



A member of Prudential plc (UK) 

EASTSPRING INVESTMENTS ASEAN AL-ADIIL 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 ASEAN al-Adiil Fund ("the Fund")

Fund Category/ Type

Balanced (Shariah)/growth and income

Fund Objective

The Fund seeks to provide capital appreciation and income* by investing in Shariah-compliant securities in the ASEAN markets.

Note: The Fund's focus is on growth and income.

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

Performance Benchmark

50% Dow Jones Islamic Market Greater (DJIM) ASEAN Index + 50% Maybank 12-month GIA

Source: www.djindexes.com and www.maybank2u.com.my

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

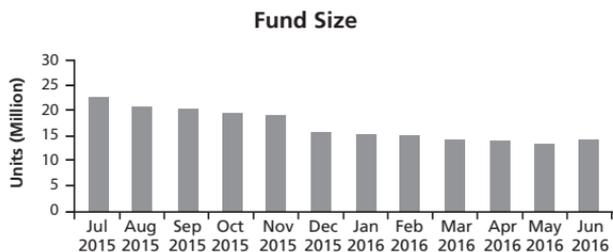
Fund Income Distribution Policy

At least once a year, subject to the availability of income.

FUND INFORMATION (CONTINUED)

Breakdown of Unit Holdings by Size

As at 30 June 2016, the size of Eastspring Investments ASEAN al-Adiil Fund stood at 13.891 million units.



Breakdown of Unit Holdings

Unit Holdings	No. of Unit Holders	%	No of Units* ('000)	%
5,000 units and below	19	22.89	44	0.32
5,001 to 10,000 units	11	13.25	86	0.62
10,001 to 50,000 units	33	39.76	861	6.20
50,001 to 500,000 units	14	16.87	1,650	11.88
500,001 units and above	6	7.23	11,249	80.98
Total	83	100.00	13,890	100.00

* excludes units held by the Manager.

KEY PERFORMANCE DATA

FOR THE FINANCIAL YEAR ENDED

Category	30.6.2016	30.6.2015	Since commencement 28.10.2013 to 30.6.2014
	(%)	(%)	(%)
Quoted Shariah-compliant securities			
Basic Material	2.78	1.61	2.30
Consumer Goods	3.97	-	6.89
Consumer Services	2.27	1.61	7.21
Financial	5.05	5.04	8.19
Health Care	11.23	7.75	3.23
Industrial	16.98	12.02	9.31
Oil and Gas	2.63	3.78	4.03
Power/Utilities	-	4.78	1.26
Technology	-	-	3.82
Telecommunication	9.44	7.46	12.77
Trading/Services	-	-	0.81
Total quoted Shariah-compliant securities	54.35	44.05	59.82
Sukuk	22.85	33.80	32.01
Cash and other assets	22.80	22.15	8.17
Total	100.00	100.00	100.00

KEY PERFORMANCE DATA (CONTINUED)

Category	30.6.2016	30.6.2015	Since
			commencement 28.10.2013 to 30.6.2014
Net Asset Value (NAV) (RM'000)	7,970	13,080	19,359
Units In Circulation (Units '000)	13,891	22,809	37,413
Net Asset Value Per Unit (RM)	0.5737	0.5735	0.5174
Highest Net Asset Value Per Unit (RM) [#]	0.5737	0.5834	0.5240
Lowest Net Asset Value Per Unit (RM) [#]	0.5697	0.5162	0.4964
Total Return (%)			
Capital Growth	0.03	10.84	3.48
Income Distribution	4.63	-	-
Total Return (%)	4.67	10.84	3.48
Gross Distribution Per Unit (RM)	0.0264	-	-
Net Distribution Per Unit (RM)	0.0264	-	-
Management Expense Ratio (MER) (%) [*]	2.42	2.54	1.25
Portfolio Turnover Ratio (PTR) (times) [^]	0.48	1.38	0.82

[#] Figures shown as ex-distribution.

^{*} 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	Since commencement 28.10.2013 to 30.6.2016
	(%)	(%)
Average total return	4.67	7.30

Year ended	1.7.2015 to 30.6.2016	1.7.2014 to 30.6.2015	Since commencement 28.10.2013 to 30.6.2014
	(%)	(%)	(%)
Annual total return	4.67	10.84	3.48

Source: Lipper for Investment Management, as at 30 June 2016.

Bases of calculation and assumptions made in calculating returns:

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

NAV_t = NAV at the end of the period

NAV_0 = NAV at the beginning of the period

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

n = Number of years

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

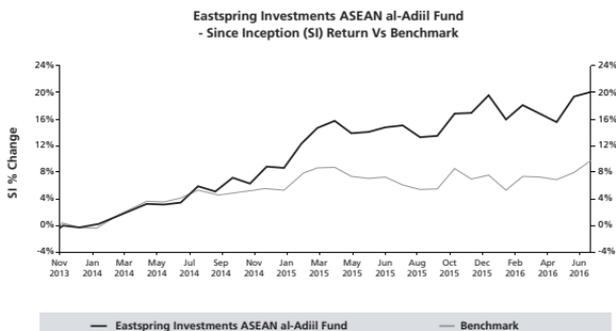
MANAGER'S REPORT

Fund Performance

Since inception, the Fund registered a return of 20.06%, outperforming the benchmark return of 9.73% by 10.33%.

During the period under review, the Fund registered a return of 4.67%, outperforming the benchmark return of 2.28% by 2.39%.

The Fund has met its investment objective to provide capital appreciation and income by investing in Shariah-compliant securities in the ASEAN markets.



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

Benchmark: 50% DJIM ASEAN Index +
50% Maybank 12-month GIA

Source: Lipper for Investment Management,
www.djindexes.com and www.maybank2u.com.my, as at
30 Jun 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
(%)	(%)	(%)	(%)
4.63	0.03	4.67	2.28

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

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

Distribution/
Unit Split

Ex-date	27-Jun-16
Distribution Per Unit	(RM)
Gross	0.0264
Net	0.0264

Impact on NAV arising from distribution for the financial year ended 30 June 2016.

Ex-date	27-Jun-16
	(RM per Unit)
Net Asset Value before distribution	0.5962
Less: distribution	<u>(0.0264)</u>
Net Asset Value after distribution	<u>0.5698</u>

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

MANAGER'S REPORT (CONTINUED)

Investment Strategy During Period Under Review

Shariah-compliant equity exposure was raised to approximately 55% as the Fund Manager turned more positive after a period of weakness previously as the challenges had been priced in. The Fund reduced its overweight in Malaysia market to neutral, maintained underweight positions in Thailand and Singapore whilst overweighting Philippines and Indonesia.

The Fund Manager continues to look for new stock ideas and may take gains on profitable positions and/or exit positions which have seen unfavourable changes to the company dynamics. The Fund Manager favours well managed companies backed by healthy balance sheets and strong cash flow with decent and sustainable earnings growth, preferably trading at attractive valuations.

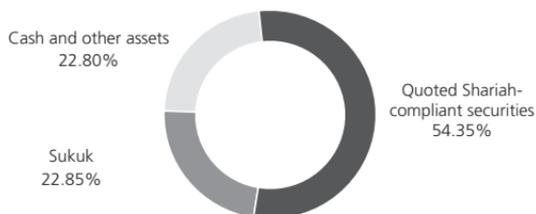
For sukuk, the Fund participated in selected quality issuances for the yield pick-up.

MANAGER'S REPORT (CONTINUED)

Asset Allocation

Asset Allocation	30-Jun 2016	30-Jun 2015	Changes
	(%)	(%)	(%)
Quoted Shariah-compliant securities	54.35	44.05	10.30
Sukuk	22.85	33.80	(10.95)
Cash and other assets	22.80	22.15	0.65

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 information in relation to the 2nd paragraph of the investment strategy for the Fund has been revised as follows:

The Fund also invests in domestic and/or foreign sukuk issued by corporations, financial institutions and governments of ASEAN member countries which are traded in the ASEAN markets or listed on the ASEAN exchanges. Corporations and financial institutions which issue sukuk shall have their business incorporated in ASEAN member countries.

The Fund shall invest in domestic sukuk* which is issued by the corporations and financial institutions shall carry a rating of at least BBB3 or P2 by RAM Rating Services Berhad ("RAM"), or its equivalent rating by any other domestic rating agencies whilst foreign sukuk shall carry a rating of at least BB3 or A-3 by Standard & Poor's or its equivalent rating by any other global rating agencies. However, sukuk issued by governments need not be rated. Should the credit rating of the domestic sukuk be downgraded by the rating agencies to below the minimum credit rating, the Manager may dispose the affected domestic sukuk in the market.

The Fund's investments may also include Islamic liquid assets.

* domestic sukuk refers to the following:

- (a) sukuk that is issued and offered in Malaysia; or
- (b) sukuk that is issued out of Malaysia and offered in Malaysia; and the issuer is domiciled in Malaysia or out of Malaysia.

MARKET REVIEW

During the first half of the period under review, Dow Jones Islamic ASEAN Index gyrated between 4208 and 4719 before ending 2015 at 4531 points as the ASEAN market was impacted by the taper tantrum, which is the speculation regarding the rate hike by US Federal Reserve who eventually increased the key rate by 25bps for the first time since 2006. During the first half of the period under review, the markets experienced net redemptions by foreign investors whilst investors were also digesting the weak outlook on oil prices which generally benefitted the net importers such as Thailand, Indonesia and Philippines whilst Malaysia was hurt. Moreover, the markets have to contend with lacklustre economic outlook, weak commodity prices, high household debt, and weak GDP growth. Sentiments from political environment were not helpful either especially in Malaysia and Thailand whilst Indonesia improved towards end-2015 as the Indonesian Government pushed through various changes, regulatory and political, to spur infrastructure projects in the country.

Between January to June 2016, ASEAN markets showed strong performance especially in relative to its wider regional index. The best performers were led by Thailand and Indonesia, helped by recovering consumer confidence for the former, whilst various rate cuts and positive sentiments regarding tax amnesty program pushed the latter to close strong. Philippines also closed higher in June 2016 on the back of optimistic outlook on the newly inaugurated Duterte administration who promised continuation of progress and infrastructure investment from the previous president. Though Malaysian equities had a decent rally on the back of improving oil prices since the start of the year, and the Government started to roll out major infrastructure projects, the local index showed the weakest growth in ASEAN. Similarly the growth in Singapore equities was not as strong too due to lack of catalysts in the market.

REBATES AND SOFT COMMISSIONS

During the period under review, the Manager and its delegates (if any) received goods and services which directly assist the investment management of the Fund, including research and advisory services, market analyses, data and quotation services, and computer hardware and software used for and/or in support of the investment process of fund managers.

The Manager and its delegates (if any) have not received any rebates or shared any commissions from any brokers during the same period under review.

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EASTSPRING INVESTMENTS ASEAN AL-ADIIL FUND

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

TRUSTEE'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASEAN AL-ADIIL FUND

We have acted as Trustee for Eastspring Investments ASEAN al-Adiil 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.

We are of the view that the distribution made during this financial year ended 30 June 2016 by the Manager is not inconsistent with the objectives of the Fund.

For Deutsche Trustees Malaysia Berhad

Soon Lai Ching

Senior Manager, Trustee Operations

Maresh Anchan

Head, Trustee Operations

Kuala Lumpur

Date: 16 August 2016

SHARIAH ADVISER'S REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASEAN AL-ADIIL FUND

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

In our opinion, Eastspring Investments Berhad has managed and administered Eastspring Investments ASEAN al-Adiil Fund in accordance with Shariah principles and complied with applicable guidelines, rulings and decisions issued by the Securities Commission pertaining to Shariah matters for the financial year ended 30 June 2016.

In addition, we also confirm that the investment portfolio of Eastspring Investments ASEAN al-Adiil Fund comprises securities which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission ("SACSC") and/or the Shariah Supervisory Board of Dow Jones Islamic Market ASEAN Index. As for the securities which are not certified by the SACSC and/or the Shariah Advisory Board of Dow Jones Islamic Market ASEAN Index, we have reviewed the said securities and opine that these securities are designated as Shariah-compliant.

For and on behalf of the Shariah Adviser

IBFIM

AHMAD ZAKIRULLAH BIN MOHAMED SHAARANI

Shariah Advisor/Designated Person Responsible for Shariah Advisory

Kuala Lumpur

Date: 16 August 2016

INDEPENDENT AUDITORS' REPORT TO THE UNIT HOLDERS OF EASTSPRING INVESTMENTS ASEAN AL-ADIIL FUND

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Eastspring Investments Asean al-Adiil Fund (the "Fund") on pages 18 to 66, 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 16 to the financial statements.

Manager's Responsibility for the Financial Statements

The Manager of the Fund is responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines 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 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 INCOME			
Gross dividend income		109,109	206,570
Profit income from Islamic deposits with licensed financial institutions		29,935	77,717
Profit income from unquoted sukuk		143,683	138,473
Net gain on financial assets at fair value through profit or loss	7	351,788	1,373,841
Net foreign currency exchange gain		107,872	90,946
		<u>742,387</u>	<u>1,887,547</u>
EXPENSES			
Custody fee		(1,537)	(2,903)
Management fee	3	(182,370)	(249,736)
Trustee fee	4	(18,000)	(18,000)
Audit fee		(7,500)	(6,500)
Tax agent fee		(3,400)	(3,400)
GST charges		(13,240)	(5,894)
Other expenses		(18,921)	(71,812)
Transaction cost		(22,702)	(104,423)
		<u>(267,670)</u>	<u>(462,668)</u>
PROFIT BEFORE TAXATION		474,717	1,424,879
TAXATION	5	<u>(7,246)</u>	<u>(12,024)</u>
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		<u>467,471</u>	<u>1,412,855</u>
Profit after taxation is made up of the following:			
Realised amount		159,703	1,379,872
Unrealised amount		307,768	32,983
		<u>467,471</u>	<u>1,412,855</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			
CURRENT ASSETS			
Cash and cash equivalents	9	1,855,443	2,942,606
Amount due from Manager		-	50,269
Dividends receivable		7,362	24,539
Financial assets at fair value through profit or loss	7	6,152,951	10,182,995
TOTAL ASSETS		<u>8,015,756</u>	<u>13,200,409</u>
LIABILITIES			
CURRENT LIABILITIES			
Amount due to Manager		503	61,484
Accrued management fee		11,797	20,690
Amount due to Trustee		1,475	1,673
Distribution payable		375	-
GST charges payable		870	1,342
Other payables and accruals		30,717	35,306
TOTAL LIABILITIES		<u>45,737</u>	<u>120,495</u>
NET ASSET VALUE OF THE FUND		<u>7,970,019</u>	<u>13,079,914</u>
EQUITY			
Unit holders' capital		5,555,685	10,782,520
Retained earnings		2,414,334	2,297,394
NET ASSET ATTRIBUTABLE TO UNIT HOLDERS		<u>7,970,019</u>	<u>13,079,914</u>
NUMBER OF UNITS IN CIRCULATION	10	<u>13,891,317</u>	<u>22,808,648</u>
NET ASSET VALUE PER UNIT (EX-DISTRIBUTION) (RM)		<u>0.5737</u>	<u>0.5735</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

	Note	Unit holders' capital	Retained earnings	Total
		RM	RM	RM
Balance as at 1 July 2015		10,782,520	2,297,394	13,079,914
Movement in unit holders' contribution:				
Creation of units from applications		3,676,165	-	3,676,165
Creation of units from distribution		350,156	-	350,156
Cancellation of units		(9,253,156)	-	(9,253,156)
Distribution (Gross: 2.64 sen per unit/ Net: 2.64 sen per unit)	6	-	(350,531)	(350,531)
Total comprehensive income for the financial year		-	467,471	467,471
Balance as at 30 June 2016		5,555,685	2,414,334	7,970,019
Balance as at 1 July 2014		18,474,426	884,539	19,358,965
Movement in unit holders' contribution:				
Creation of units from applications		6,593,837	-	6,593,837
Cancellation of units		(14,285,743)	-	(14,285,743)
Total comprehensive income for the financial year		-	1,412,855	1,412,855
Balance as at 30 June 2015		10,782,520	2,297,394	13,079,914

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 Shariah-compliant investments		7,630,242	24,793,165
Purchase of Shariah-compliant investments		(3,332,860)	(16,203,377)
Dividend received		119,040	211,763
Profit income received from Islamic deposits		29,935	77,717
Profit income received from unquoted sukuk		205,429	214,734
Management fee paid		(191,262)	(260,034)
Trustee's fee paid		(18,197)	(17,785)
Payment for other fees and expenses		(49,659)	(66,386)
Net foreign currency exchange gain		107,872	90,946
Net cash generated from operating activities		<u>4,500,540</u>	<u>8,840,743</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash proceeds from units created		3,726,434	6,547,490
Payments for cancellation of units		(9,314,137)	(14,412,786)
Net cash used in financing activities		<u>(5,587,703)</u>	<u>(7,865,296)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,087,163)	975,447
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>2,942,606</u>	<u>1,967,159</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	<u>1,855,443</u>	<u>2,942,606</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 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 M 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
 - Amendments to 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 contractual cash flow characteristics of the financial asset. Investments in equity instruments¹ are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instruments² is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest³.

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

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

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

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

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

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

- 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.

B. INCOME RECOGNITION

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

Dividend income is recognised on the ex-dividend date, when the right to receive the dividend has been established.

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

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.

Tax on dividend income from foreign quoted Shariah-compliant 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 as the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Fund’s presentation and functional currency.

E. 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 Shariah-compliant investment in quoted Shariah-compliant securities and unquoted sukuk as financial assets at fair value through profit or loss at inception.

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

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and have been included in current assets. The Fund’s receivables comprise amount due from Manager, dividends receivable 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, 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 and 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, including the effect 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.

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

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Quoted Shariah-compliant securities in Malaysia are valued at the last done market price quoted on the Bursa Malaysia Securities Berhad ("Bursa Securities") at the date of the statement of financial position.

Quoted Shariah-compliant securities outside Malaysia are valued at the last traded market price quoted on the respective foreign stock exchanges at the close of the business day.

Unquoted sukuk denominated in Ringgit Malaysia are revalued on a daily basis based on fair value prices quoted by a bond pricing agency (“BPA”) registered with the Securities Commission as per the Securities Commission’s Guidelines on Unit Trust Funds. Refer to Note M to the financial statements for further explanation.

If a valuation based on the market price does not represent the fair value of the Shariah-compliant securities, for example during abnormal market conditions or no market price is available, including in the event of a suspension in the quotation of the Shariah-compliant securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the Shariah-compliant securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

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

iii. Impairment for assets carried at amortised costs

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

The amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective profit rate. The asset’s carrying amount of the asset is reduced and the amount of the loss is recognised in statement of comprehensive income.

If ‘receivables’ or a ‘held-to-maturity investment’ have a variable profit rate, the discount rate for measuring any impairment loss is the current effective profit rate determined under the contract.

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

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

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

G. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise bank balance and Islamic deposit with a licensed financial institution that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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. DISTRIBUTION

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

K. AMOUNT DUE FROM/(TO) BROKERS

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective profit method, less provision for impairment for amount due from brokers. A provision for impairment of amount due from brokers is established when there is objective evidence that the Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, profit income is recognised using the rate of profit used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective profit method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the profit income or profit expense over the relevant period. The effective profit rate is the rate that exactly discounts estimated

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

L. 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 at the date of the statement of financial position.

M. 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.

i. Estimate of fair value of sukuk

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

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

Ringgit denominated unquoted sukuk are valued using fair value prices quoted by a bond pricing agency (BPA). Where the Manager is of the view that the price quoted by BPA for a specific sukuk differs from the market price by more than 20 basis points, the Manager may use the market price, provided that the Manager records its basis for using a non-BPA price, obtains necessary internal approvals to use the non-BPA price, and keeps an audit trail of all decisions and basis for adopting the use of non-BPA price.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. INFORMATION ON THE FUND

Eastspring Investments ASEAN al-Adiil Fund (the “Fund”) was constituted pursuant to the execution of a Deed dated 16 April 2013 (the “Deed”) entered into between Eastspring Investments Berhad (the “Manager”) and Deutsche Trustees Malaysia Berhad (the “Trustee”) followed by Supplemental Deed dated 26 March 2014 and Second Supplemental Deed dated 2 January 2015 (collectively referred to as the “Deed”).

The Fund was launched on 28 October 2013 and will continue its operations until terminated by the Trustee or the Manager as provided under Part 12 of the Deed.

The Fund seeks to achieve its investment objective by investing in Shariah-compliant equities and equity-related securities such as rights and warrants of companies which are listed on the ASEAN exchanges. The Fund also invests in domestic and/or foreign sukuk issued by corporations, financial institutions and governments of ASEAN member countries which are traded in the ASEAN markets or listed on the exchange ASEAN exchanges.

The Fund seeks to provide capital appreciation and income by investing in Shariah-compliant securities in the ASEAN markets.

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, exposure to interest rate risk and foreign exchange/currency risk), liquidity risk, fund management risk, non-compliance risk, capital risk, credit/default risk and reclassification of Shariah status risk.

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

Financial instruments of the Fund are as follows:

	Note	Receivables	Financial assets at fair value through profit or loss	Total
		RM	RM	RM
<u>2016</u>				
Unquoted sukuk	7	-	1,821,394	1,821,394
Quoted Shariah-compliant securities	7	-	4,331,557	4,331,557
Dividends receivable		7,362	-	7,362
Cash and cash equivalents	9	1,855,443	-	1,855,443
		<u>1,862,805</u>	<u>6,152,951</u>	<u>8,015,756</u>
<u>2015</u>				
Unquoted sukuk	7	-	4,421,556	4,421,556
Quoted Shariah-compliant securities	7	-	5,761,439	5,761,439
Amount due from Manager		50,269	-	50,269
Dividends receivable		24,539	-	24,539
Cash and cash equivalents	9	2,942,606	-	2,942,606
		<u>3,017,414</u>	<u>10,182,995</u>	<u>13,200,409</u>

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

Market risk

i. Price risk

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

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

	2016	2015
	RM	RM
Quoted Shariah-compliant securities and unquoted sukuk* designated at fair value through profit or loss	6,152,951	10,182,995

* Includes profit receivables of RM3,942 (2015: RM10,291).

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

% Change in price of financial assets at fair value through profit or loss	Market value	Impact on profit after tax/net asset value
	RM	RM
<u>2016</u>		
+5%	6,460,599	307,648
-5%	5,845,303	(307,648)
<u>2015</u>		
+5%	10,692,145	509,150
-5%	9,673,845	(509,150)

ii. Exposure to interest rate risk

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

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

In general, when interest rates rise, unquoted sukuk valuation will tend to fall and vice versa. Therefore, the NAV of the Fund may also tend to fall when interest rates rise or are expected to rise. However, investors should be aware that should the Fund holds an unquoted sukuk till maturity, such valuation fluctuations would dissipate as it approaches maturity, and thus the growth of the NAV shall not be affected at maturity. In order to mitigate interest rates exposure of the Fund, the Manager will manage the duration of the portfolio via shorter or longer tenured assets depending on the view of the future interest rate trend of the Manager, which is based on its continuous fundamental research and analysis.

Investors should note that the movement in valuation of unquoted sukuk and Islamic money market instruments are benchmarked against interest rates. As such, the investments are exposed to the movement of the interest rates.

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

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

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

The above interest rate is a general economic indicator that will have an impact on the management of the fund regardless whether it is a Shariah-compliant unit

trust fund or otherwise. It does not in any way suggest that the fund will invest in conventional financial instruments. All the investments are carries out for the fund are not in accordance with Shariah requirements.

The table below summarises the sensitivity of the Fund's profit after tax and NAV to movements in prices of unquoted sukuk held by the Fund as a result of movement in interest rate. The analysis is based on the assumptions that the interest rate changed by 1% (2015: 5%) with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the interest rate, having regard to the historical volatility of the interest rate.

	2016	2015
% Change in interest rate	Impact on profit after tax/net asset value	Impact on profit after tax/net asset value
	RM	RM
<u>Unquoted sukuk</u>		
+1% (2015: +5%)	(2,126)	(18,940)
-1% (2015: -5%)	2,129	19,114

iii. Foreign exchange/currency risk

As the Fund may invest its assets in Shariah-compliant 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 Islamic forward or Islamic option contracts for hedging and risk reduction purposes.

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

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Total
	RM	RM	RM	RM
<u>2016</u>				
IDR	1,183,255	-	-	1,183,255
PHP	623,579	-	3,210	626,789
SGD	577,404	-	-	577,404
THB	684,131	6	-	684,137
USD	-	742,974	-	742,974
	<u>3,068,369</u>	<u>742,980</u>	<u>3,210</u>	<u>3,814,559</u>
<u>2015</u>				
IDR	817,679	-	-	817,679
PHP	210,614	-	1,134	211,748
SGD	511,968	-	-	511,968
THB	1,138,222	6	-	1,138,228
USD	-	1,338,358	-	1,338,358
	<u>2,678,483</u>	<u>1,338,364</u>	<u>1,134</u>	<u>4,017,981</u>

The table below summarises the sensitivity of the Fund's financial assets fair value to changes in foreign exchange movements at the end of each 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 in foreign exchange rate	Impact on profit after tax	Impact on net asset value
	%	RM	RM
<u>2016</u>			
IDR	5	59,163	59,163
PHP	5	31,339	31,339
SGD	5	28,870	28,870
THB	5	34,207	34,207
USD	5	37,149	37,149
<u>2015</u>			
IDR	5	40,884	40,884
PHP	5	10,587	10,587
SGD	5	25,598	25,598
THB	5	56,911	56,911
USD	5	66,918	66,918

Liquidity risk

Liquidity risk can be defined as the ease with which a Shariah-compliant security can be sold at or near its fair value depending on the volume traded in the market. If a Shariah-compliant security encounters a liquidity crunch, the Shariah-compliant security may need to be sold at a discount to the market fair value of the Shariah-compliant 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 Islamic liquid assets, after consultation with the Trustee, to meet anticipated payments and cancellations of units by unit holders. Islamic liquid assets comprise cash, Islamic deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

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

	Less than 1 month	Between 1 month to 1 year	Total
	RM	RM	RM
2016			
Amount due to Manager	503	-	503
Accrued management fee	11,797	-	11,797
Amount due to Trustee	1,475	-	1,475
Distribution payable	375	-	375
GST charges payable	870	-	870
Other payables and accruals	-	30,717	30,717
Contractual cash outflows	<u>15,020</u>	<u>30,717</u>	<u>45,737</u>
2015			
Amount due to Manager	61,484	-	61,484
Accrued management fee	20,690	-	20,690
Amount due to Trustee	1,673	-	1,673
GST charges payable	1,342	-	1,342
Other payables and accruals	-	35,306	35,306
Contractual cash outflows	<u>85,189</u>	<u>35,306</u>	<u>120,495</u>

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 holders.

Non-compliance risk

Non-compliance risk arises when the Manager and others associated with the Fund do not comply 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.

Credit/default risk

Credit risk refers to the risk that an issuer or a counter party will default on its contractual obligation resulting in financial loss to the Fund.

The credit risk arising from placements of Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place Islamic 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 Fund seeks to mitigate credit/default risk by investing in high quality sukuk.

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

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Total
	RM	RM	RM	RM
<u>2016</u>				
Finance				
- AAA	-	1,100,097	-	1,100,097
- AA1	-	755,346	-	755,346
Industrial				
- NR	-	-	1,148	1,148
Basic Material				
- NR	-	-	3,210	3,210
Unquoted Sukuk				
- AA2	1,117,116	-	-	1,117,116
- AA3	704,278	-	-	704,278
Health Care				
- NR	-	-	3,004	3,004
	<u>1,821,394</u>	<u>1,855,443</u>	<u>7,362</u>	<u>3,684,199</u>

	Financial assets at fair value through profit or loss	Cash and cash equivalents	Dividends receivable	Amount due from Manager	Total
	RM	RM	RM	RM	RM
<u>2015</u>					
Basic					
Material					
- NR	-	-	1,134	-	1,134
Finance					
- AAA	-	1,587,783	-	-	1,587,783
- AA1	-	1,354,823	-	-	1,354,823
Health Care					
- NR	-	-	1,160	-	1,160
Industrial					
- NR	-	-	2,315	-	2,315
Properties					
- NR	-	-	4,611	-	4,611
Power/ Utilities					
- NR	-	-	10,725	-	10,725
Unquoted					
Sukuk					
- AA1	1,006,083	-	-	-	1,006,083
- AA2	1,144,221	-	-	-	1,144,221
- AA-IS	501,520	-	-	-	501,520
- AA3	1,769,732	-	-	-	1,769,732
Trading/ Services					
- NR	-	-	4,594	-	4,594
Other					
- NR	-	-	-	50,269	50,269
	<u>4,421,556</u>	<u>2,942,606</u>	<u>24,539</u>	<u>50,269</u>	<u>7,438,970</u>

None of these assets are past due or impaired.

Reclassification of Shariah status risk

This risk refers to the risk that the currently held Shariah-compliant securities in the portfolio of Shariah-compliant fund may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission, the Shariah Adviser or the Shariah Boards of the relevant Islamic Indices. If this occurs, Manager will take the necessary steps to dispose of such securities.

Fair value estimation

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

The fair value of financial assets traded in active market (such as trading Shariah-compliant securities) are based on quoted market prices at the close of trading on the year end date. The Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Fund Manager will determine the point within the bid-ask spread that is representative of the fair value.

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

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

Fair value hierarchy

- i. The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:
- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
 - Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
 - Level 3: Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund's financial assets (by class) measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
<u>2016</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	4,331,557	-	-	4,331,557
Unquoted sukuk	-	1,821,394	-	1,821,394
<u>2015</u>				
Financial assets at fair value through profit or loss:				
Quoted Shariah-compliant securities	5,761,439	-	-	5,761,439
Unquoted sukuk	-	4,421,556	-	4,421,556

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

Financial instruments that trade in markets that are considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2, these include unquoted sukuk. As Level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. The Fund's policies on valuation of these financial assets are stated in Note F to the financial statements.

- ii. The carrying value of dividends receivable, 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 of not exceeding 2.00% per annum of the net asset value of the Fund accrued and calculated on daily basis.

For the financial year ended 30 June 2016, the management fee is recognised at a rate of 1.80% (2015:1.80%) per annum of the net asset value of the Fund, calculated at a daily basis.

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

4. TRUSTEE FEE

In accordance with the Deed, the Trustee is entitled to an annual fee, inclusive of local custodian 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.

For the financial year ended 30 June 2016, the Trustee fee is recognised at a rate of 0.08% (2015: 0.08%) per annum on the net asset value of the Fund, subject to a minimum fee of RM18,000 per annum, excluding foreign custodian 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	7,246	12,024

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

	2016	2015
	RM	RM
Profit before taxation	474,717	1,424,879
Tax at Malaysian statutory rate of 24% (2015: 25%)	113,932	356,220
Tax effects of:		
Investment income exempt from tax	(178,173)	(471,887)
Expenses not deductible for tax purposes	18,672	41,304
Restriction on tax deductible expenses for Unit Trust Funds	45,569	74,363
Income subject to different tax rate	7,246	12,024
Taxation	7,246	12,024

6. DISTRIBUTION

	2016
	RM
Distribution to unit holders is from the following sources:	
Current and prior year realised income:	
Dividend income	94,662
Profit income	124,172
Net amortisation of premium	(10,439)
Net realised gain on sale of investments	<u>345,256</u>
Gross realised income	553,651
Less: Expenses	<u>(203,120)</u>
	<u>350,531</u>
Gross distribution per unit (RM)	<u>0.0264</u>
Net distribution per unit (RM)	<u>0.0264</u>
Ex-date	<u>27 June 2016</u>

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

The distribution is made from current and prior year's realised income.

There was no distribution made in the previous financial year.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
	RM	RM
Designated at fair value through profit or loss:		
Quoted Shariah-compliant securities (Note 7(a))	4,331,557	5,761,439
Unquoted sukuk (Note 7 (b))	1,821,394	4,421,556
	<u>6,152,951</u>	<u>10,182,995</u>
Net gain on financial assets at fair value through profit or loss:		
Realised gain on disposals	43,908	1,340,804
Change in unrealised fair value gain	307,880	33,037
	<u>351,788</u>	<u>1,373,841</u>

i. Quoted Shariah-compliant securities

Name of counter	Quantity	Aggregate cost	Fair value	Percentage of net asset value of the Fund
			as at 30.6.2016	
	Units	RM	RM	%
Indonesia Securities				
<u>Consumer Goods</u>				
Indofood CBP Sukses Makmur PT TBK	31,600	120,552	165,797	2.08
Nippon Indosari Corpindo PT TBK	312,900	137,049	150,589	1.89
	<u>344,500</u>	<u>257,601</u>	<u>316,386</u>	<u>3.97</u>
<u>Industrial</u>				
Arwana Citramulia PT TBK	1,345,100	212,153	249,928	3.14
Indocement Tunggal Prakarsa PT TBK	32,500	164,046	167,054	2.10
	<u>1,377,600</u>	<u>376,199</u>	<u>416,982</u>	<u>5.24</u>

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Indonesia Securities				
(continued)				
<u>Telecommunication</u>				
Telekomunikasi Indonesia				
TBK PT	371,100	311,347	449,887	5.64
Total Indonesia Securities	2,093,200	945,147	1,183,255	14.85
Malaysia Securities				
<u>Consumer Services</u>				
Berjaya Auto Berhad				
	78,120	131,799	181,238	2.27
<u>Health Care</u>				
IHH Healthcare Berhad				
	37,400	219,164	246,840	3.10
Kossan Rubber Industries Berhad				
	13,800	84,036	94,530	1.19
KPJ Healthcare Berhad				
	54,700	232,980	231,381	2.90
	105,900	536,180	572,751	7.19
<u>Industrial</u>				
Inari Amertron Berhad				
	79,912	165,270	237,339	2.98
MY E.G. Services Berhad				
	138,000	180,806	271,860	3.41
	217,912	346,076	509,199	6.39
Total Malaysia Securities	401,932	1,014,055	1,263,188	15.85

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Philippines Securities				
<u>Basic Material</u>				
D&L Industries Inc	259,400	117,336	221,428	2.78
<u>Financial</u>				
Ayala Land Inc	121,300	357,358	402,151	5.05
Total Philippines Securities	380,700	474,694	623,579	7.83
Singapore Securities				
<u>Industrial</u>				
Singapore Post Ltd	62,500	279,444	274,780	3.45
<u>Telecommunication</u>				
Singapore Telecommunications Limited	24,500	244,974	302,624	3.80
Total Singapore Securities	87,000	524,418	577,404	7.25

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
Thailand Securities				
<u>Health Care</u>				
Bangkok Dusit Medical Services Public Company Limited	117,800	231,117	322,574	4.04
<u>Industrial</u>				
Airports of Thailand Public Company Limited	3,400	112,495	151,925	1.90
<u>Oil & Gas</u>				
Energy Absolute Public Company Limited	85,900	208,238	209,632	2.63
Total Thailand Securities	207,100	551,850	684,131	8.57
TOTAL QUOTED SHARIAH -COMPLIANT SECURITIES	3,169,932	3,510,164	4,331,557	54.35
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		821,393		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		4,331,557		

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
Indonesia Securities				
<u>Financial</u>				
Bumi Serpong Damai TBK PT	282,400	142,671	133,465	1.02
<u>Industrial</u>				
AKR Corporindo TBK PT	183,000	236,624	306,850	2.35
<u>Telecommunication</u>				
Telekomunikasi Indonesia TBK PT	455,100	353,080	377,364	2.89
Total Indonesia Securities	920,500	732,375	817,679	6.26
Malaysia Securities				
<u>Consumer Services</u>				
Berjaya Auto Berhad	78,120	131,799	210,924	1.61
<u>Finance</u>				
Syarikat Takaful Malaysia Berhad	50,000	113,328	190,000	1.45
<u>Financial</u>				
Matrix Concepts Holdings Berhad	108,500	314,987	336,350	2.57
<u>Health Care</u>				
IHH Healthcare Berhad	37,400	219,164	211,684	1.62
KPJ Healthcare Berhad	66,300	282,621	279,786	2.14
	103,700	501,785	491,470	3.76

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
Malaysia Securities				
(continued)				
<u>Industrial</u>				
MY E.G Services Berhad	69,000	180,806	191,820	1.47
Coastal Contracts Berhad	61,000	178,651	167,140	1.28
Inari Amertron Berhad	110,250	285,015	358,313	2.74
Inari Amertron Berhad - Warrant	12,250	-	16,783	0.13
	252,500	644,472	734,056	5.62
<u>Oil & Gas</u>				
Sapurakencana Petroleum Berhad	53,000	144,690	125,080	0.96
UMW Oil & Gas Corporation Berhad	91,800	220,346	156,978	1.20
Barakah Offshore Petroleum	229,700	203,360	212,473	1.62
	374,500	568,396	494,531	3.78
<u>Power/Utilities</u>				
Malakoff Corporation Berhad	357,500	643,500	625,625	4.78
Total Malaysia Securities	1,324,820	2,918,267	3,082,956	23.57
Philippines Security				
<u>Basic Material</u>				
D&L Industries Inc	129,700	117,335	210,614	1.61
Total Philippines Security	129,700	117,335	210,614	1.61

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
Singapore Securities				
<u>Industrial</u>				
Singapore Post Ltd	42,000	191,619	222,987	1.70
<u>Telecommunication</u>				
Singapore Telecommunications Ltd	24,500	244,974	288,981	2.21
Total Singapore Securities	66,500	436,593	511,968	3.91
Thailand Securities				
<u>Health Care</u>				
Bangkok Dusit Medical Services PCL	237,600	466,158	522,425	3.99
<u>Industrial</u>				
Airports of Thailand Plc	9,100	297,978	307,748	2.35

i. Quoted Shariah-compliant securities (continued)

Name of counter	Quantity	Aggregate cost	Fair value as at 30.6.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
Thailand Securities				
(continued)				
<u>Telecommunication</u>				
Advanced Info Services Pcl	11,500	273,318	308,049	2.36
Total Thailand Securities	258,200	1,037,454	1,138,222	8.70
TOTAL QUOTED SHARIAH -COMPLIANT SECURITIES				
	<u>2,699,720</u>	5,242,024	<u>5,761,439</u>	44.05
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>519,415</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
		<u>5,761,439</u>		

ii. Unquoted sukuk

Name of counter	Quantity	Carrying cost	Fair value as at 30.6.2016	Percentage of net asset value of the Fund
	Units	RM	RM	%
8.20% Mukah Power Generation Sdn Berhad 27.12.2019 (AA2)	1,000,000	1,115,007	1,117,116	14.02
4.60% Perbadanan Kemajuan Negeri Selangor 25.05.2018 (AA3)	700,000	703,731	704,278	8.83
TOTAL UNQUOTED SUKUK	<u>1,700,000</u>	1,818,738	<u>1,821,394</u>	22.85
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>2,656</u>		
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>1,821,394</u>		

ii. Unquoted sukuk (continued)

Name of counter	Quantity	Carrying cost	Fair value as at 30.6.2015	Percentage of net asset value of the Fund
	Units	RM	RM	%
5.75% BGSM Management Sdn Berhad 28.12.2015 (AA3)	1,200,000	1,210,240	1,210,458	9.25
8.50% Jimah Energy Ventures Sdn Berhad 11.5.2018 (AA3)	500,000	559,151	559,274	4.28
4.30% Malakoff Power Berhad 17.12.2015 (AA-IS)	500,000	501,097	501,520	3.83
8.20% Mukah Power Generation Sdn Berhad 27.12.2019 (AA2)	1,000,000	1,144,188	1,144,221	8.75
4.75% Public Islamic Bank Berhad 10.06.2019 (AA1)	1,000,000	1,010,126	1,006,083	7.69
TOTAL UNQUOTED SUKUK	<u>4,200,000</u>	<u>4,424,802</u>	<u>4,421,556</u>	<u>33.80</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>(3,246)</u>	
FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			<u>4,421,556</u>	

ii. Unquoted sukuk (continued)

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

	2016	2015
	%	%
Unquoted sukuk	4.55	4.57

8. SHARIAH INFORMATION OF THE FUND

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

- a. Equity securities listed in Bursa Malaysia which have been classified as Shariah-compliant by the Shariah Advisory Council of the Securities Commission;
- b. Equity securities in foreign markets which have been classified as Shariah-compliant either by the Shariah Supervisory Board of Dow Jones Islamic Market ASEAN Index and duly verified by the Shariah Adviser and/or those securities which have been reviewed and classified as Shariah-compliant by the Shariah Adviser;
- c. The investments in sukuk are as per the list of sukuk available at Bond Info Hub and Fully Automated System For Issuing/Tendering of Bank Negara Malaysia; and
- d. Liquid assets in local market, which are placed in Shariah-compliant investments and/or instruments.

9. CASH AND CASH EQUIVALENTS

	2016	2015
	RM	RM
Bank balance with a licensed bank	755,346	1,354,823
Islamic deposit with a licensed financial institution	1,100,097	1,587,783
	<u>1,855,443</u>	<u>2,942,606</u>

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

MYR	1,112,463	1,604,242
USD	742,974	1,338,358
THB	6	6
	<u>1,855,443</u>	<u>2,942,606</u>

The effective weighted average profit rate of short term Islamic deposits per annum as at the date of the statement of financial position are as follows:

	2016	2015
	%	%
Islamic deposit with a licensed financial institution	<u>3.20</u>	<u>3.66</u>

The Islamic deposit has an average maturity of 1 day (2015: 13 day).

10. UNITS IN CIRCULATION

	2016	2015
	No. of units	No. of units
At the beginning of the financial year	22,808,648	37,413,238
Creation of units during the financial year:		
Arising from applications	6,277,849	11,616,512
Arising from distribution	614,525	-
Cancellation of units during the financial year	<u>(15,809,705)</u>	<u>(26,221,102)</u>
At the end of the financial year	<u>13,891,317</u>	<u>22,808,648</u>

11. TRANSACTIONS WITH BROKERS/DEALERS

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

Name of brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
<u>2016</u>				
CIMB Islamic Bank Berhad	164,970,000	91.39	-	-
Bank Islam Malaysia Berhad	3,300,000	1.82	-	-
Malayan Banking Berhad	2,630,610	1.46	2,098	13.61
CIMB Investment Bank Berhad	1,618,313	0.90	4,046	26.25
Hong Leong Bank Berhad	1,504,575	0.83	-	-
Macquarie Securities Limited	1,329,340	0.74	1,868	12.12
Morgan Stanley & Co International	939,148	0.52	1,132	7.35
AmBank (M) Berhad	700,658	0.39	-	-
Hong Leong Islamic Bank Berhad	670,000	0.37	-	-
Citigroup Global Markets Limited	588,761	0.33	294	1.91
Credit Suisse (Hong Kong) Limited	555,957	0.31	1,847	11.98
RHB Investment Bank Berhad	539,950	0.30	-	-
Deutsche Securities Asia Limited	422,969	0.23	1,480	9.60
Others	740,351	0.41	2,647	17.18
	180,510,632	100.00	15,412	100.00

Name of brokers/dealers	Value of trades	Percentage of total trades	Brokerage fees	Percentage of total brokerage fees
	RM	%	RM	%
2015				
CIMB Islamic Bank Berhad	192,740,000	70.19	-	-
RHB Islamic Bank Berhad	34,290,000	12.49	-	-
Malayan Banking Berhad	9,083,893	3.31	17,176	16.17
RHB Investment Bank Berhad	4,070,358	1.48	-	-
Bank Islam Malaysia Berhad	4,070,000	1.48	-	-
CIMB Investment Bank Berhad	3,978,175	1.45	15,020	14.14
CLSA Limited	3,617,721	1.32	12,235	11.52
Credit Suisse (Hong Kong) Limited	3,293,982	1.20	9,282	8.74
Deutsche Securities Asia Limited	2,970,319	1.08	6,643	6.26
Morgan Stanley & Co International	2,788,059	1.02	7,693	7.24
Hong Leong Investment Bank Berhad	2,155,400	0.78	-	-
Hong Leong Bank Berhad	1,701,150	0.62	-	-
UBS Securities Singapore Pte Ltd	1,662,060	0.61	8,655	8.15
Others	8,191,267	2.97	29,497	27.78
	274,612,384	100.00	106,201	100.00

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

12. 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	1,046	600	1,000	574

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. MANAGEMENT EXPENSE RATIO ("MER")

	2016	2015
	%	%
MER	2.42	2.54

MER is derived from the following calculation:

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

A = Management fee

B = Trustee fee

C = Audit fee

D = Tax agent fee

E = Other expenses (including GST charges)

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

The average net asset value of the Fund for the financial year calculated on a daily basis is RM10,131,052 (2015:RM13,873,474).

14. PORTFOLIO TURNOVER RATIO ("PTR")

	2016	2015
PTR (times)	0.48	1.38

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 = RM3,325,274 (2015: RM15,951,070)

total disposals for the financial year = RM6,430,242 (2015: RM 22,293,165)

15. SEGMENTAL INFORMATION

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

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

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

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue by the Manager on 16 August 2016.

CORPORATE DIRECTORY

THE MANAGER

NAME

EASTSPRING INVESTMENTS BERHAD

COMPANY NO.

531241-U

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

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**COMPANY SECRETARY OF
THE MANAGER**

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

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TRUSTEE

NAME

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SHARIAH ADVISER

NAME

IBFIM

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**TAXATION ADVISER OF
THE FUND**

NAME

PRICEWATERHOUSECOOPERS
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AUDITORS OF THE MANAGER

NAME

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**AUDITORS AND REPORTING
ACCOUNTANT OF THE FUND**

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PRINCIPAL BANKERS

NAME

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NAME

MALAYAN BANKING BERHAD

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