

**Benchmark:** MSCI AC APxJ Index

**Source:** Lipper for Investment Management and [www.msci.com](http://www.msci.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	(13.47)	(13.47)	(6.59)

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

1. Quoted securities
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 Target Fund Manager has maintained his strategy of focusing on investing in companies trading at attractive valuations relative to their level of sustainable earnings. This has led to a slight bias towards more cyclical names in the portfolio.

The market's focus on near-term risks and negative news flow have created pricing anomalies in companies with our highest conviction. The Target Fund Manager continues to view cyclical stocks as attractively valued relative to expensive defensives and consensus growth stocks. The Target Fund Manager believes the Target Fund is positioned to deliver competitive risk-adjusted returns as the market returns to focusing on value.

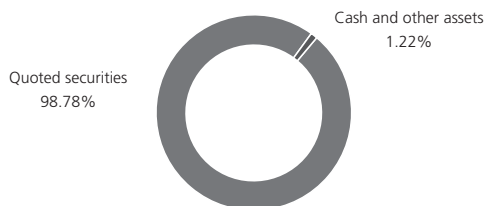
The Target Fund is overweight cyclicals with energy, financials and consumer discretionary as the top sectors with overweight investments. The expensive defensive sectors of utilities, health care and consumer staples were key underweights. At the geographic level, the Target Fund is overweight Hong Kong and Korea while underweight Taiwan and Australia. Over the period under review, the Target Fund Manager trimmed positions in Hong Kong and China due to less appealing risk-adjusted valuations while raising investments in Malaysia and Taiwan as returns in these markets have lagged the region and stronger valuation signals emerged.

## MANAGER'S REPORT (CONTINUED)

## Asset Allocation

Asset Allocation	31-Mar 2016 (%)	31-Mar 2015 (%)	Changes (%)
Quoted securities	98.78	96.17	2.61
Cash and other assets	1.22	3.83	(2.61)

## 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 period under review saw losses across Asian equity markets. Investment sentiment turned negative in the second half as the sustained commodity rout threatened the growth and fiscal health of many emerging economies. The unexpected devaluation of the Renminbi (RMB) sparked a global selloff as serious concerns emerged over growth outlooks and the potential for competitive devaluations across emerging markets amid a looming rate hike in the US. Market interventions by the Chinese government to prop up its equity markets only compounded the level of risk aversion. There was some relief towards the end of 2015 as strong US economic data convinced the Federal Reserve to raise rates while other central banks generally maintained accommodative policies.

A key theme for 2015 is the increasingly tight linkage between China and global financial markets. China's slackening demand for key commodities sent prices to multi-year lows, hurting the growth and corporate outlooks across the region. Consequently, many parts of region experienced sharp contractions in external trade and disinflationary pressures which further crimped growth.

Markets were again volatile in the first quarter of 2016, rebounding sharply in March after a poor start to the year. Pessimism shrouded the market in January as previous fears over China resurfaced. Risk aversion was compounded by global growth downgrades by multilateral institutions, oil prices that hit 13-year low, uncertainties over the pace of the Federal Reserve's tightening cycles and its effects on bank balance sheets and rising geopolitical risks, among many others. Towards the end of the quarter, sentiment visibly turned as investors derived greater clarity from Janet Yellen's definitive statement that the Federal Reserve will approach its rate hike cycle with caution and will factor in the conditions of the global economy into the central bank's considerations. Her dovish statement came in light of optimistic US economic data such as an upward revision of 4Q2015 GDP, rising core inflation and the continued recovery in the housing markets.

The European Central Bank stepped up monetary easing by cutting its three main policy rates and increasing its bond purchases from EUR60bil to EUR80bil a month, while extending purchases to include high-grade corporate bonds. Asian central banks also maintained their accommodative policies and committed to ease if the need arises. Furthermore, the annual National People's Congress held in March helped to ease fears emanating from China as the government pledged to expend fiscal firepower to complement its monetary policies. The acknowledgement of the need to monitor and clampdown on rising credit risks, partly via the acceleration of targeted supply-side reforms, were also viewed positively by investors.

For the period under review, China was the major underperformer. There is little respite from China's economic weakness as external trade remained depressed and domestic consumption decelerated at the margin while Moody's downgraded its outlook on China on debt concerns. Despite the ammunition available to the authorities to prevent a hard landing scenario, the market continues to cast doubt over its ability to juggle multiple imbalances which could invariably lead to episodic stresses in China's financial system. Korea was the key outperformer, with the Bank of Korea looking increasingly likely to cut rates to support the economy. The continued strength of the Federal Reserve Bank of San Francisco's Tech Pulse Index fuelled optimism that electronic exports from Korea could pickup materially soon.

## REBATES AND SOFT COMMISSIONS

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

# EASTSPRING INVESTMENTS ASIA PACIFIC EQUITY MY FUND

## FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

## TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASIA PACIFIC EQUITY MY FUND

We have acted as Trustee for Eastspring Investments Asia Pacific Equity MY Fund (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

# INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASIA PACIFIC EQUITY MY FUND

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastspring Investments Asia Pacific Equity MY Fund (the "Fund") on pages 15 to 67, 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 14 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
<b>INVESTMENT (LOSS)/INCOME</b>			
Gross dividend income		2,194,654	2,116,119
Net gain on foreign currency exchange		99,887	73,539
Net (loss)/gain on financial assets at fair value through profit or loss	6	(10,251,138)	9,992,736
		<u>(7,956,597)</u>	<u>12,182,394</u>
<b>EXPENSES</b>			
Management fee	3	(1,010,072)	(922,759)
Trustee fee	4	(47,137)	(43,062)
Custodian fee		(15,477)	(79,743)
Audit fee		(7,500)	(7,098)
Tax agent fee		(3,400)	(6,900)
Transaction costs		(179,647)	(144,304)
Other expenses		(89,809)	(122,185)
GST charges		(64,419)	-
		<u>(1,417,461)</u>	<u>(1,326,051)</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(9,374,058)	10,856,343
<b>TAXATION</b>	5	<u>(153,293)</u>	<u>(113,640)</u>
<b>(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME</b>		<u>(9,527,351)</u>	<u>10,742,703</u>
(Loss)/profit after taxation is made up of the following:			
Realised amount		1,935,527	7,492,362
Unrealised amount		(11,462,878)	3,250,341
		<u>(9,527,351)</u>	<u>10,742,703</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
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	6	55,735,902	70,525,903
Cash and cash equivalents	7	488,666	2,088,461
Amount due from Manager		33,379	1,917,943
Amount due from brokers		107,575	360,507
Dividends receivable		334,135	327,970
Tax recoverable		903	2,581
<b>TOTAL ASSETS</b>		<u>56,700,560</u>	<u>75,223,365</u>
<b>LIABILITIES</b>			
Amount due to Manager		147,636	326,532
Amount due to brokers		36,328	1,431,996
Accrued management fee		72,354	87,701
Amount due to Trustee		3,377	4,093
Other payables and accruals		36,666	35,142
GST charges payable		4,544	-
<b>TOTAL LIABILITIES</b>		<u>300,905</u>	<u>1,885,464</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>56,399,655</u>	<u>73,337,901</u>
<b>EQUITY</b>			
Unit holders' capital		61,192,856	68,603,751
(Accumulated loss)/retained earnings		(4,793,201)	4,734,150
<b>NET ASSET ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>56,399,655</u>	<u>73,337,901</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	8	<u>103,149,947</u>	<u>116,062,431</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>		<u>0.5468</u>	<u>0.6319</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	(Accumulated loss)/ retained earnings	Total
	RM	RM	RM
Balance as at 1 April 2015	68,603,751	4,734,150	73,337,901
Movement in unit holders' contribution:			
Creation of units from applications	18,294,330	-	18,294,330
Cancellation of units	(25,705,225)	-	(25,705,225)
Total comprehensive loss for the financial year	-	(9,527,351)	(9,527,351)
Balance as at 31 March 2016	61,192,856	(4,793,201)	56,399,655
Balance as at 1 April 2014	66,641,064	(6,008,553)	60,632,511
Movement in unit holders' contribution:			
Creation of units from applications	21,594,980	-	21,594,980
Cancellation of units	(19,632,293)	-	(19,632,293)
Total comprehensive income for the financial year	-	10,742,703	10,742,703
Balance as at 31 March 2015	68,603,751	4,734,150	73,337,901

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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from sale of investments		27,632,306	32,502,470
Purchase of investments		(24,236,179)	(31,414,000)
Dividend received		2,035,196	1,897,476
Management fee paid		(1,025,418)	(912,034)
Trustee fee paid		(47,853)	(42,561)
Custodian fee paid		(15,477)	(19,140)
Payment for other fees and expenses		(338,707)	(341,323)
Tax refund		1,678	-
Net foreign currency exchange gain		99,887	73,539
Net cash generated from operating activities		<u>4,105,433</u>	<u>1,744,427</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash proceeds from units created		20,178,893	19,692,612
Payments for cancellation of units		(25,884,121)	(20,447,637)
Net cash used in financing activities		<u>(5,705,228)</u>	<u>(755,025)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(1,599,795)	989,402
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>			
		<u>2,088,461</u>	<u>1,099,059</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>			
	7	<u>488,666</u>	<u>2,088,461</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 instruments 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 instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. 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**

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 investments is accounted for as the difference between the net disposal proceeds and the carrying amount of investments, determined on a weighted average cost basis.

## **C. TAXATION**

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

Tax on dividend income from foreign quoted securities is based on the tax regime of the respective countries that the Fund invested in.



#### **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. FOREIGN CURRENCY TRANSLATION**

Foreign currency transactions in the Fund are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income as qualifying cash flow hedges.

#### **F. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

##### **i. Classification**

The Fund designates its investment in quoted 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.

Loans and 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 loans and 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, 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. 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 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.

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

Quoted securities outside Malaysia are valued at the market last done prices quoted of the respective foreign stock exchanges as at the date of the statement of financial position.

If a valuation based on the market price does not represent the fair value of the securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of

the securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the 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.

Foreign exchange gains and losses on the financial instrument are recognised in statement of comprehensive income when settled or at date of the statement of financial position at which time they are included in the measurement of the financial instrument.

Loans and receivables and other financial liabilities are subsequently carried at amortised cost using the effective interest 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 interest 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 "loans and receivables" have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest 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.

## **G. CASH AND CASH EQUIVALENTS**

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **H. UNIT HOLDERS' CAPITAL**

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net 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.

## **I. AMOUNT DUE FROM/(TO) BROKERS**

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest 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, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest 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 interest 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 interest rate, transaction costs and all other premiums or discounts.

## **J. 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.

**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 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 Asia Pacific Equity MY Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 15 July 2005 as modified by a Supplemental Deed dated 27 July 2007 and the Second Supplemental Deed dated 30 November 2009 entered into between Eastspring Investments Berhad (the “Manager”) and Mayban Trustees Berhad (“Maybank Trustees”). The Fund replaced Maybank Trustees with Deutsche Trustees Malaysia Berhad (the “Trustee”) effective 1 October 2010. A Supplemental Master Deed (“Deed”) was entered into between the Manager and the Trustee on 30 July 2010 to effect the change of trustee from Maybank Trustees 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 July 2005 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund invests primarily in local and Asia Pacific ex-Japan equities, and equity-related securities with good capital growth potential. All investments will be subjected to the SC Guidelines on Unit Trust Funds, the Deed except where exemptions or variations have been approved by the Securities Commission, internal policies and procedures and the Fund’s objective.

The Fund seeks to provide investors with medium to long term capital growth.

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 foreign exchange/currency 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.

	Notes	Loans and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Quoted securities	6	-	55,735,902	55,735,902
Cash and cash equivalents	7	488,666	-	488,666
Amount due from Manager		33,379	-	33,379
Amount due from brokers		107,575	-	107,575
Dividends receivable		334,135	-	334,135
		<u>963,755</u>	<u>55,735,902</u>	<u>56,699,657</u>
<u>2015</u>				
Quoted securities	6	-	70,525,903	70,525,903
Cash and cash equivalents	7	2,088,461	-	2,088,461
Amount due from Manager		1,917,943	-	1,917,943
Amount due from brokers		360,507	-	360,507
Dividends receivable		327,970	-	327,970
		<u>4,694,881</u>	<u>70,525,903</u>	<u>75,220,784</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 Unit Trust Fund, however, helps mitigate this risk because a Fund would generally hold a well-diversified portfolio of securities from different market sectors so that the collapse of any one of the 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:

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Quoted securities designated at fair value through profit or loss	55,735,902	70,525,903

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

<b>% Change in price of financial assets at fair value through profit or loss</b>	<b>Market value</b>	<b>Increase/(decrease in (loss)/profit after tax and net asset value</b>
	<b>RM</b>	<b>RM</b>
<b>2016</b>		
+5%	58,522,697	2,786,795
-5%	52,949,107	(2,786,795)
<b>2015</b>		
+5%	74,052,198	3,526,295
-5%	66,999,608	(3,526,295)

ii. Foreign exchange/currency risk

As the Fund may invest its assets in securities denominated in a wide range of currencies other than Ringgit Malaysia, the net asset value of the Fund expressed in Ringgit Malaysia may be affected favourably or unfavourably by exchange control regulations or changes in the exchange rates between Ringgit Malaysia and such other currencies. The risk is minimised through investing in a wide range

of foreign currencies denominated assets and thus, diversifying the risk of single currency exposure.

In the normal course of investment, the Fund Manager will usually not hedge foreign currency exposure. The Fund Manager may however depending on prevailing market circumstances at a particular point in time, choose to use forward or option contracts for hedging and risk reduction purposes.

The following table sets out the foreign exchange/currency risk concentrations and counterparties of the Fund:

	<b>Financial assets at fair value through profit or loss</b>	<b>Amount due from brokers</b>	<b>Cash and cash equivalents</b>	<b>Dividends receivable</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>2016</u>					
AUD	10,554,832	-	110,867	95,697	10,761,396
HKD	17,867,104	107,575	39,580	8,112	18,022,371
IDR	1,181,596	-	-	17,126	1,198,722
INR	3,461,674	-	51,614	3,086	3,516,374
KRW	8,005,891	-	-	135,763	8,141,654
NZD	-	-	80	-	80
PHP	345,564	-	-	7,217	352,781
SGD	2,907,335	-	-	-	2,907,335
THB	1,354,351	-	-	15,894	1,370,245
TWD	5,387,931	-	63,138	-	5,451,069
USD	2,558,642	-	134,725	18,056	2,711,423
	<u>53,624,920</u>	<u>107,575</u>	<u>400,004</u>	<u>300,951</u>	<u>54,433,450</u>

	<b>Financial assets at fair value through profit or loss</b>	<b>Amount due from brokers</b>	<b>Cash and cash equivalents</b>	<b>Dividends receivable</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<u>2015</u>					
AUD	13,512,902	-	33,762	116,274	13,662,938
HKD	27,222,026	58,165	61,629	50,346	27,392,166
INR	4,232,639	302,342	533,524	-	5,068,505
IDR	1,587,633	-	-	18,366	1,605,999
KRW	10,488,680	-	-	97,737	10,586,417
TWD	5,803,462	-	138,744	-	5,942,206
NZD	-	-	82	-	82
PHP	479,996	-	-	9,750	489,746
SGD	2,950,992	-	-	-	2,950,992
THB	1,947,675	-	-	10,755	1,958,430
USD	946,394	-	342,484	18,816	1,307,694
	<u>69,172,399</u>	<u>360,507</u>	<u>1,110,225</u>	<u>322,044</u>	<u>70,965,175</u>

The following table summarises the sensitivity of the Fund's financial assets to changes in foreign exchange movements at the end of the reporting year. The analysis is based on the assumption that the foreign exchange rate changes by 5% with all variables remain constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate having regard to historical volatility of this rate.

Disclosures below are shown in absolute terms, changes and impacts could be positive or negative:

	Change in exchange rate	Impact on (loss)/ profit after tax	Impact on net asset value
	%	RM	RM
<u>2016</u>			
AUD	5	538,070	538,070
HKD	5	901,119	901,119
IDR	5	59,936	59,936
INR	5	175,819	175,819
KRW	5	407,083	407,083
NZD	5	4	4
PHP	5	17,639	17,639
SGD	5	145,367	145,367
THB	5	68,512	68,512
TWD	5	272,553	272,553
USD	5	135,571	135,571
		<u>2,721,673</u>	<u>2,721,673</u>
<u>2015</u>			
AUD	5	683,147	683,147
HKD	5	1,369,608	1,369,608
INR	5	253,425	253,425
IDR	5	80,300	80,300
KRW	5	529,321	529,321
TWD	5	297,110	297,110
NZD	5	4	4
PHP	5	24,487	24,487
SGD	5	147,550	147,550
THB	5	97,922	97,922
USD	5	65,385	65,385
		<u>3,548,259</u>	<u>3,548,259</u>

## 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 liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Liquid assets comprise bank balances and other instruments which are capable of being converted into cash within 7 days.

The table below summarises the Fund's financial liabilities into relevant maturity groupings based on the remaining period as at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2016</u>			
Amount due to Manager	147,636	-	147,636
Accrued management fee	72,354	-	72,354
Amount due to Trustee	3,377	-	3,377
Amount due to brokers	36,328	-	36,328
Other payables and accruals	-	36,666	36,666
GST charges payable	4,544	-	4,544
Contractual cash outflows	264,239	36,666	300,905

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2015</u>			
Amount due to Manager	326,532	-	326,532
Accrued management fee	87,701	-	87,701
Amount due to Trustee	4,093	-	4,093
Amount due to brokers	1,431,996	-	1,431,996
Other payables and accruals	-	35,142	35,142
Contractual cash outflows	<u>1,850,322</u>	<u>35,142</u>	<u>1,885,464</u>

### Credit/default risk

Credit/default risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund.

For amount due from brokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange.

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

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

	Cash and cash equivalents	Dividends receivable	Amount due from brokers	Amount due from Manager	Total
	RM	RM	RM	RM	RM
<u>2016</u>					
Banking and Insurance					
- AA1	488,666	-	-	-	488,666
- NR	-	95,763	-	-	95,763
Consumer Discretionary					
- NR	-	32,173	-	-	32,173
Energy					
- NR	-	27,344	-	-	27,344
Financial					
- NR	-	21,142	-	-	21,142
Industrial					
- NR	-	11,818	-	-	11,818
Information Technology					
- NR	-	44,606	-	-	44,606
Material					
- NR	-	13,311	-	-	13,311
Media					
- NR	-	28,987	-	-	28,987
Oil and Gas					
- NR	-	31,345	-	-	31,345
Real Estate					
- NR	-	8,112	107,575	-	115,687

	Cash and cash equivalents	Dividends receivable	Amount due from brokers	Amount due from Manager	Total
	RM	RM	RM	RM	RM
<u>2016</u> (continued)					
Telecommunication					
- NR	-	19,534	-	-	19,534
Other					
- NR	-	-	-	33,379	33,379
	488,666	334,135	107,575	33,379	963,755



	Cash and cash equivalents	Dividends receivable	Amount due from brokers	Amount due from Manager	Total
	RM	RM	RM	RM	RM
<u>2015</u>					
Banking and Insurance					
- AA1	2,088,461	-	-	-	2,088,461
- A2	-	44,156	-	-	44,156
- A3	-	5,925	-	-	5,925
- BAA2	-	29,607	-	-	29,607
- BAA3	-	18,366	-	-	18,366
- NR	-	11,884	360,507	-	372,391
Consumer Discretionary					
- BAA1	-	29,477	-	-	29,477
- NR	-	2,098	-	-	2,098
Energy					
- A1	-	39,952	-	-	39,952
- BAA1	-	52,536	-	-	52,536
Information Technology					
- A1	-	45,417	-	-	45,417
Industrial					
- NR	-	27,677	-	-	27,677
Material					
- BA2	-	4,935	-	-	4,935
Real Estate					
- NR	-	6,190	-	-	6,190
Telecommunication					
- BAA2	-	9,750	-	-	9,750
Other					
- NR	-	-	-	1,917,943	1,917,943
	<u>2,088,461</u>	<u>327,970</u>	<u>360,507</u>	<u>1,917,943</u>	<u>4,694,881</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 has 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 investment activities of the Fund.

**Fair value estimation**

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

The fair value of financial assets traded in active market (such as trading securities) are based on quoted market prices at the close of trading on the 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 judgment 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 securities	55,735,902	-	-	55,735,902
<u>2015</u>				
Financial assets at fair value through profit or loss:				
Quoted securities	70,525,903	-	-	70,525,903

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

- ii. The carrying value of cash and cash equivalents, amount due from 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 2.00% per annum on the net asset value of the Fund accrued on a daily basis for the financial year.

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 a fee at a rate not exceeding 0.20% per annum on the net asset value of the Fund, accrued on a daily basis for the financial year 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 excluding of foreign custodian fees and charges, 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 - foreign	<u>153,293</u>	<u>113,640</u>

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

	2016	2015
	RM	RM
(Loss)/profit before taxation	<u>(9,374,058)</u>	10,856,343
Tax at Malaysian statutory rate of 24% (2015: 25%)	(2,249,774)	2,714,086
Tax effects of:		
Investment (loss)/income exempt from tax	1,909,583	(3,045,599)
Expenses not deductible for tax purposes	78,836	91,175
Restriction on the tax deductible expenses for unit trust funds	261,355	240,338
Foreign income subject to different tax rate	<u>153,293</u>	<u>113,640</u>
Taxation	<u>153,293</u>	<u>113,640</u>

**6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	2016	2015
	RM	RM
Designated at fair value through profit or loss:		
Quoted securities	55,735,902	70,525,903
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	1,204,980	6,752,720
Change in unrealised fair value (loss)/gain	(11,456,118)	3,240,016
	<u>(10,251,138)</u>	<u>9,992,736</u>

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at	of net asset
	Units	RM	31.3.2016	value of the Fund
			RM	%

**Local**
**Malaysia Securities**
Financial-Banks

CIMB Group Holdings Berhad	301,675	1,728,104	1,463,124	2.59
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Trading/Services

Genting Malaysia Berhad	142,700	593,512	647,858	1.15
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<b>Total Malaysia Securities</b>	<b>444,375</b>	<b>2,321,616</b>	<b>2,110,982</b>	<b>3.74</b>
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**Foreign**
**Australia Securities**
Material

BHP Billiton Limited	26,661	2,500,511	1,348,648	2.39
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Energy

Origin Energy Limited	52,268	1,495,667	798,212	1.42
Whitehaven Coal Limited	222,622	2,045,508	437,496	0.78
	<u>274,890</u>	<u>3,541,175</u>	<u>1,235,708</u>	<u>2.20</u>

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.3.2016	
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Australia Securities</b> (continued)				
<u>Banking and Insurance</u>				
Australia And New Zealand Banking Group Limited	26,550	2,004,268	1,868,776	3.31
Insurance Australia Group Limited	20,734	341,420	347,122	0.62
National Australia Bank Limited	22,262	2,062,451	1,752,640	3.11
QBE Insurance Group Limited	26,774	910,400	876,401	1.55
	<u>96,320</u>	<u>5,318,539</u>	<u>4,844,939</u>	<u>8.59</u>
<u>Health Care</u>				
Healthscope Ltd	44,698	296,595	356,726	0.63
<u>Industrial</u>				
Aurizon Holdings Limited	29,348	391,533	348,689	0.62
Qantas Airways Ltd	86,490	565,224	1,056,149	1.87
	<u>115,838</u>	<u>956,757</u>	<u>1,404,838</u>	<u>2.49</u>
<u>Media-Communication</u>				
Nine Entertainment Co Holdings Ltd	150,219	847,063	703,095	1.25
<u>Oil &amp; Gas</u>				
Woodside Petroleum Ltd	8,485	972,485	660,878	1.17
<b>Total Australia Securities</b>	<b>717,111</b>	<b>14,433,125</b>	<b>10,554,832</b>	<b>18.72</b>



Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2016	of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Hong Kong Securities</b>				
<u>Banking and Insurance</u>				
Bank of China Limited	649,400	1,005,315	1,053,594	1.87
BOC Hong Kong (Holdings) Limited	66,000	909,261	769,839	1.36
China Construction Bank Corporation	668,000	1,822,930	1,666,045	2.95
Standard Chartered Plc	33,336	1,717,348	864,180	1.53
	<u>1,416,736</u>	<u>5,454,854</u>	<u>4,353,658</u>	<u>7.71</u>
<u>Consumer Discretionary</u>				
Parkson Retail Group Limited	527,000	1,040,424	220,391	0.39
Sands China Ltd	46,800	782,913	745,140	1.32
	<u>573,800</u>	<u>1,823,337</u>	<u>965,531</u>	<u>1.71</u>
<u>Consumer Good</u>				
Dongfeng Motor Group Company Limited	196,000	954,004	955,953	1.69
Li & Fung Limited	264,000	1,305,349	610,551	1.08
	<u>460,000</u>	<u>2,259,353</u>	<u>1,566,504</u>	<u>2.77</u>
<u>Material</u>				
Huabao International Holdings Limited	457,000	996,713	672,364	1.19

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Hong Kong Securities</b> (continued)				
<u>Property</u>				
China Overseas Land & Investment Ltd	66,000	856,625	816,395	1.45
<u>Real Estate</u>				
Longfor Properties Co Ltd	64,500	300,861	359,435	0.64
Sino Land Co Ltd	117,685	574,405	728,156	1.29
Sun Hung Kai Properties Limited	35,300	1,566,313	1,687,008	2.99
The Wharf (Holdings) Limited	40,000	996,407	854,537	1.52
	257,485	3,437,986	3,629,136	6.44
<u>Industrial</u>				
China Merchants Holdings (International) Co Ltd	76,706	894,589	890,852	1.58
<u>Telecommunication</u>				
China Mobile Limited	32,500	1,512,210	1,415,642	2.51
<u>Utilities</u>				
China Resources Power Holdings Company Ltd	120,701	1,025,792	881,828	1.56
<b>Total Hong Kong Securities</b>	<b>3,460,928</b>	<b>18,261,459</b>	<b>15,191,910</b>	<b>26.92</b>

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Indonesia Securities</b>				
<u>Banking and Insurance</u>				
Bank Negara Indonesia Persero TBK PT	566,500	728,745	866,065	1.54
<u>Consumer Staple</u>				
PT Salim Ivomas Pratama TBK	2,273,800	746,616	315,531	0.56
<b>Total Indonesia Securities</b>	<b>2,840,300</b>	<b>1,475,361</b>	<b>1,181,596</b>	<b>2.10</b>
<b>India Securities</b>				
<u>Banking and Insurance</u>				
Axis Bank Limited	21,383	568,808	558,999	0.99
Housing Development Finance Corporation Limited	17,340	985,453	1,128,392	2.00
	38,723	1,554,261	1,687,391	2.99
<u>Energy</u>				
Reliance Industries Limited	5,969	341,343	367,209	0.65
<u>Information Technology</u>				
Infosys Technologies Ltd	14,412	723,272	1,033,455	1.83
<u>Oil and Gas</u>				
Cairn India Ltd	41,259	436,167	373,619	0.66
<b>Total India Securities</b>	<b>100,363</b>	<b>3,055,043</b>	<b>3,461,674</b>	<b>6.13</b>

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign (continued)</b>				
<b>Philippines Security</b>				
<u>Telecommunication</u>				
Philippines Long Distance Telephone Company	2,055	429,816	345,564	0.61
<b>Total Philippines Security</b>	<b>2,055</b>	<b>429,816</b>	<b>345,564</b>	<b>0.61</b>
<b>Republic of Korea Securities</b>				
<u>Banking and Insurance</u>				
Hana Financial Group Inc	14,374	1,503,623	1,221,035	2.16
<u>Consumer Discretionary</u>				
Hyundai Motor Co	3,590	2,097,211	1,875,266	3.32
<u>Energy</u>				
SK Innovation Co Ltd	1,078	438,589	635,105	1.13
<u>Industrial</u>				
LG Corp	1,894	386,659	444,395	0.79
<u>Information Technology</u>				
Samsung Electronics Co Ltd – PFD	383	697,884	1,452,262	2.57
Samsung Electronics Co Ltd	341	1,412,449	1,532,452	2.72
	724	2,110,333	2,984,714	5.29
<u>Telecommunication</u>				
KT Corporation	8,282	858,878	845,376	1.50
<b>Total Republic of Korea Securities</b>	<b>29,942</b>	<b>7,395,293</b>	<b>8,005,891</b>	<b>14.19</b>

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Singapore Securities</b>				
<u>Banking and Insurance</u>				
DBS Group Holdings Ltd	12,550	574,944	558,848	0.99
Oversea-Chinese Banking Corporation Limited	25,200	721,114	644,980	1.14
	37,750	1,296,058	1,203,828	2.13
<u>Energy</u>				
Noble Group Limited	947,174	2,455,640	1,206,636	2.14
<u>Real Estate</u>				
Capitaland Ltd	55,900	404,459	496,871	0.88
<b>Total Singapore Securities</b>	<b>1,040,824</b>	<b>4,156,157</b>	<b>2,907,335</b>	<b>5.15</b>
<b>Thailand Securities</b>				
<u>Banking and Insurance</u>				
Bangkok Bank Public Company Limited	47,800	858,946	965,795	1.71
<u>Oil &amp; Gas</u>				
PTT Exploration & Production PCL	12,500	412,632	388,556	0.69
<b>Total Thailand Securities</b>	<b>60,300</b>	<b>1,271,578</b>	<b>1,354,351</b>	<b>2.40</b>

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Taiwan Securities</b>				
<u>Consumer Staple</u>				
Uni-President Enterprises Corp	92,934	496,070	636,971	1.13
<u>Information Technology – Technology Hardware &amp; Equipment</u>				
Compal Electronics Inc	226,000	606,320	553,804	0.98
Hon Hai Precision Industry Co Ltd	132,908	984,695	1,367,236	2.42
	358,908	1,591,015	1,921,040	3.40
<u>Technology</u>				
Taiwan Semiconductor Manufacturing Co Ltd	144,000	1,482,879	2,829,920	5.02
<b>Total Taiwan Securities</b>	<b>595,842</b>	<b>3,569,964</b>	<b>5,387,931</b>	<b>9.55</b>
<b>China Securities</b> <b>(Listed in United States)</b>				
<u>Industrial</u>				
Hollysys Automation Technologies Ltd	6,000	520,146	492,570	0.87
<u>Technology</u>				
Baidu Inc	1,555	1,091,904	1,157,592	2.05
<b>Total China Securities</b> <b>(Listed in United States)</b>	<b>7,555</b>	<b>1,612,050</b>	<b>1,650,162</b>	<b>2.92</b>

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 31.3.2016	
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>China Securities</b>				
<b>(Listed in Hong Kong)</b>				
<u>Banking and Insurance</u>				
China Merchants Bank Co Ltd	116,719	773,267	958,593	1.70
<u>Consumer Good</u>				
Hengan International Group Company Limited	11,000	467,032	373,003	0.66
<u>Material</u>				
China Shenhua Energy Company Limited	42,000	546,818	258,175	0.46
<u>Technology – Software &amp; Computer Services</u>				
Tencent Holdings Limited	13,600	934,874	1,085,423	1.92
<b>Total China Securities</b>	<b>183,319</b>	<b>2,721,991</b>	<b>2,675,194</b>	<b>4.74</b>
<b>(Listed in Hong Kong)</b>				

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Bermuda Security (Listed in United States)</b>				
<i>Financial</i>				
Jardine Matheson Holdings Limited	4,081	796,260	908,480	1.61
<b>Total Bermuda Security (Listed in United States)</b>	<b>4,081</b>	<b>796,260</b>	<b>908,480</b>	<b>1.61</b>
<b>Total Foreign Securities</b>	<b>9,042,620</b>	<b>59,178,097</b>	<b>53,624,920</b>	<b>95.04</b>
<b>TOTAL QUOTED SECURITIES</b>	<b>9,486,995</b>	<b>61,499,713</b>	<b>55,735,902</b>	<b>98.78</b>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>(5,763,811)</u>		
<b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>55,735,902</u>		



Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
<b>Local</b>				
<b>Malaysia Securities</b>				
<u>Banking and Insurance</u>				
CIMB Group Holdings Bhd	120,900	738,059	751,998	1.03
<u>Trading/Services</u>				
Genting Malaysia Bhd	142,200	588,866	601,506	0.82
<b>Total Malaysia Securities</b>	<b>263,100</b>	<b>1,326,925</b>	<b>1,353,504</b>	<b>1.85</b>
<b>Foreign</b>				
<b>Australia Securities</b>				
<u>Banking and Insurance</u>				
National Australia Bank Limited	18,597	1,706,932	2,027,936	2.77
Australia & New Zealand Banking Group Ltd	24,836	1,730,269	2,574,092	3.51
QBE Insurance Group Limited	50,612	1,685,086	1,866,887	2.55
	94,045	5,122,287	6,468,915	8.83
<u>Energy</u>				
Origin Energy Ltd	26,178	1,120,333	837,502	1.14
Whitehaven Coal Limited	216,590	2,101,938	873,052	1.19
	242,768	3,222,271	1,710,554	2.33
<u>Health Care</u>				
Healthscope Ltd	44,416	288,009	384,457	0.52
<u>Industrial</u>				
Qantas Airways Ltd	80,640	367,885	711,692	0.97
Aurizon Holdings Limited	49,205	651,803	675,053	0.92
	129,845	1,019,688	1,386,745	1.89

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Australia Securities</b> (continued)				
<u>Material</u>				
BHP Billiton Ltd	19,024	2,096,237	1,669,823	2.28
Fortescue Metals Group Ltd	62,407	912,980	346,000	0.47
	81,431	3,009,217	2,015,823	2.75
<u>Media-Communication</u>				
Nine Entertainment Co Holdings Ltd	119,540	705,322	713,481	0.97
<u>Oil &amp; Gas</u>				
Woodside Petroleum Ltd	8,530	991,831	832,927	1.14
<b>Total Australia Securities</b>	<b>720,575</b>	<b>14,358,625</b>	<b>13,512,902</b>	<b>18.43</b>
<b>Bermuda Security (Listed in US)</b>				
<u>Financial</u>				
Jardine Matheson Holdings Limited	4,045	776,460	946,394	1.29
<b>Total Bermuda Security (Listed in US)</b>	<b>4,045</b>	<b>776,460</b>	<b>946,394</b>	<b>1.29</b>
<b>Hong Kong Securities</b>				
<u>Banking and Insurance</u>				
Bank of China Ltd	921,400	1,353,298	1,970,976	2.69
BOC Hong Kong Holdings Ltd	63,500	687,196	838,347	1.14
China Construction Bank Corporation	670,000	1,772,920	2,060,231	2.81
Hang Seng Bank Limited	25,900	1,400,967	1,737,526	2.37
Ping An Insurance (Group) Co of China Ltd	14,000	408,362	623,016	0.85
Standard Chartered Plc	25,050	1,443,909	1,526,207	2.08
	1,719,850	7,066,652	8,756,303	11.94

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Hong Kong Securities</b> (continued)				
<u>Consumer Discretionary</u>				
Parkson Retail Group				
Limited	510,500	1,080,915	409,506	0.56
Sands China Ltd	27,600	481,359	423,028	0.58
	538,100	1,562,274	832,534	1.14
<u>Consumer Good</u>				
Belle International Holdings				
Limited	149,000	821,591	642,435	0.88
Dong Feng Motor Group				
Co Ltd	132,000	606,367	784,060	1.07
Li & Fung Limited	264,000	1,348,416	954,234	1.30
	545,000	2,776,374	2,380,729	3.25
<u>Material</u>				
Huabao International				
Holdings Ltd	486,000	1,046,833	1,338,959	1.83
<u>Real Estate</u>				
Longfor Properties Co Ltd				
	156,000	708,803	817,866	1.12
Sino Land Co Ltd				
	119,685	568,407	722,341	0.98
Sun Hung Kai Properties Ltd				
	34,300	1,447,760	1,958,757	2.67
Wharf Holdings Ltd				
	41,000	1,015,847	1,060,077	1.45
	350,985	3,740,817	4,559,041	6.22
<u>Services</u>				
China Merchants Holdings				
(International) Co Ltd	104,205	1,066,846	1,510,089	2.06
<u>Telecommunication</u>				
China Mobile Limited				
	32,500	1,497,402	1,570,432	2.14

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Hong Kong Securities</b> (continued)				
<u>Utilities</u>				
China Resources Power Holdings Co Ltd	122,000	1,007,157	1,133,595	1.55
<b>Total Hong Kong Securities</b>	<b>3,898,640</b>	<b>19,764,355</b>	<b>22,081,682</b>	<b>30.13</b>
<b>Indonesia Securities</b>				
<u>Banking and Insurance</u>				
PT Bank Negara Indonesia Persero TBK	556,900	676,753	1,138,679	1.55
<u>Consumer Staple</u>				
PT Salim Ivomas Pratama TBK	2,266,300	773,079	448,954	0.61
<b>Total Indonesia Securities</b>	<b>2,823,200</b>	<b>1,449,832</b>	<b>1,587,633</b>	<b>2.16</b>
<b>India Securities</b>				
<u>Banking and Insurance</u>				
Housing Development Finance Corp Ltd	17,432	960,966	1,359,810	1.85
<u>Information Technology</u>				
Infosys Technologies Ltd	14,079	1,388,067	1,851,723	2.52
<u>Material</u>				
Sesa Sterlite Ltd	90,884	983,725	1,021,106	1.39
<b>Total India Securities</b>	<b>122,395</b>	<b>3,332,758</b>	<b>4,232,639</b>	<b>5.76</b>

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Phillippines Security</b>				
<u>Telecommunication</u>				
Phillippines Long Distance Telephone Company	2,030	419,661	479,996	0.65
<b>Total Philippines Security</b>	<b>2,030</b>	<b>419,661</b>	<b>479,996</b>	<b>0.65</b>
<b>Republic of Korea Securities</b>				
<u>Banking and Insurance</u>				
Hana Financial Group Inc	17,803	1,867,442	1,708,458	2.33
<u>Consumer Discretionary</u>				
Hyundai Motor Co	3,787	2,277,605	2,129,946	2.90
<u>Energy</u>				
SK Innovation Co Ltd	1,928	786,595	613,944	0.84
<u>Industrial</u>				
LG Corp	3,497	712,831	715,533	0.98
<u>Information Technology</u>				
Samsung Electronics Co Ltd	346	1,398,036	1,664,230	2.27
Samsung Electronics Co Ltd - PFD	563	1,004,633	2,074,678	2.83
	909	2,402,669	3,738,908	5.10
<u>Telecommunication</u>				
KT Corporation	16,342	1,702,788	1,581,891	2.16
<b>Total Republic of Korea Securities</b>	<b>44,266</b>	<b>9,749,930</b>	<b>10,488,680</b>	<b>14.31</b>

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign (continued)</b>				
<b>Singapore Securities</b>				
<u>Banking and Insurance</u>				
DBS Group Holdings Ltd	12,150	456,813	667,514	0.91
<u>Energy</u>				
Noble Group Limited	703,074	1,907,677	1,745,401	2.38
<u>Real Estate</u>				
Capitaland Ltd	55,700	387,688	538,077	0.73
<b>Total Singapore Securities</b>	<b>770,924</b>	<b>2,752,178</b>	<b>2,950,992</b>	<b>4.02</b>
<b>China Securities (Listed in Hong Kong)</b>				
<u>Banking and Insurance</u>				
China Merchants Bank Co Ltd	217,219	1,355,216	1,964,414	2.68
<u>Material</u>				
China Shenhua Energy Company Limited	41,000	553,001	387,618	0.53
<u>Energy</u>				
Petrochina Company Limited	316,900	1,304,380	1,298,269	1.77
<u>Technology</u>				
Tencent Holdings Limited	21,200	1,442,934	1,490,043	2.03
<b>Total China Securities (Listed in Hong Kong)</b>	<b>596,319</b>	<b>4,655,531</b>	<b>5,140,344</b>	<b>7.01</b>

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 31.3.2015	of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Taiwan Securities</b>				
<u>Consumer Staple</u>				
Uni-President Enterprises Corp	139,822	765,551	867,918	1.18
<u>Information Technology</u>				
Compal Electronics Inc	219,000	575,104	675,808	0.92
Hon Hai Precision Industry Co Ltd	124,246	918,383	1,348,185	1.84
Wistron Corporation	125,389	528,777	395,105	0.54
	468,635	2,022,264	2,419,098	3.30
<u>Technology</u>				
Taiwan Semiconductor Manufacturing Co., Ltd	146,000	1,399,200	2,516,446	3.43
<b>Total Taiwan Securities</b>	<b>754,457</b>	<b>4,187,015</b>	<b>5,803,462</b>	<b>7.91</b>

Name of counter	Quantity	Aggregate cost	Fair value as at 31.3.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
<b>Foreign</b> (continued)				
<b>Thailand Securities</b>				
<u>Banking and Insurance</u>				
Bangkok Bank Ltd	48,100	850,868	1,014,476	1.38
<u>Energy</u>				
PTT Exploration and Production PCL	75,300	1,209,458	933,199	1.27
<b>Total Thailand Securities</b>	<b>123,400</b>	<b>2,060,326</b>	<b>1,947,675</b>	<b>2.65</b>
<b>Total Foreign Securities</b>	<b>9,860,251</b>	<b>63,506,671</b>	<b>69,172,399</b>	<b>94.32</b>
<b>TOTAL QUOTED SECURITIES</b>	<u>10,123,351</u>	64,833,596	<u>70,525,903</u>	96.17
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>5,692,307</u>		
<b>FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>70,525,903</u>		



**7. CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
Bank balances	488,666	2,088,461

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

	<b>2016</b>	<b>2015</b>
	<b>RM</b>	<b>RM</b>
AUD	110,867	33,762
HKD	39,580	61,629
INR	51,614	533,524
MYR	88,662	978,236
NZD	80	82
TWD	63,138	138,744
USD	134,725	342,484
	<u>488,666</u>	<u>2,088,461</u>

**8. UNITS IN CIRCULATION**

	<b>2016</b>	<b>2015</b>
	<b>No. of units</b>	<b>No. of units</b>
At the beginning of the financial year	116,062,431	113,954,688
Creation of units arising from applications during the financial year	29,151,314	36,046,629
Cancellation of units during the financial year	<u>(42,063,798)</u>	<u>(33,938,886)</u>
At the end of the financial year	<u>103,149,947</u>	<u>116,062,431</u>

## 9. 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>				
Morgan Stanley Ltd Group	9,444,711	18.86	17,497	14.49
Citigroup Global Markets Group	6,403,478	12.79	17,648	14.61
UBS Securities Group	5,566,371	11.09	17,046	14.12
Merrill Lynch Ltd Group	5,120,765	10.23	13,415	11.11
JP Morgan Securities Group	5,008,850	10.00	9,467	7.84
Macquarie Equities Ltd Group	4,603,051	9.20	9,459	7.83
Goldman Sachs & Co Group	2,874,418	5.74	6,961	5.76
Credit Suisse Equities Ltd Group	2,167,684	4.33	6,853	5.67
CLSA Limited Group	2,136,055	4.27	6,343	5.25
ITG Limited Group	1,774,644	3.54	2,495	2.07
Others	4,984,682	9.95	13,578	11.25
	<u>50,084,709</u>	<u>100.00</u>	<u>120,762</u>	<u>100.00</u>

Name of brokers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2015</u>				
Morgan Stanley Ltd	9,831,248	15.17	19,419	13.46
UBS Securities Pte Ltd	7,419,077	11.45	18,170	12.59
Citigroup Global Markets Inc	7,041,769	10.86	15,448	10.71
Merrill Lynch International Ltd	5,999,005	9.26	14,082	9.76
Credit Suisse	5,618,746	8.67	12,433	8.62
JP Morgan Securities (Asia Pacific) Ltd	4,927,342	7.60	12,687	8.79
Deutsche Bank Securities Corporation	4,645,812	7.17	11,896	8.24
Macquarie Equities Ltd	3,849,974	5.94	9,602	6.65
Goldman Sachs & Co	3,745,899	5.78	9,643	6.68
ITG Hong Kong Ltd	2,741,371	4.23	3,505	2.43
Others	8,998,468	13.87	17,419	12.07
	<u>64,818,711</u>	<u>100.00</u>	<u>144,304</u>	<u>100.00</u>

All brokers highlighted above are not related to the Manager.

**10. MANAGEMENT EXPENSE RATIO ("MER")**

	<b>2016</b>	<b>2015</b>
	%	%
MER	<u>1.84</u>	<u>1.92</u>

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 (inclusive 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 RM67,297,415 (2015: RM61,514,641).

**11. PORTFOLIO TURNOVER RATIO ("PTR")**

	<b>2016</b>	<b>2015</b>
PTR (times)	<u>0.37</u>	<u>0.53</u>

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 = RM22,860,685 (2015: RM32,806,350)

total disposals for the financial year = RM27,379,374 (2015: RM31,954,476)

## 12. 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	1,000	547	1,000	632

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.

## 13. 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 dividend income earned from investments, foreign exchange gains/losses and gains/losses on the appreciation in the value of investments.

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

#### **14. APPROVAL OF FINANCIAL STATEMENTS**

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

## CORPORATE DIRECTORY

### **THE MANAGER**

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

16<sup>th</sup> Floor, Wisma Sime Darby

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### **THE MANAGER'S DELEGATE – EXTERNAL FUND MANAGER FOR EASTSPRING**

### **INVESTMENTS ASIA PACIFIC EQUITY MY FUND**

NAME

EASTSPRING INVESTMENTS (SINGAPORE)  
LIMITED

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199407631H

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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)*

**MANAGER'S DELEGATE - FUND VALUER**

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**MANAGER'S DELEGATE -  
REGISTRAR AND TRANSFER AGENT**

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**COMPANY SECRETARY OF  
THE MANAGER**

NAME

VIJEY A/L R. MOHANA KRISHNAN  
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**TRUSTEE**

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ACCOUNTANT OF THE FUND**

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