



A member of Prudential plc (UK) 

EASTSPRING INVESTMENTS GLOBAL LEADERS MY FUND

ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 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 30 June 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,



Raymond Tang Chee Kin

Non-Independent, Executive Director and Chief Executive Officer

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FUND INFORMATION

Name of Fund

Eastspring Investments Global Leaders MY Fund (“the Fund”)

Fund Category/ Type

Feeder fund (global equity)/growth

Fund Objective

The Fund seeks to maximise long-term total returns (the combination of income* and growth of capital) by investing in the M&G Global Leaders Fund, which in turn invests in a wide range of global equities that are considered to be leading in their field. (If the Manager considers that the M&G Global Leaders Fund is no longer viable, the Manager reserves the right to invest in some other collective investment scheme which the Manager considers is similar to or has the same objective as the M&G Global Leaders Fund.)

Note: The Investment Manager of the M&G Global Leaders Fund has in April 2012 changed the investment objective of the M&G Global Leaders Fund to also allow for investment in global equities of companies which the Investment Manager considers has the potential to be leading in their field. The Investment Manager of M&G Global Leaders Fund made this change in order to explain better the way in which the M&G Global Leaders Fund is managed and to make clearer the key criteria by which the Manager selects leading companies for inclusion in the M&G Global Leaders Fund. The Investment Manager has indicated that there is no change to the way in which the M&G Global Leaders Fund is managed. For this reason, the Manager considers that there has been no material change to the investment objective and strategy of the M&G Global Leaders Fund.

Should the Manager decide to invest in another collective investment scheme other than the M&G Global Leaders Fund for any reason whatsoever, Unit Holders’ approval is required.

* Income distributed to a Unit Holder will be reinvested into additional Units unless Unit Holder opts for the distribution to be paid out.

FUND INFORMATION (CONTINUED)

Performance Benchmark

Morgan Stanley Capital International (MSCI) World Index

Source: www.msci.com

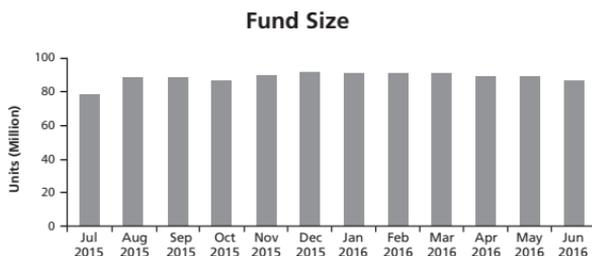
Note: The risk profile of the Fund is different from the risk profile of the performance benchmark.

Fund Income Distribution Policy

Incidental

Breakdown of Unit Holdings by Size

As at 30 June 2016, the size of Eastspring Investments Global Leaders MY Fund stood at 87.248 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	71	4.85	184	0.21
5,001 to 10,000 units	242	16.53	2,245	2.57
10,001 to 50,000 units	942	64.34	20,252	23.22
50,001 to 500,000 units	195	13.32	21,658	24.82
500,001 units and above	14	0.96	42,908	49.18
Total	1,464	100.00	87,247	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	30.6.2016	30.6.2015	30.6.2014
	(%)	(%)	(%)
Collective investment scheme-Foreign	97.40	98.33	98.35
Cash and other assets	2.60	1.67	1.65
Total	100.00	100.00	100.00
Net Asset Value (NAV) (RM'000)	48,023	43,401	52,151
Units In Circulation (Units '000)	87,248	77,243	103,076
Net Asset Value Per Unit (RM)	0.5504	0.5619	0.5060
Highest Net Asset Value Per Unit (RM)	0.6380	0.5814	0.5135
Lowest Net Asset Value Per Unit (RM)	0.4964	0.4478	0.4265
Total Return (%)			
Capital Growth	(2.05)	11.05	19.34
Income Distribution	-	-	-
Total Return (%)	(2.05)	11.05	19.34
Gross Distribution Per Unit (RM)	-	-	-
Net Distribution Per Unit (RM)	-	-	-
Management Expense Ratio (MER) (%)*	0.16	0.22	0.22
Portfolio Turnover Ratio (PTR) (times)^	0.16	0.18	0.17

* 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 1.7.2015 to 30.6.2016	3 years 1.7.2013 to 30.6.2016	5 years 1.7.2011 to 30.6.2016
	(%)	(%)	(%)
Average total return	(2.05)	9.08	8.03

Year ended	1.7.2015 to 30.6.2016	1.7.2014 to 30.6.2015	1.7.2013 to 30.6.2014	1.7.2012 to 30.6.2013	1.7.2011 to 30.6.2012
	(%)	(%)	(%)	(%)	(%)
Annual total return	(2.05)	11.05	19.34	20.49	(5.88)

Source: Lipper for Investment Management, as at 30 June 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 47.21%, underperforming the benchmark return of 78.62% by 31.41%.

During the period under review, the Fund registered a return of -2.05%, underperforming the benchmark return of 3.28% by 5.33%.

The Fund met its investment objective to maximise long-term total returns but underperformed the benchmark for the period under review. The Fund underperformed the benchmark for the period with relative returns held back by portfolio positioning and a timing difference between pricing of the Fund and the index, which had a negative effect.



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

Benchmark: MSCI World Index

Source: Lipper for Investment Management and www.msci.com, as at 30 June 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 30 June 2016:

Income Return	Capital Return*	Total Return	Total Return of Benchmark
(%)	(%)	(%)	(%)
-	(2.05)	(2.05)	3.28

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

1. Collective investment scheme-Foreign
2. Cash and other assets

**Distribution/
Unit Split**

No distribution or unit split were declared for the financial year ended 30 June 2016.

Investment Strategy During Period Under Review

The Target Fund, i.e. the M&G Global Leaders Fund, continued to invest in companies undergoing positive change, leading to improvement in return on capital. Many of these companies tend to have "value" characteristics.

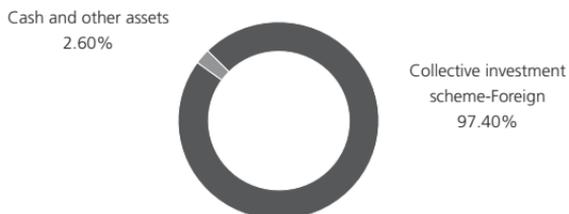
The Target Fund has a cautious outlook on global growth, and is also concentrating on finding companies that have the management and the culture to navigate through a period of subdued economic activity. Japan remains the Target Fund's most significant overweight position. Valuations are still attractive, but the Target Fund Manager is cognisant that government initiatives and reforms to stimulate economic growth need to be followed through.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2016	30-Jun 2015	Changes
	(%)	(%)	(%)
Collective investment scheme-Foreign	97.40	98.33	(0.93)
Cash and other assets	2.60	1.67	0.93

Asset Allocation as at 30 June 2016



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

MANAGER'S REPORT (CONTINUED)

State of Affairs of the Fund

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

However, in the Eastspring Investments Supplementary Master Prospectus dated 13 May 2016, the principal risks of the Fund has been revised to include counterparty risk as disclosed in (a) below, while inclusion of information in relation to the pricing adjustment policy and dilution policy for the Fund has been made in place as set out in (b) below:

a. Counterparty risk

The Investment Manager will place transactions, hold positions and place cash on deposit with a range of counterparties (institutions). There is a risk that counterparties may default on their obligations or become insolvent which could adversely affect the net asset value of the Target Fund.

b. PRICING ADJUSTMENT POLICY AND DILUTION POLICY

Eastspring Investments Global Leaders MY Fund

The target fund relating to Eastspring Investments Global Leaders MY Fund namely M&G Global Leaders Fund ("Target Fund"), has a dilution policy in place.

When the policy is adopted, it will affect the Net Asset Value ("NAV") of the Target Fund, which in turn affects the NAV of Eastspring Investments Global Leaders MY Fund.

The dilution policy is a technique designed to protect existing investors from the performance dilution effects they may suffer as a result of transactions by other investors in the Target Fund, by adjusting the NAV accordingly.

Under the dilution policy, large-scale redemptions or subscriptions of Target Fund's units result in transaction costs which must be borne by the remaining investors.

MARKET REVIEW

Stock markets suffered a dismal 3Q2015, beset by increasing concern about an economic slowdown in China, uncertainty over the timing of an increase in US interest rates and growing pessimism over corporate earnings. Sharp falls in August and September meant that most global stock markets are now showing losses for the year to date. The weakness of commodity prices was a major feature over the 3Q2015. Slowing growth in China weighed heavily on the prices of raw materials, many of which fell to multi-year lows. This, in turn, had an adverse effect on commodity-producing countries and companies. The oil price also came under pressure on fear of oversupply.

Having endured a tough third quarter, stock markets rallied sharply in the beginning of 4Q2015. However, as the quarter progressed, share prices lost momentum as disappointing Chinese economic data unnerved investors. On the other hand, the increase in US interest rates by the Federal Reserve, which had been widely signaled, triggered little reaction. Weak commodity prices, especially oil, were once again a feature. Slowing growth in China alongside oversupply is weighing heavily on the prices of raw materials and many are trading at multi-year lows. As a result, the energy sector lagged the broader market index notably. Basic materials underperformed too, but to a lesser extent. Conversely, sectors such as healthcare and technology outperformed. Despite weakness towards the end of 2015, most stock markets ended the quarter higher, led by Japan and the US.

1Q2016 saw a remarkable turnaround in investor sentiment. Following a steep fall in January and the first half of February, stock markets then rallied as the oil price recovered and central banks took further action to boost economic growth. The Target Fund underperformed the Morgan Stanley Capital International All Country (MSCI AC) World Index over the quarter, with stock picking in financials, technology and industrials detracting. Conversely, stock selection in consumer staples and energy added value. No new positions were established in the quarter, although the Target Fund Manager exited a number of holdings and invested the proceeds in better opportunities elsewhere.

Towards the end of June, victory for the 'Leave' side in the UK referendum on membership of the European Union caused shockwaves globally, including a steep decline in the value of sterling. Another notable feature was the continuing strengthening of oil and commodity prices. This provided support for the energy and materials sectors, both of which outperformed the broader market. However, other cyclical sectors, such as financials and technology, lagged the market. On the other hand, defensive sectors were in favour. The Target Fund underperformed the MSCI AC World Index over the 2Q2016, with relative returns held back by portfolio positioning and a timing difference between the pricing of the fund and the index, which had a negative effect. During the quarter, the Target

Fund Manager initiated three holdings, including Cimpres, an online customised printing platform catering to the printing needs of small companies, such as business cards and flyers.

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 GLOBAL LEADERS MY FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS GLOBAL LEADERS MY FUND

We have acted as Trustee for Eastspring Investments Global Leaders MY Fund (the "Fund") for financial year ended 30 June 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

Soon Lai Ching

Senior Manager, Trustee Operations

Maresh Anchan

Head, Trustee Operations

Kuala Lumpur

Date: 16 August 2016

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS GLOBAL LEADERS MY FUND

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastspring Investments Global Leaders MY Fund (the "Fund") on pages 15 to 46, which comprise the statement of financial position as at 30 June 2016 of the Fund, 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 is 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 about 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 30 June 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: 16 August 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	2016	2015
		RM	RM
INVESTMENT (LOSS)/INCOME			
Interest from deposits with licensed financial institutions		41,336	25,291
Net (loss)/gain on financial assets at fair value through profit or loss	6	(1,728,404)	4,439,591
Net foreign currency exchange gain/(loss)		31,533	(50,713)
		<u>(1,655,535)</u>	<u>4,414,169</u>
EXPENSES			
Management fee	3	(23,867)	(15,733)
Trustee fee	4	(35,564)	(31,589)
Audit fee		(7,128)	(6,552)
Tax agent fee		(3,400)	(3,400)
GST charges		(4,263)	(685)
Other expenses		(6,008)	(41,240)
		<u>(80,230)</u>	<u>(99,199)</u>
(LOSS)/PROFIT BEFORE TAXATION		(1,735,765)	4,314,970
TAXATION	5	-	-
(LOSS)/PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE (LOSS)/INCOME		<u>(1,735,765)</u>	<u>4,314,970</u>
(Loss)/Profit after taxation is made up of the following:			
Realised amount		803,306	1,480,648
Unrealised amount		(2,539,071)	2,834,322
		<u>(1,735,765)</u>	<u>4,314,970</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 30 JUNE 2016

	Note	2016	2015
		RM	RM
ASSETS			
Cash and cash equivalents	7	675,694	994,306
Amount due from Manager		812,687	365,999
Financial assets at fair value through profit or loss	6	46,775,276	42,675,673
TOTAL ASSETS		<u>48,263,657</u>	<u>44,035,978</u>
LIABILITIES			
Other payables and accruals		32,218	40,009
Amount due to Manager		203,909	590,492
Accrued management fee		1,161	1,493
Amount due to Trustee		2,911	2,527
GST charges payable		245	241
TOTAL LIABILITIES		<u>240,444</u>	<u>634,762</u>
NET ASSET VALUE OF THE FUND		<u>48,023,213</u>	<u>43,401,216</u>
EQUITY			
Unit holders' capital		29,911,648	23,553,886
Retained earnings		18,111,565	19,847,330
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>48,023,213</u>	<u>43,401,216</u>
NUMBER OF UNITS IN CIRCULATION	8	<u>87,247,935</u>	<u>77,243,471</u>
NET ASSET VALUE PER UNIT (RM)		<u>0.5504</u>	<u>0.5619</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 30 JUNE 2016

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
Balance as at 1 July 2015	23,553,886	19,847,330	43,401,216
Movement in unit holders' contribution:			
Creation of units from applications	31,830,505	-	31,830,505
Cancellation of units	(25,472,743)	-	(25,472,743)
Total comprehensive loss for the financial year	-	(1,735,765)	(1,735,765)
Balance as at 30 June 2016	<u>29,911,648</u>	<u>18,111,565</u>	<u>48,023,213</u>
Balance as at 1 July 2014	36,619,002	15,532,360	52,151,362
Movement in unit holders' contribution:			
Creation of units from applications	13,374,058	-	13,374,058
Cancellation of units	(26,439,174)	-	(26,439,174)
Total comprehensive income for the financial year	-	4,314,970	4,314,970
Balance as at 30 June 2015	<u>23,553,886</u>	<u>19,847,330</u>	<u>43,401,216</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 30 JUNE 2016

	Note	2016	2015
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		5,321,879	16,203,532
Purchase of investments		(11,118,353)	(1,776,684)
Interest received		41,336	25,291
Management fee paid net of rebates		(25,650)	(15,304)
Trustee fee paid		(37,291)	(32,133)
Payment for other fees and expenses		(25,023)	(38,181)
Net realised foreign exchange gain/(loss)		-	(50,713)
Net cash (used in)/generated from operating activities		<u>(5,843,102)</u>	<u>14,315,808</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from units created		31,383,817	13,116,402
Payments for cancellation of units		<u>(25,859,327)</u>	<u>(26,516,282)</u>
Net cash generated from/(used in) financing activities		<u>5,524,490</u>	<u>(13,399,880)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(318,612)	915,928
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>994,306</u>	<u>78,378</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	7	<u>675,694</u>	<u>994,306</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 30 JUNE 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”), under historical cost convention as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with the MFRS and IFRS 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 to the financial statements.

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 July 2017
 - MFRS 107 ‘Statement of Cash Flows – Disclosure Initiative’ (effective from 1 January 2017) introduce an additional disclosure on changes in liabilities arising from financing activities.

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

ii. Financial year beginning on/after 1 July 2018

- 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 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 loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss 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.

- 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.

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

Interest income from short-term deposits is recognised on the accrual basis using the effective interest method.

Realised gain or loss on sale of investments are accounted for as the difference between the net disposal proceeds and the carrying amount of investment, which is determined on a weighted average cost basis for collective investment scheme.

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 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 collective investment scheme 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.

Loan 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 loan and receivables comprise amount due from Manager and cash and cash equivalents, 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 include amount due to Manager, accrued management fee, amount due to Trustee, GST charges payable and other payables and accruals.

ii. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs are expensed in 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', including the effects of currency translation 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.

Collective investment schemes are valued based on the last published net asset value per unit or share of such collective investment schemes or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in such selling price).

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

Loan and receivables and other financial liabilities are subsequently carried at amortised cost using the effective interest 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 carrying amount of the asset is reduced and the amount of the loss is recognised in statement of comprehensive income. If 'loan and receivables' or a 'held-to-maturity investment' 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 balance and 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.

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. 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.

J. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities. 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 information presented herein represents the estimates of fair values as on the statement of financial position date.

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 30 JUNE 2016

1. INFORMATION ON THE FUND

Eastspring Investments Global Leaders MY Fund (the "Fund") was constituted pursuant to the execution of a Deed dated 6 March 2006 (the "Deed"), Master Supplemental Deed dated 12 July 2007, Second Supplemental Master Deed dated 30 November 2009 entered into between Eastspring Investments Berhad (the "Manager") and HSBC (Malaysia) Trustee Berhad ("HSBC Trustee"). The Fund replaced HSBC Trustee with Deutsche Trustees Malaysia Berhad (the "Trustee") effective 1 October 2010. A Supplemental Master Deed was entered into between Eastspring Investments Berhad (the "Manager") and Deutsche Trustees Malaysia Berhad (the "Trustee") on 30 July 2010 to effect the change of trustee from HSBC Trustee to the Trustee, followed by Second Supplemental Master Deed dated 28 January 2011, Third Supplemental Master Deed dated 9 March 2011, Fourth Supplemental Master Deed dated 20 January 2012, Fifth Supplemental Master Deed dated 26 March 2014, Sixth Supplemental Master Deed dated 2 January 2015 and Seventh Supplemental Master Deed dated 11 July 2016 (collectively referred to as the "Deed").

The Fund commenced operations on 23 March 2006 and will continue its operations until terminated by the Manager or the Trustee as provided under Part 12 of the Deed.

The main objective of the Fund seeks to maximise long-term total returns (the combination of income and growth of capital) by investing in the M&G Global Leaders Fund, which in turn invests in a wide range of global equities that are considered to be leading in their field. All investments will be subjected to the SC Guidelines on Unit Trust Funds, the Deed and the objective of the Fund.

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, interest rate risk and foreign exchange/currency risk), liquidity risk, credit 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	Loan and receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Collective investment scheme	6	-	46,775,276	46,775,276
Amount due from Manager		812,687	-	812,687
Cash and cash equivalents	7	675,694	-	675,694
		<u>1,488,381</u>	<u>46,775,276</u>	<u>48,263,657</u>
<u>2015</u>				
Collective investment scheme	6	-	42,675,673	42,675,673
Amount due from Manager		365,999	-	365,999
Cash and cash equivalents	7	994,306	-	994,306
		<u>1,360,305</u>	<u>42,675,673</u>	<u>44,035,978</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. The Underlying Fund that is the M&G Global Leaders Fund would generally hold a well-diversified portfolio of securities from different market sectors that the collapse of any one security or any one market sector would not impact too greatly on the value of the M&G Global Leaders Fund.

The table below shows assets of the Fund as at 30 June which are exposed to price risk:

	2016	2015
	RM	RM
Collective investment scheme designated at fair value through profit or loss	<u>46,775,276</u>	<u>42,675,673</u>

The following table summarises the sensitivity of the Fund's net asset value and (loss)/profit after tax to movements in prices of collective investment scheme at the end of the reporting year. The analysis is based on the assumptions that the market price of the collective investment scheme 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 collective investment scheme, having regard to the historical volatility of the prices.

	2016	
% Change in price of financial assets at fair value through profit or loss	Market value	Impact on loss after tax/net asset value
	RM	RM
+5%	49,114,040	2,338,764
-5%	<u>44,436,512</u>	<u>(2,338,764)</u>

	2015	
% Change in price of financial assets at fair value through profit or loss	Market value	Impact on profit after tax/net asset value
	RM	RM
+5%	44,809,457	2,133,784
-5%	<u>40,541,889</u>	<u>(2,133,784)</u>

ii. Interest rate risk

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

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

The Fund's investment in deposit with a licensed financial institution is short-term in nature. Therefore, exposure to interest rate fluctuations is minimal.

iii. Foreign exchange/currency risk

As the Fund may invest its assets in collective investment scheme 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 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 of the Fund:

	Financial assets at fair value through profit or loss	Total
	RM	RM
<u>2016</u>		
Euro	46,775,276	46,775,276
<u>2015</u>		
Euro	42,675,673	42,675,673

The table below summarises the sensitivity of the Fund's financial assets fair value 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 constants. 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 foreign exchange rate	Impact on (loss)/ profit after tax	Impact on net asset value
	%	RM	RM
<u>2016</u>			
Euro	5	2,338,764	2,338,764
<u>2015</u>			
Euro	5	2,133,784	2,133,784

Liquidity risk

Liquidity risk can be defined as the ease with which a security can be sold at or near its fair value depending on the volume traded in the market. If a security encounters a liquidity crunch, the security may need to be sold at a discount to the market fair value of the security. This in turn would depress the NAV and/or growth of the Fund. 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 balance, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
<u>2016</u>			
Amount due to Manager	203,909	-	203,909
Accrued management fee	1,161	-	1,161
Amount due to Trustee	2,911	-	2,911
GST charges payable	245	-	245
Other payables and accruals	-	32,218	32,218
Contractual cash outflows	<u>208,226</u>	<u>32,218</u>	<u>240,444</u>
<u>2015</u>			
Amount due to Manager	590,492	-	590,492
Accrued management fee	1,493	-	1,493
Amount due to Trustee	2,527	-	2,527
GST charges payable	241	-	241
Other payables and accruals	-	40,009	40,009
Contractual cash outflows	<u>594,753</u>	<u>40,009</u>	<u>634,762</u>

Credit risk

Credit risk refers to the ability of an issuer or a counter party to make timely payments of interest, principals and proceeds from realisation of investments.

The credit risk arising from placements of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in 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 risk is minimal as all transactions in collective investment scheme are settled/ paid upon delivery using approved brokers.

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

	Cash and cash equivalents	Amount due from Manager	Total
	RM	RM	RM
<u>2016</u>			
Finance			
- AAA	660,062	-	660,062
- AA1	15,632	-	15,632
Other			
- NR	-	812,687	812,687
	<u>675,694</u>	<u>812,687</u>	<u>1,488,381</u>
<u>2015</u>			
Finance			
- AAA	980,102	-	980,102
- AA1	14,204	-	14,204
Other			
- NR	-	365,999	365,999
	<u>994,306</u>	<u>365,999</u>	<u>1,360,305</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 interest 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 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:				
Collective investment scheme	46,775,276	-	-	46,775,276
<u>2015</u>				
Financial assets at fair value through profit or loss:				
Collective investment scheme	42,675,673	-	-	42,675,673

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

- ii. The carrying value of amount due from Manager, cash and cash equivalents 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 of the net asset value of the Fund accrued and calculated on a daily basis.

For the financial year ended 30 June 2016, management fee is recognised at a rate of 1.75% (2015: 1.75%) per annum on the net asset value of the Fund, calculated on daily basis. As the Fund invests in collective investment scheme, any management fee charged by M&G Global Leaders Fund to the Fund will be fully refunded. The rebate of management fee is 1.75% per annum or RM865,228 (2015: 1.75% or RM789,962) calculated on net asset value of M&G Global Leaders Fund on a daily basis. In accordance with the SC Guidelines in Unit Trust Funds, there is no double charging of management fee to the Fund.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee at a rate not exceeding 0.20% per annum of the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum and a maximum fee of RM350,000 per annum (excluding foreign custodian fees and charges).

For the financial year ended 30 June 2016, Trustee fee is recognised at a rate of 0.07% (2015: 0.07%) per annum on the net asset value of the Fund, calculated on a 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 (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	(1,735,765)	4,314,970
Tax at applicable rate of 24% (2015: 25%)	(416,584)	1,078,743
Tax effects of:		
Investment income exempt from tax	397,328	(1,103,542)
Restriction on tax deductible expenses for Unit Trust Funds	7,439	14,252
Expenses not deductible for tax purposes	11,817	10,547
Taxation	-	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	RM	RM
Designated at fair value through profit or loss:		
Collective investment scheme	<u>46,775,276</u>	<u>42,675,673</u>
Net (loss)/gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	810,667	1,600,977
Change in unrealised fair value (loss)/gain	<u>(1,728,404)</u>	<u>2,838,614</u>
	<u>(1,728,404)</u>	<u>4,439,591</u>

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2016	of net asset value of the Fund
	Units	RM	RM	%

Unit Trust Fund

M&G Global Leaders Fund Class A Euro	<u>625,955</u>	41,491,929	<u>46,775,276</u>	97.40
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**ACCUMULATED
UNREALISED GAIN ON
FINANCIAL ASSETS AT
FAIR VALUE THROUGH
PROFIT OR LOSS**

5,283,347

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

46,775,276

Name of counter	Quantity	Aggregate cost	Fair value	Percentage
			as at 30.6.2015	of net asset value of the Fund
	Units	RM	RM	%
<u>Unit Trust Fund</u>				
M&G Global Leaders Fund Class A Euro	556,538	34,853,255	42,675,673	98.33
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>7,822,418</u>	
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>42,675,673</u>	

The M&G Global Leaders Fund is a global equity fund which invests in select stocks from across the global equities universe that are undergoing positive internal change leading to improvements in return on capital. The aim of the M&G Global Leaders Fund is to maximise long-term total return (the combination of income and growth of capital) by investing in a wide range of global equities issued by companies that the Fund Manager considers to be, or have the potential to be, leading in their field in terms of improving shareholder value.

The investment manager of the M&G Global Leaders Fund is M&G Investment Management Limited (M&G), which is part of the Prudential Group.

7. CASH AND CASH EQUIVALENTS

	2016	2015
	RM	RM
Bank balance with a licensed bank	15,632	14,204
Deposit with a licensed financial institution	660,062	980,102
	<u>675,694</u>	<u>994,306</u>

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

	2016	2015
	%	%
Deposit with a licensed financial institution	<u>3.40</u>	<u>3.80</u>

The deposit has an average maturity of 1 day (2015: 1 day).

8. UNITS IN CIRCULATION

	2016	2015
	RM	RM
At the beginning of the financial year	77,243,471	103,075,766
Creation of units during the financial year	53,318,209	25,402,273
Cancellation of units during the financial year	<u>(43,313,745)</u>	<u>(51,234,568)</u>
At the end of the financial year	<u>87,247,935</u>	<u>77,243,471</u>

9. TRANSACTIONS WITH ISSUER

Details of transactions with the issuer are as follows:

Name of issuer	Value of trades	Percentage of total trades
	RM	%
<u>2016</u>		
CIMB Bank Berhad	282,530,000	94.49
M&G Investment Management Limited	16,474,477	5.51
	<u>299,004,477</u>	<u>100.00</u>
<u>2015</u>		
M&G Investment Management Limited	<u>16,603,570</u>	<u>100.00</u>

M&G Investments Management Limited is part of the Prudential Group whose ultimate holding company, Prudential Plc is listed on both the London and New York Stock Exchange.

There are no brokerage fees charged by the issuer.

10. UNITS HELD BY THE MANAGER

The related party of and its relationship with the Fund are 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	550	1,000	562

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.

11. MANAGEMENT EXPENSE RATIO ("MER")

	2016	2015
	%	%
MER	<u>0.16</u>	<u>0.22</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 RM50,805,225 (2015: RM45,127,394).

12. PORTFOLIO TURNOVER RATIO ("PTR")

	2016	2015
PTR (times)	<u>0.16</u>	<u>0.18</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 = RM11,151,242 (2015: RM1,776,684)

total disposals for the financial year = RM5,323,235 (2015: RM14,826,886)

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 segment derives its income by seeking investments to achieve targeted returns consummate with an acceptable level of risk within the portfolio. These returns consist of interest income and gains 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 16 August 2016.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

REGISTERED OFFICE

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BUSINESS OFFICE

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BOARD OF DIRECTORS OF THE MANAGER

Julian Christopher Vivian Pull

*(Chairman, Non-independent,
non-executive director)*

Iskander Bin Ismail Mohamed Ali

(Independent, non-executive director)

Khoo Chuan Keat

(Independent, non-executive director)

Jackie Chew Pei Pei (Jackie Zhou PeiPei)

(Non-independent, non-executive director)

Raymond Tang Chee Kin

(Non-independent, executive director)

INVESTMENT COMMITTEE OF THE FUND

Ho Yik

(Independent member)

Robert Yap Yen Choon

(Independent member)

Abdul Khalil Bin Abdul Hamid

(Independent member)

Dato' Saiful Bahri Bin Zainuddin

(Independent member)

Raymond Tang Chee Kin

(Non-Independent member)

**AUDIT AND COMPLIANCE
COMMITTEE OF THE MANAGER**

Iskander Bin Ismail Mohamed Ali
(Independent)

Khoo Chuan Keat
(Independent)

Niall Dermot Grady
(Non-independent)

MANAGER'S DELEGATE - FUND VALUER

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COMPANY NO.
312552-W

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**MANAGER'S DELEGATE -
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**COMPANY SECRETARY OF
THE MANAGER**

NAME
VIJAY A/L R. MOHANA KRISHNAN
(BCN/143)

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